

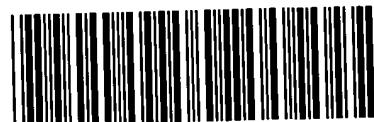
Mears Community Care Agency Limited

Directors' Report and Financial Statements

For the year ended 30 September 2016

Registered number 03485601

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Company Information

Directors

Mears Group PLC
A C M Smith

Secretary

B R Westran

Auditor

Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

Bankers

HSBC Bank PLC
Level 4
3 Temple Quay
Bristol
BS1 6DZ

Barclays Bank PLC
4th Floor Bridgewater House
Counterslip
Finzels Reach
Bristol
BS1 6BX

Registered Office

1390 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester
GL3 4AH

Registered number

03485601

Directors' Report

The directors present their annual report and Financial Statements for the year ended 30 September 2016.

Principal activity

On 1 October 2015, the trade and assets of the Company were transferred to Mears Homecare Limited. The Company is now dormant and is expected to remain so for the foreseeable future.

Business review

The Company did not trade during the period and therefore made neither a profit or a loss.

The Company has not presented a Strategic Report in these Financial Statements due to the small company's exemption available to it.

Directors

The directors who served during the year or held office at the date of authorisation of the accounts were as follows:

Mears Group PLC
A C M Smith

Employees

It is group policy to give fair consideration to the employment needs of disabled people to comply with current legislation with regard to disabled persons and, wherever practicable, to continue to employ and promote the careers of existing employees, who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitude and abilities.

Management regularly visit local offices and discuss matters of current interest and concern to the business with members of staff.

Management have developed a series on internal communications tools, including e-mail notices, newsletters and 'cascade' briefings in order to keep employees informed regarding the progress, financial position and commercial issues of the group.

Political and charitable donations

The company made no political or charitable donations during the year (2015: £nil).

Statement on payment of suppliers

The company does not follow a specific code or statement on payment practice. However, it is the company's policy to pay its suppliers in accordance with the payment terms agreed at the outset of the relationship providing the supplier adheres to its obligations. The significant expenses incurred by the company relate to staff costs therefore disclosure of the number of billing days outstanding to suppliers by the company is not relevant.

Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

Directors' Report (continued)

Directors' responsibilities (continued)

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern consideration

Mears Group PLC, the parent company, has a centralised treasury arrangement and so shares banking arrangements with its subsidiaries. After making enquiries, the Directors believe that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, and they have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with s489 of the Companies Act 2006.

By order of the board



B R Westran
Company Secretary

22 June 2017

1390 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester
GL3 4AH

Independent Auditor's Report to the members of Mears Community Care Agency Limited

We have audited the financial statements of Mears Community Care Agency Limited for the year ended 30 September 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

**Independent Auditor's Report to the members of Mears Community
Care Agency Limited (continued)**



Richard Hagley
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 June 2017

Profit and Loss Account

for the year ended 30 September 2016

	Note	2016 £000	2015 £000
Turnover	2	—	596
Cost of sales		—	(745)
		<hr/>	<hr/>
Gross loss		—	(149)
Administrative expenses (excluding exceptional items)		—	(218)
		<hr/>	<hr/>
Operating loss before exceptional items		—	(367)
Exceptional items	3	—	(276)
Operating loss		—	(643)
Interest receivable and similar income	4	—	36
		<hr/>	<hr/>
Loss on ordinary activities before taxation	7	—	(607)
Tax on loss on ordinary activities	8	—	—
		<hr/>	<hr/>
Loss for the financial year		—	(607)
		<hr/>	<hr/>

The company has no recognised gains or losses other than the result for the above year.

The notes on pages 9 to 15 form part of these Financial Statements.

Balance Sheet
as at 30 September 2016

	<i>Note</i>	2016 £000	£000	2015 £000	£000
Fixed assets					
Intangible assets	9		—		27
Tangible assets	10		—		14
			<hr/>		<hr/>
			—		41
Current assets					
Debtors	11	623		654	
Creditors: amounts falling due within one year	12	—		(72)	
		<hr/>		<hr/>	
Net current assets			623		582
			<hr/>		<hr/>
Net assets			623		623
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15		—		—
Profit and loss account			623		623
			<hr/>		<hr/>
Shareholders' funds			623		623
			<hr/>		<hr/>

The notes on pages 9 to 15 form part of these Financial Statements.

These Financial Statements were approved by the board of directors on 22 June 2017 and were signed on its behalf by:



.....
A C M Smith
Director

Statement of Changes in Equity

	Share capital £000	Profit and loss account £000	Total £000
At 1 October 2014	–	1,230	1,230
Loss for the year	–	(607)	(607)
At 30 September 2015	–	623	623

	Share capital £	Profit and loss account £	Total £
At 1 October 2015	–	623	623
Loss for the year	–	–	–
At 30 September 2016	–	623	623

Notes to the Financial Statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Statement of compliance

Mears Community Care Agency Limited is a limited liability company incorporated in the United Kingdom. its registered office address is 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 30 September 2016.

The Company transitioned from the previously extant UK GAAP to FRS 102 as at 1 October 2014. An explanation of how the transition to FRS 102 has affected the reported position and financial performance is given in the Notes to the accounts.

Basis of accounting

The financial statements of Mears Community Care Agency Limited have been prepared in accordance with applicable accounting standards, including FRS 102, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for any modification to a fair value basis for certain financial instruments specified in the accounting policies below. The financial statements are presented in Sterling (£).

Summary of disclosure exemptions

The Company has taken advantage of the reduced disclosures for subsidiary entities provided for in FRS 102 and has therefore not provided a Statement of Cash Flows or certain disclosures in respect of share based payments. The Company has also taken advantage of the exemption from disclosing key management personnel compensation.

Name of parent group

These financial statements are consolidated in the financial statements of Mears Group PLC.

The financial statements of Mears Group PLC may be obtained from The Company Secretary, Mears Group PLC, 1390 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH.

Goodwill

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life. The period of amortisation is assessed on an acquisition by acquisition basis and is set based on the expected period that the assets acquired will contribute to the Company's results. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable. The rate applicable to goodwill currently included in the balance sheet is 5% per annum.

Fixed assets

Depreciation is provided to write off the cost, less estimated residual values, of fixed assets by equal instalments over their estimated useful economic lives as follows:

Furniture, fittings and office equipment 3 to 10 years

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the loss for the year and takes into account deferred taxation.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered managed funds. Contributions to defined contribution personal pension schemes are charged to the profit and loss account in the year in which they become payable.

Leasing

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

2 Turnover

Turnover represents sales and services to third party customers in the health and social care sector, stated net of any applicable value added tax. Turnover is recognised when services are provided.

3 Exceptional items

Exceptional items in the prior period include £276,000 of fair value adjustments following the acquisition of the company by Mears Group PLC on 29 May 2015.

A full review of the balance sheet was undertaken. Items deemed to be irrecoverable were expensed to the profit and loss account and certain costs were accrued. This is summarised as follows:

	2016 £000	2015 £000
Intangible assets	-	(220)
Raw materials and consumables	-	(3)
Other debtors	-	(4)
Prepayments and accrued income	-	(8)
Accruals and deferred income	-	(41)
	<hr/> -	<hr/> (276)

Notes to the Financial Statements (continued)

4 Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable on inter group loans	–	36
	<u>–</u>	<u>36</u>

5 Directors' emoluments

No director received any remuneration from the Company. Directors were remunerated through other Group companies.

6 Staff numbers and cost

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2016	2015
Care & administration staff	–	36
Management & administration	–	2
	<u>–</u>	<u>2</u>

The average number of persons employed by the company includes both full time and part time equivalents.

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	–	624
Social security costs	–	46
Other pension costs	–	4
	<u>–</u>	<u>674</u>

7 Loss on ordinary activities before taxation

	2016 £000	2015 £000
Loss on ordinary activities before taxation is stated after charging		
Depreciation of owned fixed assets	–	3
Goodwill amortisation	–	33
Rentals payable under operating leases:		
Land and buildings	–	3
	<u>–</u>	<u>3</u>

Auditor's remuneration of £5,000 (2015: £3,000) was borne by the ultimate parent company in both financial years.

Notes to the Financial Statements *(continued)*

8 Taxation

	2016 £000	2015 £000
UK corporation tax at 20% (2015: 20.5%)	–	–
Adjustments in respect of prior periods	–	–
	<hr/>	<hr/>
	–	–
Deferred tax:		
Origination and reversal of timing differences	–	–
	<hr/>	<hr/>
Tax on profit on ordinary activities	–	–
	<hr/> <hr/>	<hr/> <hr/>

Current tax reconciliation

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2016 £000	2015 £000
Loss on ordinary activities before tax	–	(607)
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax 20% (2015: 20.5%)	–	(124)
Effects of:		
Goodwill amortisation	–	52
Group relief	–	72
	<hr/>	<hr/>
Current tax (credit)/charge for year	–	–
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future tax changes

The reduction in the UK corporation tax rate from 21% to 20% was effective from 1 April 2015. The main rate of corporation tax will further reduce to 19% from 1 April 2017. This was substantively enacted on 26 October 2015.

Notes to the Financial Statements (continued)

9 Intangible assets

	Total Goodwill £000
Cost	
At 30 September 2015	619
Transferred out	(619)
	<hr/>
At 30 September 2016	–
	<hr/>
Amortisation	
At 30 September 2015	592
Transferred out	(592)
	<hr/>
At 30 September 2016	–
	<hr/>
Net book value	
At 30 September 2016	–
	<hr/> <hr/>
At 30 September 2015	27
	<hr/> <hr/>

10 Tangible fixed assets

	Fixtures fittings and equipment £000
Cost	
At 1 October 2015	48
Transferred out	(48)
	<hr/>
At 30 September 2016	–
	<hr/>
Depreciation	
At 1 October 2015	34
Transferred out	(34)
	<hr/>
At 30 September 2016	–
	<hr/>
Net book value	
At 30 September 2016	–
	<hr/> <hr/>
At 30 September 2015	14
	<hr/> <hr/>

Notes to the Financial Statements (continued)

11 Debtors

	2016 £000	2015 £000
Trade debtors	–	25
Amounts owed by group undertakings	623	617
Deferred taxation (see note 14)	–	4
Other debtors	–	8
	<u>623</u>	<u>654</u>

Included above is £nil of deferred taxation (2015: £4,000) and £623,000 (2015: £617,000) of amounts owed by group undertakings which are due after more than one year.

12 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	–	9
Other creditors	–	19
Accruals and deferred income	–	44
	<u>–</u>	<u>72</u>

13 Financial instruments

	2016 £000	2015 £000
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	–	25
Other debtors	–	8
Amounts owed by group undertakings	623	617
	<u>623</u>	<u>650</u>
Financial liabilities measured at amortised cost		
Trade creditors	–	9
Other creditors	–	19
	<u>–</u>	<u>28</u>

Notes to the Financial Statements (continued)

14 Deferred taxation

	Accelerated capital allowances £000
At 1 October 2014	4
At 30 September and 1 October 2015	4
Transferred out with assets	(4)
As at 30 September 2016	—

15 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
101 (2015: 101) ordinary shares of £1 each	101	101
1 (2015: 1) ordinary A share of £1 each	1	1
	<u>102</u>	<u>102</u>

16 Pension Commitments

The company had an HM Revenue and Customs approved defined contributions group pension plan. Contributions to this scheme are charged to the profit and loss account evenly throughout the year. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost for the year represents contributions payable by the company to the fund and amounted to £nil (2015: £4,000).

17 Ultimate parent company and controlling party

The Company is a wholly owned subsidiary of Mears Care (Holdings) Limited, which is registered in England and Wales. The results of this company are included in the consolidated results of Mears Group PLC and are available from its registered office at 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester GL3 4AH. Mears Group PLC is the ultimate parent company and controlling party.

18 Transition to FRS 102

The Company transitioned to FRS 102 as at 1 October 2014. There were no adjustments, other than presentational required as a result of the transition.