

Acorn Care (Welshpool) Limited
(formerly JMH (Welshpool) Limited)

REPORT AND FINANCIAL STATEMENTS

31 March 2008



Company Registration No. 04227738

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

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Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

DIRECTORS AND ADVISORS

DIRECTORS

JC Harris (resigned 24 October 2007)
Mrs PE Harris (resigned 24 October 2007)
M Harris (resigned 24 October 2007)
Mrs AM Booth (resigned 24 October 2007)
D Whittaker (appointed 24 October 2007)
EAD Haddon (appointed 24 October 2007 and resigned 11 June 2008)
K Willis (appointed 17 April 2008)
Ms MA Cork (appointed 2 June 2008)

SECRETARY

KA Willis

REGISTERED OFFICE

c/o Keith Willis Associates
Gothic House
Barker Gate
Nottingham
Nottinghamshire
NG1 1JU

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of nursing care.

RESULTS AND DIVIDENDS

The results for the period are shown in the profit and loss account on page 7. The directors consider the performance of the company to be satisfactory given that the hospital only opened in August 2007.

No dividend has been paid in the year (2007: £nil).

BUSINESS REVIEW

The company was acquired on 24 October 2007 by Lighthouse Healthcare Ltd. The business has been loss making during the initial period whilst patient numbers are increased to sustainable levels.

On 12 November 2007 the company changed its name to Acorn Care (Welshpool) Limited.

KEY PERFORMANCE INDICATORS

- a) Financial; The company monitors occupancy levels in order to manage profitability, the company is forecast to become profitable in the next financial year.
- b) Non-Financial; Staff turnover is monitored to ensure that a high level of care is provided to our patients. Staff turnover continues to be low through the investment in training and development of our staff.

RISKS AND UNCERTAINTIES

The main risk faced by the company is the ability to fill spare capacity in a timely manner together with pressure from NHS purchasers to reduce prices, which could affect profitability.

FUTURE DEVELOPMENTS

The directors anticipate growth in future periods as occupancy levels increase.

FINANCIAL INSTRUMENTS

The company operates its business using bank and cash balances, and continues to be supported by its parent company, Lighthouse Healthcare Limited. As such all financial matters are dealt with at a Group level. The company does not hold any financial derivative instruments.

DIFFERENCES BETWEEN MARKET AND BALANCE SHEET VALUE OF LAND

In the opinion of the directors, the difference between the market value and balance sheet value of land is not significant.

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

DIRECTORS' REPORT (continued)

DIRECTORS

The directors who held office during the period are shown on page 1.

AUDITORS

Baker Tilly UK Audit LLP were appointed during the period to fill a casual vacancy. A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be proposed at the annual general meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



K Willis
Company Secretary

30th Jan 2009

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial period. 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). The financial statements are required by law to 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. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACORN CARE (WELSHPOOL) LIMITED (FORMERLY JMH (WELSHPOOL) LIMITED)

We have audited the financial statements on pages 7 to 18. The company was exempt from audit in the year ended 30 June 2007 and consequently the corresponding figures are unaudited.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACORN CARE
(WELSHPOOL) LIMITED (FORMERLY JMH (WELSHPOOL) LIMITED) (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2008 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

30 January 2009

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

PROFIT AND LOSS ACCOUNT for the period ended 31 March 2008

	Notes	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
TURNOVER		258,631	-
Cost of sales		(437,683)	(42,375)
GROSS LOSS		(179,052)	(42,375)
Administrative expenses		(400,236)	(50,721)
OPERATING LOSS		(579,288)	(93,096)
Interest receivable and similar income	3	32	32,252
Interest payable and similar charges	4	(45,218)	(91,180)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	1-2	(624,474)	(152,024)
Taxation	5	(1,299)	1,299
LOSS FOR THE FINANCIAL PERIOD	14	(625,773)	(150,725)

The operating loss for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

BALANCE SHEET At 31 March 2008

	Notes	31 March 2008		30 June 2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		2,874,646		2,673,191
CURRENT ASSETS					
Debtors	7		67,393		64,644
Cash at bank and in hand			637		987
			<u>68,030</u>		<u>65,631</u>
CREDITORS: Amounts falling due within one year	8		(3,811,159)		(2,990,666)
NET CURRENT LIABILITIES			(3,743,129)		(2,925,035)
TOTAL ASSETS LESS CURRENT LIABILITIES			(868,483)		(251,844)
CREDITORS: Amounts falling due in more than one year	9		(9,134)		-
NET LIABILITIES			(877,617)		(251,844)
CAPITAL AND RESERVES					
Called up share capital	13		1,000		1,000
Profit and loss account	14		(878,617)		(252,844)
SHAREHOLDERS' DEFICIT			(877,617)		(251,844)

The financial statements on pages 7 to 18 were approved by the board and authorised for issue on 30 January 2009 and are signed on its behalf by:

D Whittaker
D Whittaker
D Whittaker
 Director

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the period ended 31 March 2008

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
LOSS FOR THE FINANCIAL PERIOD	(625,773)	(150,725)
Net increase in shareholders' deficit	(625,773)	(150,725)
Opening shareholders' deficit	(251,844)	(101,119)
CLOSING SHAREHOLDERS' DEFICIT	(877,617)	(251,844)

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the Lighthouse Health Care Limited group.

TANGIBLE FIXED ASSETS

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Land and buildings	-	2% straight line
Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% straight line

LEASED ASSETS AND OBLIGATIONS

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. 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.

RETIREMENT BENEFITS

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

ACCOUNTING POLICIES (continued)

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

The directors only recognise any deferred tax asset after consideration of the potential recoverability of the asset in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

TURNOVER

Turnover represents the amounts derived from the provision of nursing care services to customers during the period.

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2008

1 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration – audit services	4,112	-
Depreciation and other amounts written off tangible fixed assets:		
Charge for the period:		
- Owned assets	84,025	-
- Leased assets	771	-
	<u> </u>	<u> </u>

2 EMPLOYEES

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

	9 month period ended 31 March 2008 Number	Year ended 30 June 2007 Number
Residential staff	23	-
Administration staff	3	-
	<u> </u>	<u> </u>
	26	-
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
Wages and salaries	249,563	-
Social security costs	23,845	-
	<u> </u>	<u> </u>
	273,408	-
	<u> </u>	<u> </u>

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2008

2 EMPLOYEES (continued)

DIRECTORS' REMUNERATION

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
Directors' emoluments	-	-
Company contributions to money purchase pension scheme	-	-
	<u> </u>	<u> </u>

	9 month period ended 31 March 2008 Number	Year ended 30 June 2007 Number
Retirement benefits are accruing to the following number of directors under:		
Money purchase pension schemes	-	-
	<u> </u>	<u> </u>

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
Bank interest receivable	32	32,252
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
Bank interest payable	45,125	91,180
Hire purchase interest	93	-
	<u> </u>	<u> </u>
	45,218	91,180
	<u> </u>	<u> </u>

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2008

5 TAXATION

a) Analysis of charge in the period:

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
UK corporation tax for period	-	-
Total current tax	-	-
Deferred taxation: Origination and reversal of timing differences	1,299	(1,299)
Tax on loss on ordinary activities	1,299	(1,299)

b) Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK being 30%. The differences are explained below:

	9 month period ended 31 March 2008 £	Year ended 30 June 2007 £
Loss on ordinary activities before taxation	(624,474)	(152,024)
Corporation tax at standard rate 30% (2007: 30%)	(187,342)	(45,607)
Expenses not deductible for tax purposes	6,998	-
Capital allowances in excess of depreciation	(50,195)	(74,994)
Tax losses carried forward	230,539	120,601
Current period tax charge	-	-

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2008

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant, machinery and equipment £	Motor vehicles £	Total £
Cost				
At beginning of period	2,504,463	168,728	-	2,673,191
Additions	232,044	30,707	23,500	286,251
At end of period	2,736,507	199,435	23,500	2,959,442
Depreciation				
At beginning of period	-	-	-	-
Charge for the period	54,730	28,774	1,292	84,796
At end of period	54,730	28,774	1,292	84,796
Net book value				
At 31 March 2008	2,681,777	170,661	22,208	2,874,646
At 30 June 2007	2,504,463	168,728	-	2,673,191

The net book value of motor vehicles includes £17,729 (2007: £nil) in respect of fixed assets held under finance leases and hire purchase contracts. Depreciation charged for the period on these assets was £771 (2007: £nil).

7 DEBTORS

	31 March 2008 £	30 June 2007 £
Amounts owed by group undertakings	-	59,922
Trade debtors	60,185	-
Other debtors	-	3,423
Prepayments	7,208	-
Deferred tax asset (see note 10)	-	1,299
	67,393	64,644

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2008

8 CREDITORS: Amounts falling due within one year

	31 March 2008	30 June 2007
	£	£
Obligations under finance leases	4,765	-
Amounts owed to group undertakings	3,658,509	-
Bank loans and overdrafts	-	2,656,896
Trade creditors	66,295	70,001
Other taxation and social security costs	22,148	10,996
Other creditors	47,828	252,773
Accruals and deferred income	11,614	-
	<u>3,811,159</u>	<u>2,990,666</u>

9 CREDITORS: Amounts falling due in more than one year

	31 March 2008	30 June 2007
	£	£
Obligations under finance leases	9,134	-
	<u>9,134</u>	<u>-</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	31 March 2008	30 June 2007
	£	£
Within one year	4,765	-
In the second to fifth years	9,134	-
	<u>13,899</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts are secured against the underlying assets.

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2008

10 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £
At beginning of period (see note 7)	(1,299)
Charge for the period	1,299
	<hr/>
At end of period	-
	<hr/> <hr/>

Deferred taxation

31 March 2008 £	30 June 2007 £
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The amounts provided for deferred taxation are set out below:

Accelerated capital allowances	-	(1,299)
	<hr/>	<hr/>

11 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	Plant and machinery	
	31 March 2008 £	30 June 2007 £
Operating leases which expire Within 2 to 5 years	-	17,212
	<hr/>	<hr/>

12 CONTINGENT LIABILITIES

The company is a guarantor, along with other members of the Lighthouse Healthcare Limited Group, in respect of the parent company loans with Alcentra Limited. At the balance sheet date the loans outstanding amounted to £9,500,000.

The loans are also secured by a deed of accession and charge dated 19 October 2007 securing the debt against all of the company's freehold property by way of legal mortgage.

Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited)

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2008

13	CALLED UP SHARE CAPITAL	31 March 2008	30 June 2007
		£	£
	Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid: 1,000 ordinary shares of £1 each	1,000	1,000

14	PROFIT AND LOSS ACCOUNT		£
	At beginning of period		(252,844)
	Loss for the financial period		(625,773)
	At end of period		(878,617)

15 PENSION SCHEME

The company operates a defined contribution pension scheme that is administered independently to the company. There were no contributions during the period, and no outstanding contributions at the period end.

16 PARENT UNDERTAKING

During the period the company became a wholly owned subsidiary of Lighthouse Healthcare Limited (formerly Acorn Care Acquisitions Limited), a company incorporated and registered in the UK.

The ultimate parent company of Acorn Care (Welshpool) Limited (formerly JMH (Welshpool) Limited) is Lighthouse Healthcare Limited (formerly Acorn Care Acquisitions Limited), a company incorporated and registered in the UK.

Copies of the group financial statements may be obtained from:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ