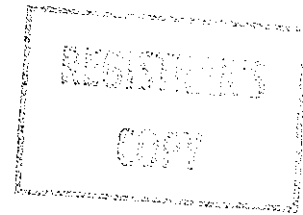


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**CONQUEST CARE HOMES  
(PETERBOROUGH) LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

13 APRIL 2000



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Company no 2706124

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## FINANCIAL STATEMENTS

For the period ended 13 April 2000

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Company registration number: 2706124

Registered office: Conquest House  
Straight Drove  
Farcet  
Peterborough  
PE7 3DJ

Directors: J Smith (resigned 14 April 2000)  
V J L English (resigned 14 April 2000)  
M Alcock (resigned 14 April 2000)  
M A Stratford  
G H Blackoe

Secretary: B L G (Professional Services) Limited

Bankers: Barclays Bank plc  
Peterborough Business Centre  
1 Church Street  
Peterborough  
PE1 1EZ

Auditors: Grant Thornton  
Chartered accountants  
Grant Thornton House  
Kettering Parkway  
Kettering  
NN15 6XR

**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED**

**FINANCIAL STATEMENTS**

For the period ended 13 April 2000

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# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with financial statements for the period ended 13 April 2000.

### Principal activities

The company is principally engaged in the provision of care for the disabled.

### Business review

There was a profit for the period after taxation amounting to £19,081 (1999: profit £140,205). The directors do not recommend payment of a dividend.

### Post balance sheet events

On 14 April 2000 the company became a wholly owned subsidiary of Craegmoor Healthcare Company Limited.

### Directors

The present membership of the Board is set out below. All directors served throughout the period.

The interests of the directors and their families in the shares of the company as at 1 May 1999 and 13 April 2000, were as follows:

	Ordinary shares	
	13 April 2000	1 May 1999
Mr J Smith	68	68
Mr V J L English	68	68
Mrs M Alcock	68	68

Mr J S Smith, Mr V J L English and Mrs M Alcock resigned from the Board on 14 April 2000.

Mr M A Stratford and Mr G H Blackoe were appointed to the Board on 14 April 2000.

### Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED**

**REPORT OF THE DIRECTORS**

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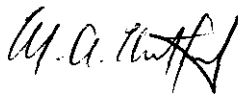
**Year 2000 Compliance**

The company suffered no impact from the Year 2000 date change nor did any of its major customers, suppliers or trading partners.

**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



M A Stratford  
Director

22 December 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
CONQUEST CARE HOMES (PETERBOROUGH) LIMITED**

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 13 April 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

KETTERING

8 FEBRUARY 2001

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## PRINCIPAL ACCOUNTING POLICIES

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### **BASIS OF PREPARATION**

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

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a medium-sized group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company have remained unchanged from the previous year (except where shown) and are set out below.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold property by the reducing balance method over their expected useful lives. The rates generally applicable are:

Freehold property	2.5%
Plant and equipment	33%
Motor vehicles	20%

### **INVESTMENTS**

Investments are included at cost less amounts written off.

### **DEFERRED TAXATION**

Deferred tax is provided using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

### **CONTRIBUTIONS TO PENSION FUNDS**

#### **Defined contribution scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

### **LEASED ASSETS**

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## PROFIT AND LOSS ACCOUNT

For the period ended 13 April 2000

	Note	2000 £	1999 £
<b>Turnover</b>	1	<b>2,067,646</b>	2,116,729
Administrative expenses		<b>(2,006,090)</b>	(1,846,762)
<b>Operating profit</b>	14	<b>61,556</b>	269,967
Income from other fixed asset investments	2	<b>242,329</b>	-
Amounts written off investments	7	<b>(175,293)</b>	-
Interest payable and similar charges	3	<b>(102,663)</b>	(93,071)
<b>Profit on ordinary activities before taxation</b>	1	<b>25,929</b>	176,896
Tax on profit on ordinary activities	5	<b>6,848</b>	36,691
<b>Profit transferred to reserves</b>	14	<b>19,081</b>	140,205

There were no recognised gains or losses other than the profit for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.



**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED**

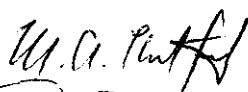
BALANCE SHEET AT 13 APRIL 2000

	Note	2000 £	2000 £	1999 £	1999 £
<b>Fixed assets</b>					
Tangible assets	6		2,001,998		1,866,065
Investments	7		-		175,293
			<u>2,001,998</u>		<u>2,041,358</u>
<b>Current assets</b>					
Debtors	8	107,784		66,181	
Cash at bank and in hand		39,869		3,136	
		<u>147,653</u>		<u>69,317</u>	
<b>Creditors: amounts falling due within one year</b>	9	476,889		515,732	
<b>Net current liabilities</b>			<u>(329,236)</u>		<u>(446,415)</u>
<b>Total assets less current liabilities</b>			<u>1,672,762</u>		<u>1,594,943</u>
<b>Creditors: amounts falling due after more than one year</b>	10		1,024,301		968,563
<b>Provisions for liabilities and charges</b>	11		3,000		-
			<u>645,461</u>		<u>626,380</u>
<b>Capital and reserves</b>					
Called up share capital	13		204		204
Share premium account	14		227,823		227,823
Profit and loss account	14		417,434		398,353
<b>Shareholders' funds</b>	15		<u>645,461</u>		<u>626,380</u>

The financial statements were approved by the Board of Directors on

22 December 2000

M A Stratford



Director

G H Blackoe



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED****CASH FLOW STATEMENT**

For the period ended 13 April 2000

	Note	2000 £	1999 £
<b>Net cash inflow/outflow from operating activities</b>	16	30,776	(204,701)
<b>Returns on investments and servicing of finance</b>			
Interest paid		(102,663)	(92,514)
Finance lease interest paid		-	(557)
Dividends received		242,329	-
<b>Net cash inflow/outflow from returns on investments and servicing of finance</b>		139,666	(93,071)
<b>Taxation</b>		(37,368)	(7,671)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(256,326)	(44,592)
Sale of tangible fixed assets		26,000	-
<b>Net cash outflow from capital expenditure</b>		(230,326)	(44,592)
<b>Management of liquid resources</b>			
Deposits		(36,170)	(87)
<b>Net cash outflow from management of liquid resources</b>		(36,170)	(87)
<b>Financing</b>			
Receipts from borrowings		293,495	237,592
<b>Net cash inflow from financing</b>		293,495	237,592
<b>Increase/decrease in cash</b>	17	160,073	(112,530)

The accompanying accounting policies and notes form an integral part of these financial statements.

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to the provision of care for the disabled.

The profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration	7,000	4,500
Depreciation:		
Tangible fixed assets, owned	90,012	45,368
Write-downs of fixed asset investments	175,293	-
Hire of plant and machinery	12,778	14,163
Other operating lease rentals	24,679	28,487

### 2 INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2000 £	1999 £
From shares in group undertakings	242,329	-

### 3 INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans and overdrafts	102,663	92,514
Finance charges in respect of finance leases	-	557

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

	2000 £	1999 £
Wages and salaries	1,289,817	1,184,266
Social security costs	91,417	94,156
Other pension costs	6,705	166

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

The average number of employees of the company during the period were as follows:

	2000 Number	1999 Number
Management and administration	5	5
Care assistants	116	106
	<u>121</u>	<u>111</u>

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Emoluments	109,911	87,177
Pension contributions to money purchase pension schemes	1,242	166
	<u>111,153</u>	<u>87,343</u>

During both years one director participated in money purchase pension schemes.

## 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
UK corporation tax at 20% (1999: 20%)	5,000	48,000
Deferred taxation	(1,000)	-
	<u>4,000</u>	<u>48,000</u>
Adjustments in respect of prior periods:		
Corporation tax	(1,152)	(11,309)
Deferred tax	4,000	-
	<u>6,848</u>	<u>36,691</u>

**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

**6 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 May 1999	1,770,803	201,062	12,500	1,984,365
Additions	171,511	62,458	22,357	256,326
	1,942,314	263,520	34,857	2,240,691
Disposals	(30,381)	-	-	(30,381)
At 13 April 2000	1,911,933	263,520	34,857	2,210,310
Depreciation				
At 1 May 1999	-	112,200	6,100	118,300
Provided in the period	36,645	47,855	5,512	90,012
At 13 April 2000	36,645	160,055	11,612	208,312
Net book amount at 13 April 2000	<b>1,875,288</b>	<b>103,465</b>	<b>23,245</b>	<b>2,001,998</b>
Net book amount at 30 April 1999	1,770,803	88,862	6,400	1,866,065

**7 FIXED ASSETS INVESTMENTS**

	Shares in group undertakings £
Cost or valuation	
At 1 May 1999 and at 13 April 2000	175,293
Amounts written off	
Provided during the period	175,293
At 13 April 2000	175,293
Net book amount at 13 April 2000	-
Net book amount at 30 April 1999	175,293

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

At 13 April 2000 the company held more than 20% of the equity of the following undertaking:

	Country of incorporation	Class of share capital held	Proportion held	Nature of business	Capital and reserves £	Loss for the period £
Subsidiary Conquest Care Homes (March) Limited	England and Wales	£1 ordinary	100%	Dormant	£102	£(242,329)

### 8 DEBTORS

	2000 £	1999 £
Trade debtors	78,597	55,196
Other debtors	26,020	100
Taxation recoverable	-	9,480
Prepayments and accrued income	3,167	1,405
	<u>107,784</u>	<u>66,181</u>

### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	170,471	329,981
Trade creditors	181,900	83,000
Corporation tax	5,000	48,000
Social security and other taxes	31,111	25,980
Loans from directors	8,620	13,192
Accruals and deferred income	79,787	15,579
	<u>476,889</u>	<u>515,732</u>

The bank loans and overdrafts are secured by a fixed and floating charge over all of the company's assets.

### 10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loans	1,024,199	726,132
Amounts owed to group undertakings	102	242,431
	<u>1,024,301</u>	<u>968,563</u>

The bank loans are secured by a fixed and floating charge over the company's assets.

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

Borrowings are repayable as follows:	2000 £	1999 £
Within one year		
Bank and other borrowings	179,091	343,173
After one and within two years		
Bank and other borrowings	120,200	120,200
After two and within five years		
Bank and other borrowings	361,500	361,500
After five years		
Bank and other borrowings	542,499	244,432
	<u>1,203,290</u>	<u>1,069,305</u>
Bank and other borrowings repayable after five years comprise:	2000 £	1999 £
Bank loans repayable by instalments	<u>542,499</u>	<u>244,432</u>

### 11 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Provided during the period	3,000
At 13 April 2000	<u>3,000</u>

### 12 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	Amount provided	
	2000 £	1999 £
Accelerated capital allowances	3,000	-
	<u>3,000</u>	<u>-</u>

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

### 13 SHARE CAPITAL

	2000 £	1999 £
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 204 ordinary shares of £1 each	204	204

### 14 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 May 1999	227,823	398,353
Retained profit for the period	-	19,081
At 13 April 2000	227,823	417,434

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial period	19,081	140,205
Net increase in shareholders' funds	19,081	140,205
Shareholders' funds at 1 May 1999	626,380	486,175
Shareholders' funds at 13 April 2000	645,461	626,380



**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

**16 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2000 £	1999 £
Operating profit	61,556	269,967
Depreciation	90,012	45,368
Loss on sale of tangible fixed assets	4,381	-
Increase in debtors	(51,083)	78,646
Decrease in creditors	(74,090)	(598,682)
Net cash inflow from operating activities	<u>30,776</u>	<u>(204,701)</u>

**17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2000 £	1999 £
Increase in cash in the period	160,073	(112,530)
Cash inflow from financing in the period	(293,495)	(237,592)
Cash outflow from increase in liquid resources	36,170	87
Change in net debt resulting from cashflows	<u>(97,252)</u>	<u>(350,035)</u>
Movement in net debt in the period	(97,252)	(350,035)
Net debt at 1 May 1999	<u>(1,066,169)</u>	<u>(716,134)</u>
Net debt at 13 April 2000	<u>(1,163,421)</u>	<u>(1,066,169)</u>

**18 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 May 1999 £	Cash flow £	At 13 April 2000 £
Cash in hand and at bank	337	563	900
Overdrafts	(209,781)	159,510	(50,271)
Debt	(859,524)	(293,495)	(1,153,019)
Current asset investments	2,799	36,170	38,969
	<u>(1,066,169)</u>	<u>(97,252)</u>	<u>(1,163,421)</u>

**19 CAPITAL COMMITMENTS**

The company had no capital commitments at 13 April 2000 or 30 April 1999.

# CONQUEST CARE HOMES (PETERBOROUGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 13 April 2000

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### 20 CONTINGENT LIABILITIES

There were no contingent liabilities at 13 April 2000 or 30 April 1999

### 21 PENSIONS

Defined Contribution Scheme

The company operates defined contribution pension schemes for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

### 22 LEASING COMMITMENTS

Operating lease payments amounting to £27,718 (1999: £27,718) are due within one year. The leases to which these amounts relate expire as follows:

	2000 Other £	1999 Other £
In one year or less	<u>27,718</u>	<u>27,718</u>

### 23 CONTROLLING RELATED PARTY

The directors are the company's controlling related party by virtue of their office and their interests in the shares of the company.

**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 13 April 2000

**24 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES**

Transactions or arrangements

During the year the following directors had directly or indirectly a material interest in transactions or arrangements with the following companies:

Name of director	Name of connected business	Nature of interest	Nature of transaction	Value of transaction	
				2000 £	1999 £
Mr J Smith	) Conquest Care ) Homes (Norfolk) ) Limited	Director	Sales	29,058	17,867
Mr V J L English	) Limited	Director			
Mr J Smith	) Conquest Care ) Homes (Norfolk) ) Limited	Director	Purchases	8,223	4,635
Mr V J L English	) Limited	Director			
Mr J Smith	) Conquest Care ) Homes	Partner	Sales	10,183	7,760
Mr V J L English	) Homes	Partner			
Mr J Smith	) Conquest Care ) Homes	Partner	Purchases	7,007	24,430
Mr V J L English	) Homes	Partner			
Mrs M Alcock	) Windmill Care	Partner	Management charge	1,000	12,000
Mr V J L English	) Windmill Care	Partner			
Mrs M Alcock	) Windmill Care	Partner	Purchases	1,494	3,846
Mr V J L English	) Windmill Care	Partner			
Mrs M Alcock	) Windmill Care	Partner	Sales	7,796	5,255
Mr V J L English	) Windmill Care	Partner			
Mr V J L English	) Oakcroft Building ) Services Limited	Employee and material family interest	Services	55,193	49,742
Mr V J L English	) Oakcroft Building ) Services Limited	Employee and material family interest	Building work	33,000	60,888
Mr V J L English	) Oakcroft Building ) Services Limited	Employee and material family interest	Land purchase	18,000	0

**CONQUEST CARE HOMES (PETERBOROUGH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 13 April 2000

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**TRANSACTIONS WITH DIRECTORS (CONTINUED)**

Amounts due by Conquest Care Homes (Peterborough) Limited in respect of loans:

Name of director	Amount outstanding	
	2000	1999
	£	£
Mr J Smith	3,621	3,621
Mrs M Alcock	0	4,572
Mr V J L English	4,999	4,999