

HIGHWAY (BURNLEY) LIMITED

FINANCIAL STATEMENTS

30 NOVEMBER 1999

Registered number: 2693859

LANGLEY STUTTARD & CO

REGISTERED AUDITOR

Lancashire



HIGHWAY (BURNLEY) LIMITED

FINANCIAL STATEMENTS

for the year ended 30 November 1999

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The following pages do not form part of the statutory accounts

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HIGHWAY (BURNLEY) LIMITED**COMPANY INFORMATION****30 November 1999**

INCORPORATED	In England on 5 March 1992
NUMBER	2693859
CHAIRMAN	Mr B J Christopher
OTHER DIRECTORS	Mrs B R Christopher Mr RRE Christopher
SECRETARY	Mr RRE Christopher
REGISTERED OFFICE	11 Acresbrook Road Higham Burnley Lancashire BB12 9BY
BANKERS	Barclays Bank PLC 72-78 St. James Street Burnley Lancashire
AUDITORS	Langley Stuttard & Co Chartered Accountants 66 Bank Parade Burnley Lancashire BB11 1EE

HIGHWAY (BURNLEY) LIMITED

DIRECTORS' REPORT

30 November 1999

The directors present their report and the audited financial statements for the year ended 30 November 1999.

Principal activity

The principal activity of the company is that of the supply of care facilities to the mentally disadvantaged.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	30 November 1999 Ordinary shares	1 December 1998 Ordinary shares
Mr B J Christopher	-	-
Mrs B R Christopher	-	-
Mr R R E Christopher (Appointed 22.2.99)	-	-

All the directors are also directors of the holding company Cranley Limited and their interest in the share capital of that company is disclosed in its financial statement.

Auditors

Langley Stuttard & Co have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board 16/11/00

R. Christopher

RRE Christopher
Secretary
11 Acresbrook Road
Higham
Burnley
Lancashire BB12 9BY

HIGHWAY (BURNLEY) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 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.

Signed on behalf of the board 16/5/00

B Christopher

Mr B J Christopher
Chairman

HIGHWAY (BURNLEY) LIMITED**AUDITORS' REPORT****Auditors' report to the shareholders of****Highway (Burnley) Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999) under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. 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 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 error or other irregularity. 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 30 November 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Langley Stuttard & Co
Registered Auditor
Chartered Accountants
66 Bank Parade
Burnley
Lancashire

16 May 2000

HIGHWAY (BURNLEY) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 November 1999

	Note	1999 £	1998 £
Turnover	2	216,502	228,053
Net operating expenses			
Administrative expenses		(251,162)	(206,309)
Other operating income		-	6,228
Operating (loss)/profit	3	<u>(34,660)</u>	<u>27,972</u>
Interest payable		<u>(6,344)</u>	<u>(9,548)</u>
(Loss)/profit on ordinary activities before taxation		(41,004)	18,424
Taxation	5	<u>-</u>	<u>(6,485)</u>
(Loss)/profit on ordinary activities after taxation		(41,004)	11,939
Dividends	6	<u>-</u>	<u>(27,000)</u>
Retained loss for the year		(41,004)	(15,061)
Retained loss brought forward		(17,193)	(2,132)
Retained loss carried forward		<u><u>(58,197)</u></u>	<u><u>(17,193)</u></u>

HIGHWAY (BURNLEY) LIMITED

BALANCE SHEET

at 30 November 1999

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	7		53,404		80,430
Current assets					
Debtors	8	53,090		73,774	
Cash at bank and in hand		33		50	
		<u>53,123</u>		<u>73,824</u>	
Creditors: amounts falling due within one year	9	<u>(147,695)</u>		<u>(138,195)</u>	
Net current liabilities			<u>(94,572)</u>		<u>(64,371)</u>
Total assets less current liabilities			<u>(41,168)</u>		<u>16,059</u>
Creditors: amounts falling due after more than one year	10		<u>(17,027)</u>		<u>(33,250)</u>
			<u>(58,195)</u>		<u>(17,191)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			<u>(58,197)</u>		<u>(17,193)</u>
Total shareholders' funds			<u>(58,195)</u>		<u>(17,191)</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The financial statements on pages 5 to 11 were approved by the board of directors on 16/5/00 and signed on its behalf by:

B Christopher

Mr B J Christopher
Chairman

HIGHWAY (BURNLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The accounts have been prepared on a going concern basis due to the fact that the company is supported by other companies within the group.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	25% straight line
Motor vehicles	25% straight line
Fixtures and fittings	25% straight line

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

HIGHWAY (BURNLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

3	Operating (loss)/profit	1999	1998
		£	£
	Operating (loss)/profit is stated after crediting:		
	Interest receivable	-	6,228
	and after charging:		
	Auditors' remuneration	1,088	560
	Loss on sale of assets	216	-
	Depreciation of tangible fixed assets (note 8):		
	Owned assets	8,222	1,703
	Assets on hire purchase	20,536	25,643
		<u>28,758</u>	<u>27,346</u>
4	Directors	1999	1998
		£	£
	Directors' emoluments	97,898	32,239

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,730 (1998 £27,203) including contributions in respect of employees. Contributions totalling £0 (1998 £0) were payable to the fund at 30 November 1999 and are included in creditors.

5	Taxation	1999	1998
		£	£
	Corporation tax on loss on ordinary activities at 21% (1998 22%)	-	6,485

HIGHWAY (BURNLEY) LIMITED
NOTES ON FINANCIAL STATEMENTS

30 November 1999

6	Dividends	1999 £	1998 £
	Equity - ordinary/interim	-	27,000
		<u> </u>	<u> </u>
7	Tangible fixed assets		Plant and Machinery etc £
	Cost		
	1 December 1998		123,862
	Additions		15,431
	Disposals		(29,659)
	30 November 1999		<u>109,634</u>
	Depreciation		
	1 December 1998		43,432
	Charge for the year		28,758
	Disposals		(15,958)
	30 November 1999		<u>56,232</u>
	Net book amount		
	30 November 1999		<u>53,404</u>
	1 December 1998		<u>80,430</u>
	The net book value of assets included above which are subject to hire purchase agreements		
		1999 £	1998 £
	Motor Vehicles	41,832	75,897
		<u> </u>	<u> </u>
8	Debtors	1999 £	1998 £
	Amounts falling due within one year		
	Trade debtors	3,169	2,250
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	36,189	58,039
	Other debtors	583	717
	Repayments and accrued income	13,149	12,768
		<u>53,090</u>	<u>73,774</u>

HIGHWAY (BURNLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1999

9	Creditors: amounts falling due within one year		
		1999	1998
		£	£
	Bank overdrafts	49,718	39,768
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	62,183	54,750
	Income tax	-	79
	Corporation tax	-	6,042
	Other taxation and social security	5,360	2,196
	Other creditors	8,658	4,481
	Accruals and Deferred income	4,421	6,502
	Hire Purchase creditors	17,355	24,377
		<u>147,695</u>	<u>138,195</u>
	The aggregate amount of secured creditors included in the above figures	<u>67,073</u>	<u>64,145</u>
10	Creditors: amounts falling due after more than one year		
		1999	1998
		£	£
	Obligations under hire purchase contracts	17,027	33,250
		<u>17,027</u>	<u>33,250</u>
	The aggregate amount of secured creditors included in the above figures	<u>17,027</u>	<u>33,250</u>

HIGHWAY (BURNLEY) LIMITED
NOTES ON FINANCIAL STATEMENTS

30 November 1999

11 Share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was Cranley Limited, a company incorporated in England. All the overdrafts and loans within the group are secured by cross guarantees and Debentures between all the companies in the group namely Cranley Limited, Greymount Properties Limited, Simtrac Limited, Tanis Developments Limited and PC systems (Burnley) Limited.