

Conquest Care Homes (Peterborough) Limited
Annual report
for the period ended 31 December 2000

Registered Number 2706124



Conquest Care Homes (Peterborough) Limited

Annual report for the period ended 31 December 2000

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Conquest Care Homes (Peterborough) Limited

Directors and Advisors for the period ended 31 December 2000

Directors

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

Secretary

BLG (Professional Services) Limited
Beaufort House
15 St. Botolph Street
London
EC3A 7NS

Auditors

PricewaterhouseCoopers
Temple Court
35 Bull Street
Birmingham
B4 6JT

Solicitors

Simon Bishop & Partners
"Hillcairnle"
St. Andrew's Road
Droitwich
Worcestershire
WR9 8DJ

Registered Office

"Hillcairnle"
St. Andrew's Road
Droitwich
Worcestershire
WR9 8DJ

Bankers

National Westminster Bank plc
Cheltenham & Gloucester Business Centre
68-70 Suffolk Road
Cheltenham
Gloucestershire
GL50 2ED

Conquest Care Homes (Peterborough) Limited

Directors' report for the period ended 31 December 2000

The directors present their report and the audited financial statements for the period ended 31 December 2000.

Principal activities and review of business

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

On 14 April 2000 the whole of the company's share capital was acquired by Craegmoor Group Limited. Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends

The profit and loss account shows a profit for the period of £282,417 (period ended 13 April 2000: £19,081). The directors do not recommend the payment of an ordinary dividend.

Directors and their interests

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

M A Stratford is a director of the ultimate parent company in the United Kingdom, Craegmoor Group Limited, and his share interests are shown in the directors' report of that company. No other directors at 31 December 2000 had any interests in the share capital of Conquest Care Homes (Peterborough) Limited or Craegmoor Group Limited.

Introduction of the Euro

The company neither imports goods and services nor exports goods and services to the Euro zone.

The company has confirmed that the software upgrades are available for its packaged accounting system to cater for the Euro, which can be installed if confirmation of entry is announced.

New computer hardware purchased from 1 January 2000 has been validated to ensure that it is Euro compliant and that the appropriate currency symbol is available.

Upon announcement that the country is to enter the Euro system, the company will form an appropriate project team to deal with this matter.

Conquest Care Homes (Peterborough) Limited

Directors' report for the period ended 31 December 2000 (continued)

Statement of directors' responsibilities

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

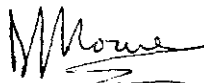
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare 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 that 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 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.

Auditors

A board resolution appointing PricewaterhouseCoopers as auditors of the company until the annual general meeting was passed on 14 April 2000. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting

By order of the Board



for and on behalf of

BLG (Professional Services) Limited
Company Secretary
12 July 2001

Conquest Care Homes (Peterborough) Limited

Auditors' report to the members of Conquest Care Homes (Peterborough) Limited

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.


Basis of audit 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 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 at 31 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham
12 July 2001

Conquest Care Homes (Peterborough) Limited

Profit and loss account for the period ended 31 December 2000

	Note	37 weeks ended 31 December 2000	49 weeks ended 13 April 2000 Restated
		£	£
Turnover	2	1,770,406	2,067,646
Cost of sales		(1,117,756)	(1,387,939)
Gross profit		652,650	679,707
Administrative expenses		(244,591)	(618,151)
Operating profit	6	408,059	61,556
Income from other fixed asset investments	7	-	242,329
Amounts written off investments	11	-	(175,293)
Net interest receivable/(payable)	8	672	(102,663)
Profit on ordinary activities before taxation		408,731	25,929
Tax on profit on ordinary activities	9	(126,314)	(6,848)
Profit for the financial period	17	282,417	19,081

All activities relate to continuing operations.

Conquest Care Homes (Peterborough) Limited

Statement of total recognised gains and losses

For the period ended 31 December 2000	37 weeks ended 31 December 2000 £	49 weeks ended 13 April 2000 £
Profit for the financial period	282,417	19,081
Unrealised surplus on revaluation of properties (note 10)	715,495	-
Total recognised gains and losses for the period	997,912	19,081

Conquest Care Homes (Peterborough) Limited

Note of historical cost profit and losses

For the period ended 31 December 2000	37 weeks ended 31 December 2000 £	49 weeks ended 13 April 2000 £
Reported profit on ordinary activities before taxation	408,731	25,929
Difference between historical cost depreciation charge and actual depreciation charge for the period calculated on the	9,209	-
Historical cost profit on ordinary activities before taxation	417,940	25,929
Historical cost profit for the period retained after taxation	291,626	19,081

Conquest Care Homes (Peterborough) Limited

Balance sheet as at 31 December 2000

	Note	31 December 2000		13 April 2000	
		£	£	£	£
Fixed Assets					
Tangible assets	10		2,715,194		2,001,998
Investments	11		-		-
			2,715,194		2,001,998
Current assets					
Debtors	12	437,804		107,784	
Cash at bank and in hand		2,833		39,869	
		440,637		147,653	
Creditors: amounts falling due within one year	13	(427,839)		(476,889)	
Net current assets/(liabilities)			12,798		(329,236)
Total assets less current liabilities			2,727,992		1,672,762
Creditors : amounts falling due after more than one year	14		(1,081,619)		(1,024,301)
Provisions for liabilities and charges	15		(3,000)		(3,000)
Net assets			1,643,373		645,461
Capital and reserves					
Called up share capital	16		204		204
Share premium account	17		227,823		227,823
Revaluation reserve	17		715,495		-
Profit and loss account	17		699,851		417,434
Total equity shareholders' funds	18		1,643,373		645,461

The financial statements on pages 5 to 18 were approved by the board of directors and signed on its behalf by:



M A Stratford
Director
12 July 2001

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The company has implemented FRS 15 'Tangible fixed assets' the effect of this is disclosed in note 10. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements have been prepared on the historical cost basis of accounting modified by the revaluation of certain fixed assets.

Comparatives

The prior period's profit and loss account has been restated to ensure comparability with that of the current period, following the acquisition of the company by Craegmoor Group Limited. This has resulted in costs of £1,387,939 being transferred from administrative expenses to cost of sales. There has been no impact on operating profit recorded in the period.

Tangible fixed assets and depreciation

The cost of fixed assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Land and buildings are revalued by professionally qualified valuers every five years and in the intervening years these valuations are updated by the directors with the assistance of independent professional advice as required.

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets less their estimated residual values, on the following bases:

Freehold Land		Nil
Freehold Buildings	– straight line basis	2%
Motor Vehicles	– straight line basis	25%
Plant and equipment	– reducing balance basis	15%

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS11, 'Impairment of fixed assets and goodwill'. The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk adjusted weighted cost of capital.

Provisions for impairment in the carrying value of fixed assets to below cost are charged to the profit and loss account.

Deferred taxation

Deferred tax is provided using the tax rates estimated to arise when 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.

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

1 Principal accounting policies (continued)

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.

Cash flow statement

The company is a wholly owned subsidiary of Craegmoor Group limited, and its cash flows are included in the consolidated cash flow statement of that company. Consequently, the company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cash flow statement.

2 Turnover

Turnover which excludes value added tax is entirely attributable to the provision of care for the disabled in the United Kingdom.

3 Related party transactions

The company has taken advantage of the exemption granted under paragraph 3(c) of FRS 8 and not disclosed any transactions with other group companies.

4 Directors

	37 weeks ended 31 December 2000	49 weeks ended 13 April 2000
Emoluments	-	109,911
Pension contributions to money purchase pension schemes	-	1,242
	-	111,153

During the period ended 13 April 2000 one director participated in money purchase pension schemes.

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

Nursing, ancillary and administrative	37 weeks ended 31 December 2000 Number	49 weeks ended 13 April 2000 Number
Full time	71	90
Part time	27	31
	98	121

Staff costs for the above persons	37 weeks ended 31 December 2000 £	49 weeks ended 13 April 2000 £
Wages and salaries	892,667	1,289,817
Social security costs	63,556	91,417
Other pension costs	-	6,705
	956,223	1,387,939

6 Operating profit

	37 weeks ended 31 December 2000 £	49 weeks ended 13 April 2000 £
Operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
- owned assets	41,928	90,012
Hire of plant and machinery	-	12,778
Other operating lease rentals	-	24,679
Write down of fixed asset investments	-	175,293
Auditors' fees – Audit	3,000	7,000
– Non audit services	400	-

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

7 Income from other fixed asset investments

	37 weeks ended 31 December 2000	49 weeks ended 13 April 2000
	£	£
From shares in group undertakings	-	242,329

8 Interest receivable/(payable)

	37 weeks ended 31 December 2000	49 weeks ended 13 April 2000
	£	£
Interest receivable	672	-
Interest payable on bank loans and overdrafts	-	(102,663)
	672	(102,663)

9 Tax on profit on ordinary activities

	37 weeks ended 31 December 2000	49 weeks ended 13 April 2000
	£	£
Taxation on the profit for the period		
UK corporation tax at 30% (prior period: 20%)	128,132	5,000
Deferred taxation	-	(1,000)
Adjustments in respect of prior periods:		
Corporation tax	(1,818)	(1,152)
Deferred tax	-	4,000
	126,314	6,848

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

10 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 14 April 2000	1,911,933	263,520	34,857	2,210,310
Additions	19,116	20,513	-	39,629
Revaluations	678,850	-	-	678,850
At 31 December 2000	2,609,899	284,033	34,857	2,928,789
Depreciation				
At 14 April 2000	36,645	160,055	11,612	208,312
Charged in the period	24,609	11,098	6,221	41,928
Revaluations	(36,645)	-	-	(36,645)
At 31 December 2000	24,609	171,153	17,833	213,595
Net book value				
At 31 December 2000	2,585,290	112,880	17,024	2,715,194
At 13 April 2000	1,875,288	103,465	23,245	2,001,998
Cost or valuation at 31 December 2000 is represented as follows:				
Valuation in 2000	2,590,783	-	-	2,590,783
Cost	19,116	284,033	34,857	338,006
At 31 December 2000	2,609,899	284,033	34,857	2,928,789

The company has adopted FRS15 'Tangible fixed assets' during the period and has chosen to continue its policy to revalue its land and buildings every five years.

The land and buildings were revalued by external valuers, Matthews & Goodman Chartered Surveyors and valuers, as at 14 April 2000. This was on the basis of existing use value in accordance with the appraisal and valuation manual of the Royal Institute of Chartered Surveyors. This resulted in an increase in the carrying value of land and buildings of £715,495, which has been credited to the revaluation reserve.

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

10 Tangible fixed assets (continued)

If freehold land and buildings had not been re-valued they would have been included at the following amounts:

	31 December 2000	13 April 2000
	£	£
Cost	1,931,049	1,911,933
Aggregate depreciation based on cost	(52,045)	(36,645)
Net book value based on cost	1,879,004	1,875,288

11 Fixed assets investments

	Shares in group undertakings £
Cost or valuation	
At 14 April 2000 and 31 December 2000	175,293
Amounts written off	
At 14 April 2000 and 31 December 2000	175,293
Net book amount at 31 December 2000	-
Net book amount at 13 April 2000	-

An analysis of the company's investments is as follows:

	Country of incorporation	Class of share capital held	Proportion held	Nature of business
Subsidiary Conquest Care Homes (March) Limited	England and Wales	£1 ordinary	100%	Dormant

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

12 Debtors

	31 December 2000 £	13 April 2000 £
Trade debtors	82,116	78,597
Amounts owed by group undertakings	270,115	-
Other debtors	85,573	26,020
Prepayments and accrued income	-	3,167
	437,804	107,784

13 Creditors – Amounts falling due within one year

	31 December 2000 £	13 April 2000 £
Bank loans and overdrafts	11,414	170,471
Trade creditors	30,386	181,900
Corporation tax	82,121	5,000
Social security and other taxes	26,096	31,111
Loans from directors	-	8,620
Other creditors	139,896	-
Amounts owed to group undertakings	90,831	-
Accruals and deferred income	47,095	79,787
	427,839	476,889

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

Loans from directors were settled on acquisition of the company by Craegmoor Group Limited.

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

14 Creditors – Amounts falling due after more than one year

	31 December 2000 £	13 April 2000 £
Bank loans	-	1,024,199
Amounts owed to group undertakings	1,081,619	102
	1,081,619	1,024,301

Included in amounts owed to group companies due after more than one year is £10,000 loaned to the company by Craegmoor Funding PLC, a fellow subsidiary of Craegmoor Group Limited, under the Issuer/Borrowers Facility Agreement dated 23 November 2000.

15 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amount of unprovided total potential liability at a tax rate of 30% (prior period: 30%) are as follows:

	Amounts provided		Amounts unprovided	
	31 December 2000 £	13 April 2000 £	31 December 2000 £	13 April 2000 £
Tax effect of timing differences because of:				
Excess capital allowances over depreciation	3,000	3,000	3,665	-
Revaluation surplus	-	-	214,649	-
	3,000	3,000	218,314	-

16 Called up share capital

	31 December 2000 £	13 April 2000 £
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

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

17 Reserves

	Share premium account £	Profit and loss account £	Revaluation reserve £
At 14 April 2000	227,823	417,434	-
Surplus on revaluation of properties	-	-	715,495
Profit for the period	-	282,417	-
At 31 December 2000	227,823	699,851	715,495

18 Reconciliation of movement in shareholders' funds

	31 December 2000 £	13 April 2000 £
Profit for the financial period	282,417	19,081
Surplus on revaluation of properties	715,495	-
Net increase in shareholders' funds	997,912	19,081
Shareholders' funds at 14 April 2000	645,461	626,380
Shareholders' funds at 31 December 2000	1,643,373	645,461

19 Capital commitments

The company had no capital commitments at 31 December 2000 or 13 April 2000.

20 Contingent liabilities

There is a fixed and floating charge over the undertaking and assets of the company in respect of a loan from Craegmoor Funding PLC to Parkcare Homes Limited under the Issuer/Borrowers Facility Agreement dated 23 November 2000. Craegmoor Funding PLC and Parkcare Homes Limited are fellow subsidiaries of Craegmoor Group Limited.

Conquest Care Homes (Peterborough) Limited

Notes to the financial statements for the period ended 31 December 2000 (continued)

21 Leasing commitments

The company had annual commitments under operating leases amounting to £Nil (Period ended 13 April 2000: £27,718) due within one year. The leases to which these amounts relate expire as follows:

	31 December 2000 £	13 April 2000 £
In one year or less	-	27,718

22 Immediate and ultimate parent companies

The directors regard Craegmoor Holdings Limited, a company registered in England and Wales, as the immediate parent company of Conquest Care Homes (Peterborough) Limited, and Craegmoor Group Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom of Craegmoor Holdings Limited. Copies of Craegmoor Group Limited's consolidated financial statements may be obtained from its registered office, "Hillcairn", St Andrew's Road, Droitwich, Worcester WR9 8DJ.

The directors regard Warburg Pincus LP, a company partnership incorporated in the United States of America, as the ultimate parent company. Copies of the ultimate parent company's financial statements are not available to the public.