

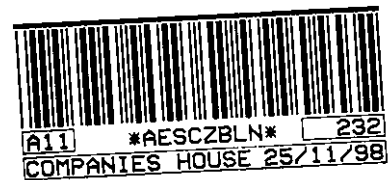
COMPANY NUMBER: 03025072

**PRESTIGE CARE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**28 FEBRUARY 1998**



***P M Cook & Co  
Chartered Accountants  
Management Consultants  
273 Linthorpe Road  
Middlesbrough  
TS1 3QS***

# Prestige Care Limited

## Company Information

Company Number	03025072
Directors	Mr S Singh Mrs M Singh Mrs B K Singh
Company Secretary	Mrs M Singh
Business Address	Longlands Care Home 35 Longlands Road Longlands Middlesbrough TS4 2JS
Registered Office	273 Linthorpe Road Middlesbrough Cleveland TS1 3QS
Principle Bankers	Bank of Scotland Business Banking Teviot House 41 South Gyle Crescent Edinburgh EH12 9BF
Auditor	P M Cook & Co Chartered Accountants 273 Linthorpe Road Middlesbrough Cleveland TS1 3QS

Prestige Care Limited

Financial Statements

For The Year Ended 28 February 1998

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Prestige Care Limited  
Report of the Directors

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The directors present the audited financial statements for the year ended 28 February 1998.

Principle Activities

The principle activity of the company is that of provision of residential care for the elderly.

Fixed Assets

The movements in fixed assets during the year are set out in note 6 to the financial statements.

Directors and their Interest

The directors who served during the year and their interests in the company were as stated below :-

	<u>Class of Shares</u>	<u>Number of Shares</u>	
		<u>1998</u>	<u>1997</u>
S Singh	Ordinary £1 each	1	1
M Singh	Ordinary £1 each	1	1
B K Singh	Ordinary £1 each	-	-

The auditors , P M Cook & Co , will be proposed for re-appointment under section 384 of the Companies Act 1985.

This report has been prepared taking advantage of the exemptions conferred by Part II of schedule eight of the Companies Act 1985 , on the grounds that in the opinion of the Directors the company is entitled to these exemptions as a small company.

BY ORDER OF THE BOARD

M Singh ..... *M Singh* .....

Date ..... *19/10/98* .....

Prestige Care Limited  
Statement of Director's Responsibilities

Page 2

Company law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and the profit and loss of the company for that period. In preparing those financial statements; the Directors are required to :-

Select suitable policies and then apply them consistently ;

Make judgments and estimates that are reasonable and prudent ;

State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in financial statements ;

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 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.

BY ORDER OF THE BOARD

Signed ..... M Singh .....  
M Singh  
Company Secretary

Date ..... 19/10/98 .....

Prestige Care Limited

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Auditors Report

To the Shareholders of Prestige Care Limited

We have audited the financial statements on pages 4 to 10 , which have been prepared under the historical cost convention , and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Reporting Accountant

As described on page 2 , the company's directors are responsible for the preparation of the 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.

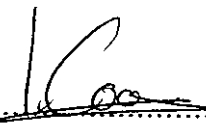
Basis of Opinion

We conducted our examination 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in 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 supply 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 whole 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 28 February 1998 and of its profit for the year then ended and have been prepared in accordance with the Companies Act 1985 applicable to small companies.

Signed ..........  
P M Cook & Co  
Chartered Accountants

Date ..19/10/98..

PRESTIGE CARE LIMITED  
 -----  
 PROFIT AND LOSS ACCOUNT  
 -----  
 FOR THE YEAR ENDED 28 FEBRUARY 1998  
 -----

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 -----

	NOTE	1998	1997
TURNOVER	1	375,403	183,999
Cost of Sales		165,904	91,422
GROSS PROFIT		----- 209,499	----- 92,577
Administrative Expenses		85,697	61,873
OPERATING PROFIT/(LOSS)	2	----- 123,802	----- 30,704
Interest Payable and Similar Charges	3	83,627	45,501
Other Income		40,175 400	(14,797) -
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		----- 40,575	----- (14,797)
Tax on Profit/(Loss) on Ordinary Activities		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		----- 40,575	----- (14,797)
Deficit Brought Forward		(44,359)	(29,562)
DEFICIT CARRIED FORWARD	12	----- (3,784) =====	----- (44,359) =====

PRESTIGE CARE LIMITED  
 -----  
 BALANCE SHEET  
 -----  
 AS AT 28 FEBRUARY 1998  
 -----

	NOTE	1998	1997
FIXED ASSETS			
Tangible Assets	6	716,317	542,644
CURRENT ASSETS			
Stocks	7	855	855
Debtors	8	21,380	31,601
Cash at Bank and in Hand		41,534	3,618
		<u>63,769</u>	<u>36,074</u>
CREDITORS: Amounts falling due within one year	9	89,946	125,502
		<u>-----</u>	<u>-----</u>
NET CURRENT LIABILITIES		(26,177)	(89,428)
		<u>-----</u>	<u>-----</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		690,140	453,216
CREDITORS: Amounts falling due after more than one year 10		(693,922)	(497,573)
		<u>(3,782)</u>	<u>(44,357)</u>
		<u>=====</u>	<u>=====</u>
CAPITAL AND RESERVES			
Called Up Share Capital	11	2	2
Profit and Loss Account	12	(3,784)	(44,359)
		<u>(3,782)</u>	<u>(44,357)</u>
Shareholders' Funds		<u>=====</u>	<u>=====</u>

The directors have taken advantage of the exemptions conferred by Part II of the Schedule 8 of the Companies Act 1985 and have done so on the grounds as a small company.  
 The financial statements were approved by the Board and are signed on its behalf.

.....  
 Mr S Singh  
 Director

.....  
 Date 24/11/98



Prestige Care Limited  
Notes to the Financial Statements  
For the Year Ended 28 February 1998

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**1. Accounting Policies**

**BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

**TURNOVER**

Turnover represents the total invoice value , excluding value added tax , of goods sold and services rendered during the year.

Freehold Buildings	Straight line over 50 years
Furniture, fixtures and equipment	15% Straight line
Motor vehicles	25% Straight line

**STOCK**

Stock is valued at the lower of cost and net realisable value

**DEFERRED TAXATION**

Deferred taxation is provided where there is reasonable probability of the amount becoming payable in the foreseeable future.

**LEASING AND HIRE PURCHASE**

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligation outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

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 NOTES TO THE FINANCIAL STATEMENTS  
 -----  
 FOR THE YEAR ENDED 28 FEBRUARY 1998  
 -----

	1998 £	1997 £
<b>2. OPERATING PROFIT</b>		
The operating profit is stated after charging :		
Depreciation		
owned tangible fixed assets	1,477	638
Auditor's remuneration		
Other operating leases	20,061	25,210
<b>3. INTEREST PAYABLE &amp; SIMILAR CHARGES</b>		
On bank loans and overdrafts on loans repayable in full within five years	83,627	47,700
	-----	-----
	83,627	47,700
	-----	-----
<b>4. DIRECTORS EMOLUMENTS</b>		
Directors emoluments:		
Salary	-	-
Pension Contributions	-	-
	-----	-----
	-	-
	-----	-----
<b>5. PENSION COSTS</b>		

The company does not have a defined contribution scheme for its directors.

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 NOTES TO THE FINANCIAL STATEMENTS  
 -----  
 FOR THE YEAR ENDED 28 FEBRUARY 1998  
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## 6 TANGIBLE FIXED ASSETS

	Freehold Property	Fixtures and Fittings	Total
Cost			
-----			
At 01 March 1997	537,609	5,673	543,282
Additions	170,342	5,243	175,585
Disposals	-	(435)	(435)
	-----	-----	-----
At 28 February 1998	707,951	10,481	718,432
	-----	-----	-----
Depreciation			
-----			
At 01 March 1997	-	638	638
Charge for Year	-	1,477	1,477
	-----	-----	-----
At 28 February 1998	-	2,115	2,115
	-----	-----	-----
Net Book Value			
-----			
At 28 February 1998	707,951	8,366	716,317
	=====	=====	=====
At 28 February 1997	537,609	5,035	542,644
	=====	=====	=====

-----  
 NOTES TO THE FINANCIAL STATEMENTS  
 -----  
 FOR THE YEAR ENDED 28 FEBRUARY 1998  
 -----

	1998 £	1997 £
7. STOCKS		
Consumables	855	855
	---	---
8. DEBTORS		
Due within one year		
Trade Debtors	15,538	16,912
Other Debtors	5,500	13,624
Prepayments and accrued income	342	1,065
	-----	-----
	21,380	31,601
	-----	-----
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	1998 £	1997 £
Bank Loans and Overdrafts	40,065	41,444
Trade Creditors	11,036	-
Taxes and social security costs	1,807	1,884
Directors Current Accounts	35,276	59,576
Accruals and deferred income	1,762	22,598
	-----	-----
	89,946	125,502
	=====	=====

The bank loan is secured by a fixed charge over the freehold property and a floating charge over the assets of the company.

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 NOTES TO THE FINANCIAL STATEMENTS  
 -----  
 FOR THE YEAR ENDED 28 FEBRUARY 1998  
 -----

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

	1998 £	1997 £
Loans	693,922	497,573

11. SHARE CAPITAL

	1998 £	1997 £
AUTHORISED		
100 Ordinary Shares of £1 each	100	100
ALLOTTED , CALLED UP AND FULLY PAID		
2 Ordinary Shares of £1 each	2	2

12. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Accumulated losses at 01 March 1997	(44,357)	(29,560)
Retained Profit/(Loss) for the year	40,575	(14,797)
Accumulated loss at 28 February 1998	(3,782)	(44,357)

14. TRANSACTIONS WITH DIRECTORS

The directors had a material interest during the year in the company's transactions with Sandstone Developments by virtue of them being owners in that business. All transactions were at arms length and on normal commercial terms.

PRESTIGE CARE LIMITED  
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 TRADING, PROFIT AND LOSS ACCOUNT  
 -----  
 FOR THE YEAR ENDED 28 FEBRUARY 1998  
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MANAGEMENT INFORMATION  
 -----  
 APPENDIX A  
 -----

	1998	1997
SALES	375,403	183,999
COST OF SALES		
Food	29,042	14,229
Wages	136,862	77,193
	-----	-----
	165,904	91,422
GROSS PROFIT	-----	-----
	209,499	92,577
EXPENDITURE		
Registration Fees	2,706	2,400
Telephone	1,567	1,468
Postage and Stationery	1,896	3,890
Advertising	822	1,927
Motor Expenses	2,387	1,369
Other Operating Leases	20,061	25,210
Repairs and Renewals	12,096	4,467
Accountancy	3,492	2,477
Legal Fees	3,155	861
Refuse Collection	787	330
Insurance	4,584	2,390
Light, Heat and Water	20,245	6,045
Food Requisites	372	292
Overalls and Uniforms	623	930
Medical Supplies	152	554
Newspapers and Magazines	178	7
toiletries and Cleaning	6,513	3,927
Training Costs	170	187
Miscellaneous	2,414	305
Depreciation	1,477	638
	-----	-----
	85,697	59,674
	-----	-----
FINANCE COSTS	123,802	32,903
Bank Interest	3,442	2,045
Bank Loan Interest	66,638	43,456
Bank Charges	9,847	1,649
Bank Loan Arrangement Fee	3,700	550
	-----	-----
	83,627	47,700
	-----	-----
OTHER INCOME	40,175	(14,797)
Teesside TEC	400	-
	-----	-----
NET PROFIT/(LOSS) FOR THE YEAR	40,575	(14,797)
	=====	=====