

Registered number: 2693859

HIGHWAY (BURNLEY) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 NOVEMBER 2001



PM&M
Chartered Accountants
83 Bank Parade
Burnley
Lancashire
BB11 1UG

COMPANY INFORMATION

DIRECTORS

Mr BJ Christopher
Mrs BR Christopher
Mr RRE Christopher
Mrs P Newham

SECRETARY

Mr RRE Christopher

COMPANY NUMBER

2693859

REGISTERED OFFICE

11 Acresbrook Road
Higham
Burnley
Lancashire
BB12 9BY

AUDITORS

PM&M
Chartered Accountants & Registered Auditors
83 Bank Parade
Burnley
Lancashire
BB11 1UG

BANKERS

Barclays Bank PLC
72-78 St. James Street
Burnley
Lancashire

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DIRECTORS' REPORT

For the year ended 30 November 2001

The directors present their report and the financial statements for the year ended 30 November 2001.

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 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 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.

PRINCIPAL ACTIVITIES

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

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	<u>30/11/01</u>	<u>1/12/00</u>
Mr BJ Christopher	-	-
Mrs BR Christopher	-	-
Mr RRE Christopher	-	-
Mrs P Newham	-	-

Mr. B.J. Christopher, Mrs B.R. Christopher and Mr. R.R.E. Christopher are also directors in the holding company Cranley Limited and their interests in the share capital of that company is disclosed in its financial statement.

AUDITORS

During the year, the firm of Langley Stuttard became part of the firm of PM&M. As a result, PM&M were appointed auditors.

They will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 29 April 2002 and signed on its behalf.



Mr RRE Christopher
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HIGHWAY (BURNLEY) LIMITED

We have audited the financial statements of Highway (Burnley) Limited for the year ended 30 November 2001 set out on pages 5 to 10. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 with the company 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 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 30 November 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PM, M

PM&M

Chartered Accountants
Registered Auditors
Burnley

29 April 2002

PROFIT AND LOSS ACCOUNT
For the year ended 30 November 2001

	Note	2001 £	2000 £
TURNOVER	1	243,194	223,532
Administrative expenses		<u>(217,146)</u>	<u>(210,075)</u>
OPERATING PROFIT	2	26,048	13,457
Interest payable		<u>(4,591)</u>	<u>(5,327)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21,457	8,130
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	<u>(3,172)</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		18,285	8,130
LOSS BROUGHT FORWARD		<u>(50,067)</u>	<u>(58,197)</u>
LOSS CARRIED FORWARD		<u>£ (31,782)</u>	<u>£ (50,067)</u>

The notes on pages 7 to 10 form part of these financial statements.

BALANCE SHEET
As at 30 November 2001

	Note	2001		2000	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	5		200,241		33,161
CURRENT ASSETS					
Debtors	6	36,543		57,466	
Cash in hand		29		20	
		<u>36,572</u>		<u>57,486</u>	
CREDITORS: amounts falling due within one year	7	<u>(240,931)</u>		<u>(133,674)</u>	
NET CURRENT LIABILITIES			<u>(204,359)</u>		<u>(76,188)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(4,118)</u>		<u>(43,027)</u>
CREDITORS: amounts falling due after more than one year	8		<u>(27,662)</u>		<u>(7,038)</u>
NET LIABILITIES			<u>£ (31,780)</u>		<u>£ (50,065)</u>
CAPITAL AND RESERVES					
Called up share capital	9		2		2
Profit and loss account			(31,782)		(50,067)
SHAREHOLDERS' FUNDS			<u>£ (31,780)</u>		<u>£ (50,065)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the board on 29 April 2002 and signed on its behalf.

B Christopher

Mr BJ Christopher
Director

The notes on pages 7 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 November 2001

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2001	2000
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	13,236	14,927
- assets on hire purchase	19,035	7,330
Auditors' remuneration	1,155	1,100
Pension costs	7,032	6,418
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 November 2001

3. DIRECTORS' REMUNERATION

	2001 £	2000 £
Aggregate emoluments	£ 48,265	£ 98,291

During the year retirement benefits were accruing to 2 directors (2000 - 2) in respect of money purchase pension schemes.

4. TAXATION

	2001 £	2000 £
UK Corporation tax	£ 3,172	£ -

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Other fixed assets £	Total £
Cost			
At 1 December 2000	-	71,657	71,657
Additions	1,640	80,643	82,283
Disposals	-	(7,867)	(7,867)
Inter Group Transfer	123,035	-	123,035
At 30 November 2001	124,675	144,433	269,108
Depreciation			
At 1 December 2000	-	38,496	38,496
Charge for the year	1,376	30,895	32,271
On disposals	-	(7,705)	(7,705)
Inter Group Transfer	5,805	-	5,805
At 30 November 2001	7,181	61,686	68,867
Net book value			
At 30 November 2001	£ 117,494	£ 82,747	£ 200,241
At 30 November 2000	£ -	£ 33,161	£ 33,161

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2001 £	2000 £
Motor vehicles	£ 52,668	£ 14,831

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 November 2001

6. DEBTORS

	2001 £	2000 £
Due within one year		
Trade debtors	4,516	842
Amounts owed by group undertakings	3,646	3,646
Other debtors	28,381	52,978
	<u>£ 36,543</u>	<u>£ 57,466</u>

**7. CREDITORS:
Amounts falling due within one year**

	2001 £	2000 £
Bank loans and overdrafts	15,672	26,736
Net obligations under finance leases and hire purchase contracts	25,335	8,053
Amounts owed to group undertakings	188,602	86,093
Corporation tax	3,172	-
Social security and other taxes	392	1,055
Other creditors	7,758	11,737
	<u>£ 240,931</u>	<u>£ 133,674</u>

The aggregate amount of secured creditors included in the above figures is £41,007 (2000 £34,789)

**8. CREDITORS:
Amounts falling due after more than one year**

	2001 £	2000 £
Net obligations under finance leases and hire purchase contracts	<u>£ 27,662</u>	<u>£ 7,038</u>

The hire purchase contracts are secured on the items to which they relate.

9. SHARE CAPITAL

	2001 £	2000 £
Authorised		
1,000 Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 30 November 2001

10. PENSION COMMITMENTS

The company operates a defined contribution scheme for the directors. 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 £7,032 (2000 £6,418). At the balance sheet date there were prepaid contributions of £1,250. These are included in debtors.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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, and Tanis Developments Limited. During the year Highway paid £1,020 rent for the Highway Centre to Tanis Developments Limited.