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HIGHWAY (BURNLEY) LIMITED

FINANCIAL STATEMENTS

30 NOVEMBER 1998

Registered number: 2693859

LANGLEY STUTTARD & CO

REGISTERED AUDITOR

Lancashire



HIGHWAY (BURNLEY) LIMITED

FINANCIAL STATEMENTS

for the year ended 30 November 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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HIGHWAY (BURNLEY) LIMITED**COMPANY INFORMATION****30 November 1998**

INCORPORATED	In England on 5 March 1992
NUMBER	2693859
CHAIRMAN	Mr B J Christopher
OTHER DIRECTORS	Mrs B R Christopher
SECRETARY	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 1998**

The directors present their report and the audited financial statements for the year ended 30 November 1998.

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 1998	1 December 1997
	Ordinary shares	Ordinary shares
Mr B J Christopher	-	-
Mrs B R Christopher	-	-

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 and with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the board

B Christopher

Mr B J Christopher
Chairman
11 Acresbrook Road
Higham
Burnley
Lancashire BB12 9BY

3/ March 1999

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



Mr B J Christopher
Chairman

3/ March 1999

HIGHWAY (BURNLEY) LIMITED**AUDITORS' REPORT**

Auditors' report to the members 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, 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.

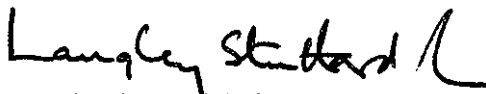
Basis of opinion

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 1998 and of its profit 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

8 April 1999

HIGHWAY (BURNLEY) LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 30 November 1998

	Note	1998 £	1997 £
Turnover	2	228,053	176,029
Net operating expenses			
Administrative expenses		(206,309)	(151,446)
Other operating income		6,228	63
Operating profit	3	<u>27,972</u>	<u>24,646</u>
Interest payable		(9,548)	(8,490)
Profit on ordinary activities before taxation		18,424	16,156
Taxation	5	(6,485)	(3,142)
Profit on ordinary activities after taxation		11,939	13,014
Dividends	6	(27,000)	(18,000)
Retained loss for the year	12	<u><u>(15,061)</u></u>	<u><u>(4,986)</u></u>

Movements in reserves are shown in note 12.

HIGHWAY (BURNLEY) LIMITED

BALANCE SHEET

at 30 November 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	7		80,430		86,482
Current assets					
Debtors	8	73,774		34,161	
Cash at bank and in hand		50		36	
		<u>73,824</u>		<u>34,197</u>	
Creditors: amounts falling due within one year	9	(138,195)		(89,867)	
Net current liabilities			<u>(64,371)</u>		<u>(55,670)</u>
Total assets less current liabilities			<u>16,059</u>		<u>30,812</u>
Creditors: amounts falling due after more than one year	10		(33,250)		(32,942)
			<u>(17,191)</u>		<u>(2,130)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		(17,193)		(2,132)
Total shareholders' funds			<u>(17,191)</u>		<u>(2,130)</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.

The financial statements on pages 5 to 10 were approved by the board of directors on 3/ March 1999 and signed on its behalf by:

B Christopher

Mr B J Christopher
Chairman

HIGHWAY (BURNLEY) LIMITED
NOTES ON FINANCIAL STATEMENTS

30 November 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on grounds that it is a small company.

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

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.

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. (1997 nil)

HIGHWAY (BURNLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

3	Operating profit		
		1998	1997
		£	£
	Operating profit is stated after crediting		
	Interest receivable	6,228	63
	and after charging		
	Auditors' remuneration	560	530
	Loss on sale of assets	-	2,115
	Depreciation of tangible fixed assets (note 7)		
	Owned assets	1,703	966
	Leased assets	25,643	18,257
		27,346	19,223
4	Directors		
		1998	1997
		£	£
	Directors' emoluments	32,239	28,553
	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 £24,489 (1997 £14,777) including contributions in respect of employees. Contributions totalling £0 (1997 £0) were payable to the fund at 30 November 1998 and are included in creditors.		
5	Taxation		
		1998	1997
		£	£
	Corporation tax on profit on ordinary activities at 21% (1997 22%)	6,485	3,142
6	Dividends		
		1998	1997
		£	£
	Interim dividends on £1 ordinary	27,000	18,000

HIGHWAY (BURNLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

7 Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Total £
Cost			
1 December 1997	102,522	2,336	104,858
Additions	20,220	3,784	24,004
Disposals	(5,000)	-	(5,000)
30 November 1998	<u>117,742</u>	<u>6,120</u>	<u>123,862</u>
Depreciation			
1 December 1997	17,658	718	18,376
Charge for year	26,477	869	27,346
Disposals	(2,290)	-	(2,290)
30 November 1998	<u>41,845</u>	<u>1,587</u>	<u>43,432</u>
Net book amount			
30 November 1998	<u>75,897</u>	<u>4,533</u>	<u>80,430</u>
1 December 1997	<u>84,864</u>	<u>1,618</u>	<u>86,482</u>

The net book value of assets included above which are subject to hire purchase agreements and finance leases

	1998 £	1997 £
Motor Vehicles	<u>75,897</u>	<u>84,864</u>

8 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	2,250	3,632
Amounts owed by group undertakings	58,039	18,331
Other debtors	717	222
Prepayments and accrued income	12,768	11,976
	<u>73,774</u>	<u>34,161</u>

HIGHWAY (BURNLEY) LIMITED

NOTES ON FINANCIAL STATEMENTS

30 November 1998

9 Creditors: amounts falling due
within one year

	1998 £	1997 £
Bank overdrafts	39,768	29,328
Amounts owed to group undertakings	54,750	-
Income tax	79	164
Corporation tax	6,042	3,070
Other taxation and social security	2,196	3,737
Other creditors	4,481	21,558
Accruals and deferred income	6,502	5,961
Hire Purchase creditors	24,377	26,049
	<u>138,195</u>	<u>89,867</u>

The aggregate amount of secured creditors
included in the above figures

<u>64,144</u>	<u>55,377</u>
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10 Creditors: amounts falling due
after more than one year

	1998 £	1997 £
Obligations under finance leases and hire purchase contracts	33,250	32,942
	<u>33,250</u>	<u>32,942</u>
The aggregate amount of secured creditors included in the above figures	<u>33,250</u>	<u>32,942</u>

HIGHWAY (BURNLEY) LIMITED
NOTES ON FINANCIAL STATEMENTS

30 November 1998

11 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted called up and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Profit and loss account

	1998 £
1 December 1997	(2,132)
Retained loss for the year	(15,061)
	<u> </u>
30 November 1998	<u>(17,193)</u>

13 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was Cranley Limited, a company incorporated in England.