

Company Number: 02647567

REGISTRAR'S
COPY

LA PIERRE CARE HOMES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED
8 MARCH 2001**



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LA PIERRE CARE HOMES LIMITED

Company Information

Directors	G. Sideras (resigned 9 March 2001) R. Sideras (resigned 9 March 2001) B. D. MacDonald (resigned 25 September 2000) M. A. Stratford (appointed 9 March 2001) G. H. Blackoe (appointed 9 March 2001)
Secretary	R. Sideras (resigned 9 March 2001) B.L.G. (Professional Services) Limited
Company Number	02647567
Registered Office	"Hillcainie" St Andrew's Road Droitwich Worcestershire
Auditors	Nexia Audit Limited Prospect House 2 Athenaeum Road Whetstone London N20 9YU

LA PIERRE CARE HOMES LIMITED

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LA PIERRE CARE HOMES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 8 MARCH 2001

The directors present their report and the financial statements for the period ended 8 March 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 company's principal activity continues to be that of the provision of residential and day care to people with learning difficulties.

Directors

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

	Ordinary shares of £1 each	
	2001	2000
G. Sideras (resigned 9 March 2001)	-	65
R. Sideras (resigned 9 March 2001)	-	3
B. D. MacDonald (resigned 25 September 2000)	-	10
M. A. Stratford (appointed 9 March 2001)	-	-
G. H. Blackoe (appointed 9 March 2001)	-	-

On 22 May 2000 the entire issued share capital of the company was acquired by a newly formed company, New Challenge (Care Homes) Ltd. From that date the company became a wholly owned subsidiary of New Challenge (Care Homes) Ltd.

On 9 March 2001, the entire share capital of the company was acquired by Craegmoor Group Limited.

M.A.Stratford and G.H. Blackoe do have no beneficial interest in the ultimate controlling undertaking Craegmoor Group Limited.

Change of Accounting Reference Date

The company changed it's accounting reference to 8 March. Therefore the financial statements are for the period from 1 April 2000 to 8 March 2001. The comparatives are for the year ended 31 March 2000.

LA PIERRE CARE HOMES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 8 MARCH 2001

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 18-11-01



M. A. Stratford
Director

LA PIERRE CARE HOMES LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF
LA PIERRE CARE HOMES LIMITED

We have audited the accounts of LA PIERRE CARE HOMES LIMITED for the period ended 8 March 2001 on pages 4 to 9. These accounts 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 6.

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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 the 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 8 March 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Ltd

Nexia Audit Limited
Chartered Accountants
& Registered Auditors

Prospect House
2 Athenaeum Road
Whetstone
London N20 9YU

Date 19-11-02

LA PIERRE CARE HOMES LIMITED

PROFIT AND LOSS ACCOUNT
For the period ended 8 March 2001

	Note	Period ended 8 March 2001 £	Year ended 31 March 2000 £
TURNOVER	1,2	1,228,576	1,258,229
Cost of sales		<u>(685,168)</u>	<u>(464,191)</u>
GROSS PROFIT		543,408	794,038
Selling and distribution costs		(7,033)	(14,447)
Administrative expenses		<u>(380,211)</u>	<u>(421,741)</u>
OPERATING PROFIT	3	156,164	357,850
Interest receivable		1,482	1,256
Interest payable		<u>(853)</u>	<u>(1,855)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		156,793	357,251
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4	<u>(26,532)</u>	<u>(127,819)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		130,261	229,432
DIVIDENDS	5	-	(75,000)
RETAINED PROFIT FOR THE PERIOD		130,261	154,432
RETAINED PROFIT BROUGHT FORWARD		<u>695,426</u>	<u>540,994</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>825,687</u></u>	<u><u>695,426</u></u>

The notes on pages 6 to 9 form part of these financial statements.

LA PIERRE CARE HOMES LIMITED

BALANCE SHEET
As at 8 March 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible fixed assets	6		51,332		56,462
CURRENT ASSETS					
Debtors	7	1,054,968		744,071	
Cash at bank and in hand		1,581		63,846	
			<u>1,056,549</u>	<u>807,917</u>	
CREDITORS: amounts falling due within one year	8	(282,094)		(168,853)	
NET CURRENT ASSETS			<u>774,455</u>		<u>639,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>825,787</u>		<u>695,526</u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account			825,687		695,426
SHAREHOLDERS' FUNDS			<u>825,787</u>		<u>695,526</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 18-11-02



M.A. Stratford

Director

The notes on pages 6 to 9 form part of these financial statements.

LA PIERRE CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 8 March 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) and include the results of the company's operations which are described in the Directors' Report.

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 Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company.

1.4 Tangible fixed assets and depreciation

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

Improvements to buildings	-	25%	straight line
Motor vehicles	-	20%	reducing balance
Fixtures and fittings	-	15%	reducing balance

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.7 Pensions

The company contributed to a number of defined contribution pension schemes and the pension charge represents the amounts payable by the company in respect of the year.

2. TURNOVER

The whole of the turnover arose within the United Kingdom and is attributable to the one principal activity of the company being the provision of residential and day care to people with learning difficulties.

LA PIERRE CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 8 March 2001

3. OPERATING PROFIT

The operating profit is stated after charging:

	Period ended 8 March 2001 £	Year ended 31 March 2000 £
Depreciation of tangible fixed assets - owned by the company	9,984	8,073
Auditors' remuneration	8,885	8,460
Directors' emoluments	38,139	57,854
Pension costs	4,657	4,896
	<u> </u>	<u> </u>

4. TAXATION

	Period ended 8 March 2001 £	Year ended 31 March 2000 £
Current year taxation		
UK corporation tax	48,227	105,724
Prior years		
UK corporation tax	(21,695)	22,095
	<u> </u>	<u> </u>
	<u>26,532</u>	<u>127,819</u>

5. DIVIDENDS

	Period ended 8 March 2001 £	Year ended 31 March 2000 £
Ordinary - Proposed and paid	-	75,000
	<u> </u>	<u> </u>

LA PIERRE CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 8 March 2001

6. TANGIBLE FIXED ASSETS

	Improvements to Buildings £	Plant and Equipment £	Total £
Cost or valuation			
At 1 April 2000	-	98,320	98,320
Additions	7,854	-	7,854
Disposals	-	(3,000)	(3,000)
At 8 March 2001	<u>7,854</u>	<u>95,320</u>	<u>103,174</u>
Depreciation			
At 1 April 2000	-	41,858	41,858
Charge for period	1,964	8,020	9,984
At 8 March 2001	<u>1,964</u>	<u>49,878</u>	<u>51,842</u>
Net Book Value			
At 8 March 2001	<u>5,890</u>	<u>45,442</u>	<u>51,332</u>
At 31 March 2000	<u>-</u>	<u>56,462</u>	<u>56,462</u>

7. DEBTORS

	2001 £	2000 £
Due within one year		
Trade debtors	59,741	22,720
Other debtors	995,227	721,351
	<u>1,054,968</u>	<u>744,071</u>

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

	2001 £	2000 £
Bank loans and overdrafts	2,362	-
Trade creditors	6,455	17,048
Corporation tax	48,227	105,724
Other creditors	225,050	46,081
	<u>282,094</u>	<u>168,853</u>

Included within other creditors is an amount of £13,419 (2000 - £10,949) relating to social security and other taxes.

LA PIERRE CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 8 March 2001

9. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

10. OTHER COMMITMENTS

At 8 March 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £	2000 £
Expiry date:		
Within 1 year	-	140,000

11. RELATED PARTIES

During the period the company paid rent of £28,626 (2000 - £140,000) and £129,200 (2000 £NIL) to Sideras Properties (UK) Limited and New Challenge (Care Homes) Ltd respectively, companies which were controlled by G. Sideras and members of his close family.

During the year, New Challenge Care Services, a fellow subsidiary, took over the operation of certain care homes previously operated by La Pierre Care Homes Ltd.

The following companies under common control have outstanding loans due to La Pierre Care Homes Ltd and are included in other debtors:

	2001 £	2000 £
New Challenge (Care Homes) Limited	994,900	-
Sideras Properties (UK) Limited	-	719,402
	<u>994,900</u>	<u>719,402</u>

12. PENSION COMMITMENTS

The company operates a defined contribution scheme for the benefit of certain employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company. The contributions paid in the year amounted to £4,657 (2000 - £4,896).

13. CONTINGENT LIABILITIES

As part of the reorganisation which took place on 22 May 2000 a debenture was granted by the company in favour of Credit Suisse First Boston and UCB Healthcare for securing all monies obligations and liabilities due or to become due from the company and in respect of debts and liabilities of New Challenge (Care Homes) Limited. On 9 March 2001 this debenture was fully satisfied.

On 9 March 2001 the company gave a new debenture in favour of Barclays Bank Plc for securing all monies obligations and liabilities due or to become due from the company and in respect of debts and liabilities of Craegmoor Group Limited or Parkcare Homes (No.2) Limited.

14. CONTROLLING PARTY

On 9 March 2001, the entire share capital of the company was acquired by Craegmoor Group Limited. Craegmoor Group Limited is therefore the ultimate controlling party of La Pierre Care Homes Limited.