

COMPANY NUMBER 03025072

PRESTIGE CARE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 1999

*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 1999

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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 1999.

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>1999</u> | <u>1998</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 ...*25.10.99*...

Statement of Director's Responsibilities

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

SignedM. Singh.....

M Singh

Company Secretary

Date25.10.99..

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 1999 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 ... 25.10.99

PRESTIGE CARE LIMITED

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 1999

| | NOTE | 1999 | 1998 |
|---|------|---------|----------|
| TURNOVER | 1 | 463,440 | 375,403 |
| Cost of Sales | | 207,782 | 165,904 |
| GROSS PROFIT | | 255,658 | 209,499 |
| Administrative Expenses | | 120,616 | 85,697 |
| OPERATING PROFIT/(LOSS) | 2 | 135,042 | 123,802 |
| Interest Payable and Similar Charges | 3 | 65,905 | 83,627 |
| Other Income | | 69,137 | 40,175 |
| | | 1,600 | 400 |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 70,737 | 40,575 |
| Tax on Profit/(Loss) on Ordinary Activities | | 14,000 | - |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION | | 56,737 | 40,575 |
| Deficit Brought Forward | | (3,784) | (44,359) |
| SURPLUS/(DEFICIT) CARRIED FORWARD | 12 | 52,953 | (3,784) |

PRESTIGE CARE LIMITED

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BALANCE SHEET

AS AT 28 FEBRUARY 1999

| | NOTE | 1999 | 1998 |
|--|------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible Assets | 6 | 720,619 | 716,317 |
| CURRENT ASSETS | | | |
| Stocks | 7 | 855 | 855 |
| Debtors | 8 | 120,466 | 21,380 |
| Cash at Bank and in Hand | | 193 | 41,534 |
| | | ----- | ----- |
| | | 121,514 | 63,769 |
| CREDITORS: Amounts falling due within one year | 9 | 78,872 | 89,946 |
| | | ----- | ----- |
| NET CURRENT LIABILITIES | | 42,642 | (26,177) |
| | | ----- | ----- |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 763,261 | 690,140 |
| CREDITORS: Amounts falling due after more than one year | 10 | (710,306) | (693,922) |
| | | ----- | ----- |
| | | 52,955 | (3,782) |
| | | ===== | ===== |
| CAPITAL AND RESERVES | | | |
| Called Up Share Capital | 11 | 2 | 2 |
| Profit and Loss Account | 12 | 52,953 | (3,784) |
| | | ----- | ----- |
| Shareholders' Funds | | 52,955 | (3,782) |
| | | ===== | ===== |

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

25.10.99.....

Notes to the Financial Statements

For The Year Ended 28 February 1999

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.

 NOTES TO THE FINANCIAL STATEMENTS

 FOR THE YEAR ENDED 28 FEBRUARY 1999

| | 1999 | 1998 |
|---|--------|--------|
| 2. OPERATING PROFIT | | |
| The operating profit is stated after charging : | | |
| Depreciation | | |
| owned tangible fixed assets | 1,936 | 1,477 |
| Auditor's remuneration | 500 | 500 |
| Other operating leases | 20,061 | 20,061 |
| 3. INTEREST PAYABLE & SIMILAR CHARGES | | |
| On bank loans and overdrafts on loans repayable in full within five years | 65,905 | 83,627 |
| | ----- | ----- |
| | 65,905 | 83,627 |
| | ----- | ----- |
| 4. DIRECTORS EMOLUMENTS | | |
| Directors emoluments: | | |
| Salary | 44,000 | - |
| Pension Contributions | - | - |
| | ----- | ----- |
| | 44,000 | - |
| | ----- | ----- |
| 5. PENSION COSTS | | |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 1999

6 TANGIBLE FIXED ASSETS

| | Freehold Property | Fixtures and Fittings | Total |
|---------------------|----------------------|-----------------------------|---------|
| Cost | | | |
| At 01 March 1998 | 707,951 | 10,481 | 718,432 |
| Additions | 3,814 | 2,424 | 6,238 |
| Disposals | - | - | - |
| At 28 February 1999 | 711,765 | 12,905 | 724,670 |
| Depreciation | | | |
| At 01 March 1998 | - | 2,115 | 2,115 |
| Charge for Year | - | 1,936 | 1,936 |
| At 28 February 1999 | - | 4,051 | 4,051 |
| Net Book Value | | | |
| At 28 February 1999 | 711,765 | 8,854 | 720,619 |
| At 28 February 1998 | 707,951 | 8,366 | 716,317 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 1999

| | 1999 | 1998 |
|--|---------|--------|
| 7. STOCKS | | |
| Consumables | 855 | 855 |
| | --- | --- |
| 8. DEBTORS | | |
| | 1999 | 1998 |
| Due within one year | | |
| Trade Debtors | 11,900 | 15,538 |
| Other Debtors | 108,566 | 5,500 |
| Prepayments and accrued income | - | 342 |
| | ----- | ----- |
| | 120,466 | 21,380 |
| | ----- | ----- |
| 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 1999 | 1998 |
| Bank Loans and Overdrafts | 20,218 | 40,065 |
| Trade Creditors | 12,553 | 11,036 |
| Taxes and social security costs | 21,067 | 1,807 |
| Directors Current Accounts | 10,152 | 35,276 |
| Accruals and deferred income | 882 | 1,762 |
| Corporation Tax | 14,000 | - |
| | ----- | ----- |
| | 78,872 | 89,946 |
| | ===== | ===== |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1999

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

| | 1999 £ | 1998 £ |
|-------|-----------|-----------|
| Loans | 710,306 | 693,922 |

The bank loan is secured upon the freehold property at Longland Care Home, 35 Longlands Road, Longlands, Middlesbrough

11. SHARE CAPITAL

| | 1999 £ | 1998 £ |
|-------------------------------------|-----------|-----------|
| 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

| | 1999 £ | 1998 £ |
|---|-----------|-----------|
| Accumulated losses at 01 March 1998 | (3,784) | (44,359) |
| Retained Profit/(Loss) for the year | 70,737 | 40,575 |
| Accumulated profit/(loss) at 28 February 1999 | 66,953 | (3,784) |

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.