

COMPANY REGISTRATION NUMBER 03025072

PRESTIGE CARE LIMITED
FINANCIAL STATEMENTS
31ST JULY 2013



PRESTIGE CARE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

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PRESTIGE CARE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr S Singh Mrs B Kaur
Company secretary	Mrs M Singh
Registered office	Roseville Court Blair Avenue Ingleby Barwick Stockton on Tees TS17 5BL
Auditor	Tait Walker LLP Chartered Accountants & Statutory Auditor Medway House Fudan Way Teesdale Park Stockton-on-Tees TS17 6EN
Bankers	National Westminster Bank plc 106 Linthorpe Road Middlesbrough TS1 2JX Santander Corporate Banking Level 9, Baltic Place South Shore Road Gateshead NE8 3AE
Solicitors	DWF Great North House Sandyford Road Newcastle upon Tyne NE1 8ND

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST JULY 2013

The directors present their report and the financial statements of the group for the year ended 31st July 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group during the year were operating residential and nursing care homes, management of freehold investment property and property development and construction

The reported loss for the year of £1,022,086, includes a number of one-off transactions including, £728,821 impairment charge against the Walberton Care Home property following the closure of the business in preparation for redevelopment of the site. The property as at the balance sheet date is valued in accordance with the latest professional valuation on a closed basis. The directors are confident that the redevelopment plans will see this provisional loss (the impairment provision) fully reversed, £171,667 backdated depreciation charge for year ended 31 July 2012 as required by FRS15. Please refer to note 12 for further details in respect of the freehold property depreciation charges.

Further to these one-off costs, the reported loss figure also includes £254,203 in relation to the onerous ongoing interest rate hedge commitments that are the subject of the Financial Conduct Authority mis-selling review (please see Future Developments below)

FUTURE DEVELOPMENTS

The group awaits further developments with regards to its complaint against RBS with regards to the mis-selling of hedges (interest rate protection instruments). The complaint is included in the wider Financial Conduct Authority (formerly the Financial Services Authority) led review.

In relation to these specific hedges that are under review, the group has to date incurred losses amounting to circa £2m of which circa £254,203 is included within the £539,735 interest payable figure shown on the profit and loss account for the year ended 31 July 2013.

Initial advice has been received that leads the directors to believe that there is a strong likelihood that redress will be received. The directors have been informed by RBS that following the formal recorded meetings which have already taken place between the bank, the directors and the company's legal advisors, the bank's judgement on the case will be made available to them in a matter of weeks.

In respect of the loss making former Southern Cross homes that have attributed to the loss reported for the year ended 31 July 2013, the directors can confirm that at the time of signing this report, that the homes are now trading profitably or have since been closed or lease transferred to another operator therefore stemming any further losses.

RESULTS AND DIVIDENDS

The loss for the year amounted to £1,022,086. Particulars of dividends paid are detailed in note 11 to the financial statements.

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST JULY 2013

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group has an established, structured approach to risk management. The group's activities expose it to a variety of financial risks, including the effects of credit, along with liquidity and cash flow risk. The group has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The group performs ongoing credit evaluation of its customers' financial condition.

Liquidity risk is the risk that the group does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the group ensures there is an adequate liquidity buffer to cover contingencies. The group maintains sufficient cash and open committed credit lines from its bank for its funding requirements.

Interest rate risk re unfavourable movements in interest rates is not perceived as being material to the accounts due to the borrowing agreements in place.

DIRECTORS

The directors who served the company during the year were as follows:

Mr S Singh

Mrs B Kaur

Mrs M Singh

(Resigned 18th March 2013)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the profit or loss of the group for that year.

In preparing these 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 group will continue in business.

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST JULY 2013

DIRECTORS' RESPONSIBILITIES STATEMENT *(continued)*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the company made the following contributions

	2013	2012
	£	£
Charitable	<u>525</u>	<u>450</u>

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006

Signed on behalf of the directors



Mr S Singh
Director

Approved by the directors on 25/4/14

PRESTIGE CARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S SHAREHOLDERS

YEAR ENDED 31ST JULY 2013

We have audited the group and parent company financial statements ("the financial statements") of Prestige Care Limited for the year ended 31st July 2013 on pages 7 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31st July 2013 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PRESTIGE CARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S SHAREHOLDERS

(continued)

YEAR ENDED 31ST JULY 2013

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Tait Walker LLP

DAVID ARTHUR FCA (Senior Statutory Auditor)

For and on behalf of

TAIT WALKER LLP

Chartered Accountants & Statutory Auditor

Medway House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

28th April 2014

PRESTIGE CARE LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST JULY 2013**

		2013			2012
		Continuing operations	Discontinued operations	Total	Total (restated)
	Note	£	£	£	£
Turnover	2	3,169,246	1,355,000	4,524,246	11,785,263
Cost of sales		2,739,469	1,489,713	4,229,182	9,235,368
GROSS PROFIT/(LOSS)		<u>429,777</u>	<u>(134,713)</u>	<u>295,064</u>	<u>2,549,895</u>
Net operating expenses	3	1,371,809	135,782	1,507,591	1,754,255
OPERATING (LOSS)/PROFIT	4	<u>(942,032)</u>	<u>(270,495)</u>	<u>(1,212,527)</u>	795,640
Interest receivable				183	153
Profit on disposal of investments			29	594,777	1,157,876
Interest payable and similar charges			8	(539,735)	(684,646)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				<u>(1,157,302)</u>	<u>1,269,023</u>
Tax on (loss)/profit on ordinary activities			9	(135,216)	434,675
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			10	<u>(1,022,086)</u>	<u>834,348</u>

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31ST JULY 2013

	2013	2012 <i>(restated)</i>
	£	£
(Loss)/Profit for the financial year attributable to the shareholders of the parent company	(1,022,086)	834,348
Unrealised loss on revaluation of tangible fixed assets		
Freehold property	(36,179)	—
Total recognised gains and losses relating to the year	(1,058,265)	834,348
Prior year adjustment (see note 12)	(47,778)	—
Total gains and losses recognised since the last annual report	<u>(1,106,043)</u>	<u>834,348</u>

The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED

GROUP BALANCE SHEET

31ST JULY 2013

		2013		2012 (restated)	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		14,008,090		15,083,967
Investments	14		—		1
			<u>14,008,090</u>		<u>15,083,968</u>
CURRENT ASSETS					
Stocks	15		—		23,978
Debtors	16	1,428,699		1,963,425	
Cash at bank and in hand		14,496		136,614	
		<u>1,443,195</u>		<u>2,124,017</u>	
CREDITORS: amounts falling due within one year	18	<u>1,675,600</u>		<u>2,225,269</u>	
NET CURRENT LIABILITIES			<u>(232,405)</u>		<u>(101,252)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,775,685</u>		<u>14,982,716</u>
CREDITORS: amounts falling due after more than one year	19		9,947,840		9,936,917
PROVISIONS FOR LIABILITIES					
Deferred taxation	17		—		69,695
			<u>3,827,845</u>		<u>4,976,104</u>
CAPITAL AND RESERVES					
Called-up equity share capital	23		10		4
Revaluation reserve	24		5,151,952		5,574,242
Profit and loss account	24		(1,324,117)		(598,142)
SHAREHOLDERS' FUNDS	25		<u>3,827,845</u>		<u>4,976,104</u>

The Balance sheet continues on the following page
The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED

GROUP BALANCE SHEET *(continued)*

31ST JULY 2013

These financial statements were approved by the directors and authorised for issue on 25/4/14 ,
and are signed on their behalf by



Mr S Singh
Director

The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED
COMPANY REGISTRATION NUMBER 03025072

BALANCE SHEET

31ST JULY 2013

	Note	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		5,828,258		6,036,989
Investments	14		311,811		311,812
			<u>6,140,069</u>		<u>6,348,801</u>
CURRENT ASSETS					
Debtors	16	3,003,433		3,089,646	
Cash at bank and in hand		9,887		17,465	
		<u>3,013,320</u>		<u>3,107,111</u>	
CREDITORS: amounts falling due within one year	18		<u>735,705</u>		<u>405,535</u>
NET CURRENT ASSETS			<u>2,277,615</u>		<u>2,701,576</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,417,684</u>		<u>9,050,377</u>
CREDITORS: amounts falling due after more than one year	19		4,472,418		4,596,655
PROVISIONS FOR LIABILITIES					
Deferred taxation	17		-		11,272
			<u>3,945,266</u>		<u>4,442,450</u>
CAPITAL AND RESERVES					
Called-up equity share capital	23		10		4
Revaluation reserve	24		3,807,579		3,952,504
Profit and loss account	24		137,677		489,942
SHAREHOLDERS' FUNDS			<u>3,945,266</u>		<u>4,442,450</u>

The Balance sheet continues on the following page.
The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED
COMPANY REGISTRATION NUMBER 03025072

BALANCE SHEET *(continued)*

31ST JULY 2013

These financial statements were approved by the directors and authorised for issue on 25/4/14 ,
and are signed on their behalf by



Mr S Singh
Director

The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST JULY 2013

	2013		2012 <i>(restated)</i>	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		578,311		5,770,968
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	183		153	
Interest paid	<u>(539,735)</u>		<u>(684,646)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(539,552)		(684,493)
TAXATION		7,450		66,956
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(49,214)		(104,061)	
Receipts from sale of fixed assets	<u>16,350</u>		<u>—</u>	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(32,864)		(104,061)
ACQUISITIONS AND DISPOSALS				
Net cash disposed of with trade/business	(102)		(7,302)	
Acquisition of shares in group undertakings	<u>—</u>		<u>(1)</u>	
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		(102)		(7,303)
EQUITY DIVIDENDS PAID		(90,000)		(984,500)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(76,757)		4,057,567
Carried forward		<u>(76,757)</u>		<u>4,057,567</u>

The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST JULY 2013

	2013		2012 <i>(restated)</i>	
	£	£	£	£
Brought forward		(76,757)		4,057,567
FINANCING				
Issue of equity share capital	6		–	
Repayment of bank loans	(180,997)		(3,896,402)	
Net (outflow)/inflow from other long-term creditors	(11,560)		11,560	
NET CASH OUTFLOW FROM FINANCING		(192,551)		(3,884,842)
(DECREASE)/INCREASE IN CASH		(269,308)		172,725

RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012 <i>(restated)</i>
	£	£
Operating (loss)/profit	(1,212,527)	795,640
Depreciation and impairment	1,058,418	96,088
Loss on disposal of fixed assets	5,757	–
(Increase)/decrease in stocks	(75,221)	3,878,061
Decrease/(increase) in debtors	306,723	(300,521)
Increase in creditors	495,161	1,301,700
Net cash inflow from operating activities	<u>578,311</u>	<u>5,770,968</u>

The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST JULY 2013

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013		2012 (restated)	
	£	£	£	£
(Decrease)/increase in cash in the period	(269,308)		172,725	
Net cash outflow from bank loans	180,997		3,896,402	
Net cash outflow from/(inflow) from other long-term creditors	<u>11,560</u>		<u>(11,560)</u>	
		<u>(76,751)</u>		<u>4,057,567</u>
Change in net debt		(76,751)		4,057,567
Net debt at 1 August 2012		<u>(10,180,429)</u>		<u>(14,237,996)</u>
Net debt at 31 July 2013		<u>(10,257,180)</u>		<u>(10,180,429)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Aug 2012 £	Cash flows £	At 31 Jul 2013 £
Net cash			
Cash in hand and at bank	136,614	(122,118)	14,496
Overdrafts	–	(147,190)	(147,190)
	<u>136,614</u>	<u>(269,308)</u>	<u>(132,694)</u>
Debt			
Debt due within 1 year	(380,126)	203,480	(176,646)
Debt due after 1 year	<u>(9,936,917)</u>	<u>(10,923)</u>	<u>(9,947,840)</u>
	<u>(10,317,043)</u>	<u>192,557</u>	<u>(10,124,486)</u>
Net debt	<u>(10,180,429)</u>	<u>(76,751)</u>	<u>(10,257,180)</u>

The notes on pages 16 to 33 form part of these financial statements

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents the value of goods sold and services provided during the year net of discounts, returns and Value Added Tax.

For goods sold, turnover is recognised when the goods are physically received by the customer and for services provided, turnover is recognised to the extent that and when there is a right to consideration.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery - 4 to 5 years straight line

Fixtures & fittings - 3 to 5 years straight line

Motor vehicles - 25% reducing balance

Office equipment - 3 years straight line

Freehold property - 50 years straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

1. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. TURNOVER

The turnover and loss before tax are attributable to the principal activities of the group. An analysis of turnover is given below.

	2013 £	2012 £
Property investment and development	1,355,000	8,434,000
Football and related activities	-	820,109
Nursing home operations	3,169,246	2,531,154
	<u>4,524,246</u>	<u>11,785,263</u>

3. ANALYSIS OF TURNOVER, COST OF SALES AND NET OPERATING EXPENSES

	Continuing operations £	Discontinued operations £	Total £
YEAR ENDED 31ST JULY 2013			
Cost of sales	<u>2,739,469</u>	<u>1,489,713</u>	<u>4,229,182</u>
Administrative expenses	1,605,562	135,782	1,741,344
Other operating income	(233,753)	-	(233,753)
Net operating expenses	<u>1,371,809</u>	<u>135,782</u>	<u>1,507,591</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

3. ANALYSIS OF TURNOVER, COST OF SALES AND NET OPERATING EXPENSES *(continued)*

	Continuing operations £	Discontinued operations £	Total £
YEAR ENDED 31ST JULY 2012 (RESTATED)			
Turnover	2,531,154	9,254,109	11,785,263
Cost of sales	2,019,202	7,216,166	9,235,368
Gross profit	<u>511,952</u>	<u>2,037,943</u>	<u>2,549,895</u>
Administrative expenses	1,406,712	572,667	1,979,379
Other operating income	(207,954)	(17,170)	(225,124)
Net operating expenses	<u>1,198,758</u>	<u>555,497</u>	<u>1,754,255</u>
Operating (loss)/profit	<u>(686,806)</u>	<u>1,482,446</u>	<u>795,640</u>

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2013 £	2012 <i>(restated)</i> £
Depreciation of owned fixed assets	327,811	95,207
Impairment of owned fixed assets	728,821	—
Loss on disposal of fixed assets	5,757	—
Auditor's remuneration		
- as auditor	17,850	20,680
- for other services	<u>13,812</u>	<u>17,252</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2013	2012 (restated)
	No	No
Number of construction staff	2	2
Number of football staff	–	23
Number of administrative staff	1	3
Number of management staff	7	9
Number of hospitality and commercial staff	–	32
Number of care staff	172	168
	<u>182</u>	<u>237</u>

The aggregate payroll costs of the above were

	2013	2012 (restated)
	£	£
Wages and salaries	2,487,963	2,540,162
Social security costs	91,793	73,174
Other pension costs	–	884
	<u>2,579,756</u>	<u>2,614,220</u>

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012 (restated)
	£	£
Aggregate remuneration	<u>–</u>	<u>8,333</u>

7. PROFIT ON DISPOSAL OF INVESTMENTS

	2013	2012
	£	£
Amounts written off investments	<u>(594,777)</u>	<u>(1,157,876)</u>

The above relates to amounts written off following the liquidation of Sandstone Developments (North East) Limited, 2012 relates to the liquidation of Darlington FC (2009) Limited

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2013

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012 <i>(restated)</i>
	£	£
Interest payable on bank borrowing	213,047	352,080
Other similar charges payable	326,688	332,566
	<u>539,735</u>	<u>684,646</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013		2012 <i>(restated)</i>	
	£	£	£	£
Current tax				
UK Corporation tax based on the results for the year at 23.67% (2012 - 25.33%)		-		422,460
(Over)/under provision in prior year		-		<u>(10,059)</u>
Total current tax		-		412,401
Deferred tax				
Origination and reversal of timing differences	<u>(135,216)</u>		<u>22,274</u>	
Total deferred tax (note 17)		<u>(135,216)</u>		<u>22,274</u>
Tax on (loss)/profit on ordinary activities		<u>(135,216)</u>		<u>434,675</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

9. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.67% (2012 - 25.33%)

	2013	2012 <i>(restated)</i>
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(1,157,302)</u>	<u>1,269,023</u>
(Loss)/profit on ordinary activities by rate of tax	(273,843)	339,957
Expenses not deductible for tax purposes	416,974	654,276
Capital allowances for period in excess of depreciation	(5,791)	(33,676)
Utilisation of tax losses	144,676	23,763
Adjustments to tax charge in respect of previous periods	-	10,059
Income not recognised on consolidation	-	(288,688)
Income not taxable	<u>(282,016)</u>	<u>(293,290)</u>
Total current tax (note 9(a))	<u>-</u>	<u>412,401</u>

10. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(407,190) (2012 - £(199,452))

11. DIVIDENDS

Equity dividends

	2013	2012 <i>(restated)</i>
	£	£
Paid during the year		
Ordinary shares of £1 each	<u>90,000</u>	<u>984,500</u>

12. PRIOR YEAR ADJUSTMENT

Following the collapse of Southern Cross plc in 2011, the group commenced trading from the freehold care homes that had previously been operated under lease by Southern Cross plc. This change of use requires the properties, that was previously accounted for as an investment properties, to be accounted for as a tangible fixed and subject to an annual depreciation charge. The prior year adjustment of £47,778 is the net effect of the depreciation charge on the profit and loss reserve from 1st October 2011 to 31st July 2012.

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

13. TANGIBLE FIXED ASSETS

Group	Investment property £	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Other Assets £	Total £
COST OR VALUATION						
At 1 Aug 2012	1,500,000	2,750	15,000	58,759	13,597,439	15,173,948
Additions	–	–	–	43,188	6,026	49,214
Disposals	–	(2,750)	(15,000)	(7,639)	(21,151)	(46,540)
Revaluation	–	–	–	–	(36,179)	(36,179)
At 31 Jul 2013	<u>1,500,000</u>	<u>–</u>	<u>–</u>	<u>94,308</u>	<u>13,546,135</u>	<u>15,140,443</u>
DEPRECIATION						
At 1 Aug 2012	–	–	6,563	5,885	77,533	89,981
Charge for the year	–	–	879	15,502	313,216	329,597
Impairment for the year	–	–	–	–	728,821	728,821
On disposals	–	–	(7,442)	(891)	(7,713)	(16,046)
At 31 Jul 2013	<u>–</u>	<u>–</u>	<u>–</u>	<u>20,496</u>	<u>1,111,857</u>	<u>1,132,353</u>
NET BOOK VALUE						
At 31 Jul 2013	<u>1,500,000</u>	<u>–</u>	<u>–</u>	<u>73,812</u>	<u>12,434,278</u>	<u>14,008,090</u>
At 31 Jul 2012	<u>1,500,000</u>	<u>2,750</u>	<u>8,437</u>	<u>52,874</u>	<u>13,519,906</u>	<u>15,083,967</u>

The group's freehold properties were subject to professional valuations during 2011

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

13. TANGIBLE FIXED ASSETS *(continued)*

Company	Fixtures & Fittings £	Motor Vehicles £	Office equipment £	Freehold property £	Total £
COST OR VALUATION					
At 1 August 2012	25,664	14,074	1,381	6,000,000	6,041,119
Additions	26,228	-	1,859	-	28,087
Disposals	(7,639)	-	-	-	(7,639)
At 31 July 2013	<u>44,253</u>	<u>14,074</u>	<u>3,240</u>	<u>6,000,000</u>	<u>6,061,567</u>
DEPRECIATION					
At 1 August 2012	2,859	1,173	98	-	4,130
Charge for the year	5,972	3,225	873	220,000	230,070
On disposals	(891)	-	-	-	(891)
At 31 July 2013	<u>7,940</u>	<u>4,398</u>	<u>971</u>	<u>220,000</u>	<u>233,309</u>
NET BOOK VALUE					
At 31 July 2013	<u>36,313</u>	<u>9,676</u>	<u>2,269</u>	<u>5,780,000</u>	<u>5,828,258</u>
At 31 July 2012	<u>22,805</u>	<u>12,901</u>	<u>1,283</u>	<u>6,000,000</u>	<u>6,036,989</u>

14. INVESTMENTS

Group	Total £
COST	
At 1st August 2012 and 31st July 2013	<u>1</u>
AMOUNTS WRITTEN OFF	
Written off in year	<u>1</u>
At 31st July 2013	<u>1</u>
NET BOOK VALUE	
At 31st July 2013	<u>-</u>
At 31st July 2012	<u>1</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2013

14. INVESTMENTS *(continued)*

Company	Group companies £
COST	
At 1st August 2012 and 31st July 2013	<u>1,500,105</u>
AMOUNTS WRITTEN OFF	
At 1st August 2012	1,188,293
Written off in year	<u>1</u>
At 31st July 2013	<u>1,188,294</u>
NET BOOK VALUE	
At 31st July 2013	<u>311,811</u>
At 31st July 2012	<u>311,812</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

14. INVESTMENTS *(continued)*

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows

	Country of registration and operation	Proportion of share Holding capital held	Nature of business
Subsidiary undertakings			
Prestige Leisure (North East) Limited Limited	England	Ordinary shares 100%	Property developer
Prestige Properties (North East) Limited	England	Ordinary shares 100%	Investment property & care home operator
Sandstone Developments (North East) Limited	England	Ordinary shares 100%	Building company
Prestige Care (Arundel) Limited	England	Ordinary shares 100%	Care home operator
PG Newco Limited	England	Ordinary shares 100%	Not trading

On 9th April 2013 Sandstone Developments (North East) Limited was subject to a compulsory winding up order and has subsequently been liquidated

PG Newco Limited did not trade from incorporation and was dissolved on 11th March 2013, consequently, it has been excluded from the consolidation

Aggregate capital and reserves

	2013 £	2012 <i>(restated)</i> £
Prestige Leisure (North East) Limited	(515,840)	(517,500)
Prestige Properties (North East) Limited	776,720	511,709
Sandstone Developments (North East) Limited	–	514,279
Prestige Care (Arundel) Limited	(109,516)	(124,610)
	<u>151,364</u>	<u>383,878</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

14 INVESTMENTS *(continued)*

Profit for the year	2013	2012
	£	(restated) £
Prestige Leisure (North East) Limited	1,660	375,155
Prestige Properties (North East) Limited	372,857	(1,102,701)
Sandstone Developments (North East) Limited	–	(292,416)
Prestige Care (Arundel) Limited	15,094	(124,710)
	<u>389,611</u>	<u>(1,144,672)</u>

15 STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Work in progress	–	23,978	–	–
	<u>–</u>	<u>23,978</u>	<u>–</u>	<u>–</u>

16. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	312,745	294,972	229,460	124,373
Amounts owed by group undertakings	–	27,659	1,823,049	2,286,800
VAT recoverable	589	123,778	–	–
Other debtors	1,028,052	1,396,004	894,485	608,968
Directors current accounts	–	40,363	–	63,186
Deferred taxation (Note 17)	70,745	–	48,930	–
Prepayments and accrued income	16,568	80,649	7,509	6,319
	<u>1,428,699</u>	<u>1,963,425</u>	<u>3,003,433</u>	<u>3,089,646</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2013

16. DEBTORS *(continued)*

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts owed by group undertakings	-	-	1,823,049	2,263,800
Other debtors	885,189	1,578,773	885,189	525,034
	<u>885,189</u>	<u>1,578,773</u>	<u>2,708,238</u>	<u>2,788,834</u>

17. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Provision brought forward	(69,695)	(57,368)	(11,272)	(38,845)
Increase/(Decrease) in asset	140,440	(12,327)	60,202	27,573
Asset/Provision carried forward	<u>70,745</u>	<u>(69,695)</u>	<u>48,930</u>	<u>(11,272)</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	(111,601)	-	(127,016)	-
Tax losses available	182,346	-	57,321	-
	<u>70,745</u>	<u>-</u>	<u>(69,695)</u>	<u>-</u>

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

Company	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	(54,221)	-	(57,631)	-
Tax losses available	103,151	-	46,359	-
	<u>48,930</u>	<u>-</u>	<u>(11,272)</u>	<u>-</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

18. CREDITORS: amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	323,836	380,126	257,178	206,386
Trade creditors	178,247	768,582	83,917	58,518
Amounts owed to group undertakings	–	–	7,179	–
Directors' loan accounts	2,940	–	639	–
Other creditors including taxation and social security				
Corporation tax	479,584	466,910	28,608	28,608
PAYE and social security	166,008	57,373	74,203	16,920
Other creditors	68,407	29,151	10,978	6,231
Accruals and deferred income	456,578	523,127	273,003	88,872
	<u>1,675,600</u>	<u>2,225,269</u>	<u>735,705</u>	<u>405,535</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>323,864</u>	<u>439,606</u>	<u>257,178</u>	<u>206,386</u>

The group's bank loans are secured by a debenture and legal charge over its freehold property

19 CREDITORS: amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	9,710,240	9,687,757	4,234,818	4,347,495
Other creditors	237,600	249,160	237,600	249,160
	<u>9,947,840</u>	<u>9,936,917</u>	<u>4,472,418</u>	<u>4,596,655</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>9,710,240</u>	<u>9,687,755</u>	<u>4,234,818</u>	<u>4,347,495</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

19. CREDITORS: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	<u>3,528,235</u>	<u>8,087,253</u>	<u>3,528,235</u>	<u>3,640,912</u>

20. COMMITMENTS UNDER OPERATING LEASES

At 31st July 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2013	2012 <i>(restated)</i>
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>-</u>	<u>13,520</u>

21. TRANSACTIONS WITH THE DIRECTORS

During the year interest free loan facilities were made available to directors by group companies

	2013
	£
Balance at the beginning of the year	40,363
Total drawn during the year	262,942
Total repaid during the year	(312,019)
Total written off during the year	5,774
Balance at the end of the year	<u>(2,940)</u>

Mr S Singh has provided a personal guarantee to the value of £250,000 in respect of the bank borrowings of Prestige Properties (North East) Limited

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

22. RELATED PARTY TRANSACTIONS

During the year Mr S Singh received dividends of £18,000 (2012 £492,250) from Prestige Care Limited Mrs S Singh is a Director of all group companies

During the year Mrs B Kaur received dividends of £72,000 (2012 £nil) from Prestige Care Limited Mrs B Kaur is a Director of all group companies

During the year Mrs M Singh received dividends of £nil (2012 £492,250) from Prestige Care Limited Mrs M Singh was previously a Director of all group companies

During the year the group made sales to the value of £850,000 (2012 £1,750,000) to Prestige Care (Humberside) Limited Prestige Care (Humberside) Limited is jointly controlled by Mr S Singh and Mrs B Kaur

At the year end the group was owed £nil (2012 £596,407) by Prestige Care (Humberside) Limited Prestige Care (Humberside) Limited is jointly controlled by Mr S Singh and Mrs B Kaur

At the year end the group owed £5,322 (2012 £11,560) to Prestige Care (Humberside) Limited Prestige Care (Humberside) Limited is jointly controlled by Mr S Singh and Mrs B Kaur

During the year a creditor balance of £18,199 due to Prestige Care (Humberside) Limited was written off by the group Prestige Care (Humberside) Limited is jointly controlled by Mr S Singh and Mrs B Kaur

During the year the group made sales to the value of £500 (2012 £681,500) to Prestige Estates (North East) Limited Prestige Estates (North East) Limited is controlled by Mr S Singh

During the year the group paid expenses to the value of £28,260 (2012 £16,948) on behalf of Prestige Estates (North East) Limited Prestige Estates (North East) Limited is controlled by Mr S Singh

During the year Prestige Estates (North East) Limited paid expenses to the value of £33,979 (2012 £15,066) on behalf of the group Prestige Estates (North East) Limited is controlled by Mr S Singh

During the year there were a number of intercompany transfers totalling £536,825 (2012 £406,749) were made to Prestige Estates (North East) Limited to assist group cashflow Prestige Estates (North East) Limited is controlled by Mr S Singh

During the year there were a number of intercompany transfers totalling £72,000 (2012 £274,520) were made from Prestige Estates (North East) Limited to assist group cashflow Prestige Estates (North East) Limited is controlled by Mr S Singh

At the year end debtors includes £885,539 (2012 £526,419) due from Prestige Estates (North East) Limited to assist group cashflow Prestige Estates (North East) Limited is controlled by Mr S Singh

At the year end creditors includes £80,833 (2012 £350) due from Prestige Estates (North East) Limited to assist group cashflow Prestige Estates (North East) Limited is

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2013

22. RELATED PARTY TRANSACTIONS *(continued)*

controlled by Mr S Singh

23 SHARE CAPITAL

Authorised share capital:

	2013	2012 <i>(restated)</i>
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2013		2012 <i>(restated)</i>	
	No	£	No	£
10 Ordinary shares (2012 - 4) of £1 each	<u>10</u>	<u>10</u>	<u>4</u>	<u>4</u>

24. RESERVES

Group	Revaluation reserve £	Profit and loss account <i>(restated)</i> £
Balance brought forward as previously reported	5,574,242	(550,364)
Prior year adjustment (note 12)	-	(47,778)
Restated balance as at 1 August 2012	<u>5,574,242</u>	<u>(598,142)</u>
Loss for the year	-	(1,022,086)
Equity dividends	-	(90,000)
Other gains and losses		
- Revaluation of fixed assets	(36,179)	-
Other movements		
- transfer to/from revaluation reserve	<u>(386,111)</u>	<u>386,111</u>
Balance carried forward	<u>5,151,952</u>	<u>(1,324,117)</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2013

24. RESERVES *(continued)*

Company	Revaluation reserve £	Profit and loss account £
Balance brought forward as previously reported	3,952,504	489,942
Loss for the year	–	(407,190)
Equity dividends	–	(90,000)
Other movements		
- transfer to/from revaluation reserve	(144,925)	144,925
Balance carried forward	<u>3,807,579</u>	<u>137,677</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 <i>(restated)</i> £
(Loss)/Profit for the financial year	(1,022,086)	834,348
Other net recognised gains and losses	(36,179)	–
New ordinary share capital subscribed	6	–
Equity dividends	(90,000)	(984,500)
Transfer from revaluation reserve	386,111	23,889
Transfer to profit and loss account	(386,111)	(23,889)
Net reduction to shareholders' funds	(1,148,259)	(150,152)
Opening shareholders' funds	5,023,882	5,126,256
Prior year adjustment (see note 12)	(47,778)	–
Closing shareholders' funds	<u>3,827,845</u>	<u>4,976,104</u>

26. POST BALANCE SHEET EVENTS

On 23rd January 2014 Prestige Care (Arundel) Limited was subject to a members voluntary winding up order, consequently full provision has been made against all amounts due from Prestige Care (Arundel) Limited at that date

27. ULTIMATE CONTROLLING PARTY

At the year end the group was under the control of Mrs B Kaur Mrs Kaur is a Director and majority shareholder