

London Parkcare Limited  
Annual report  
for the year ended 31 December 2000

Registered Number 1825148



# London Parkcare Limited

## Annual report for the year ended 31 December 2000

### Contents

	Page
Directors and Advisors .....	1
Directors' report .....	2-3
Auditors' report .....	4
Profit and loss account .....	5
Statement of total recognised gains and losses .....	6
Note of historical cost profit and losses .....	7
Balance sheet .....	8
Notes to the financial statements .....	9-17

# **London Parkcare Limited**

## **Directors and Advisors for the year ended 31 December 2000**

### **Executive Directors**

C Artis

M A Stratford

### **Secretary**

BLG (Professional Services) Limited

Beaufort House

15 St. Botolph Street

London

EC3A 7NS

### **Auditors**

PricewaterhouseCoopers

Temple Court

35 Bull Street

Birmingham

B4 6JT

### **Solicitors**

Simon Bishop & Partners

"Hillcairn"

St. Andrew's Road

Droitwich

Worcestershire

WR9 8DJ

### **Registered Office**

"Hillcairn"

St. Andrew's Road

Droitwich

Worcestershire

WR9 8DJ

### **Bankers**

National Westminster Bank plc

Cheltenham & Gloucester Business Centre

68-70 Suffolk Road

Cheltenham

Gloucestershire

GL50 2ED

# **London Parkcare Limited**

## **Directors' report for the year ended 31 December 2000**

The directors present their report and the audited financial statements for the year ended 31 December 2000.

### **Principal activities**

The principal activity of the company continues to be the operation of nursing homes.

### **Review of business and future developments**

Both the level of business and the year end position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

### **Results and dividends**

The profit and loss account shows a profit for the year of £339,913 (1999: £346,780). The directors paid an interim dividend of £1,300,000 on 13 September 2000 (1999: £Nil). No final dividend has been proposed for the year ended 31 December 2000 (1999: £Nil).

### **Directors and their interests**

The directors who held office during the year are listed on page 1.

M A Stratford is a director of the ultimate parent company in the United Kingdom, Craegmoor Group Limited and his share interests are shown in the directors' report of that company. No other director as at 31 December 2000 had any interests in the share capital of London Parkcare Limited or Craegmoor Group Limited.

### **Changes in fixed assets**

Movements in tangible fixed assets during the year are set out in note 9 to the financial statements.

### **Introduction of the Euro**

The company neither imports goods and services nor exports goods and services to the Euro zone.

The company has confirmed that the software upgrades are available for its packaged accounting system to cater for the Euro, which can be installed if confirmation of entry is announced.

New computer hardware purchased from 1 January 2000 has been validated to ensure that it is Euro compliant and that the appropriate currency symbol is available.

Upon announcement that the country is to enter the Euro system, the company will form an appropriate project team to deal with this matter.

# London Parkcare Limited

## Directors' report for the year ended 31 December 2000 (continued)

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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:

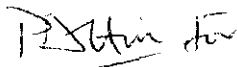
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare 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 that 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.

### Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting

**By order of the Board**



**BLG (Professional Services) Limited**  
**Company Secretary**  
12 July 2001

# London Parkcare Limited

## Auditors' report to the members of London Parkcare Limited

We have audited the financial statements on pages 5 to 17.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

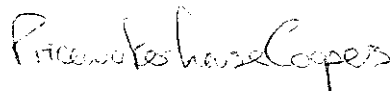
### Basis of audit opinion

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 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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Birmingham  
12 July 2001

# London Parkcare Limited

## Profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover	2	1,220,690	1,184,586
Cost of sales		(560,969)	(564,930)
Gross profit		659,721	619,656
Administrative expenses		(156,606)	(137,535)
<b>Operating profit</b>	7	<b>503,115</b>	<b>482,121</b>
Net interest receivable	6	2,392	10,159
<b>Profit on ordinary activities before taxation</b>		<b>505,507</b>	<b>492,280</b>
Tax on profit on ordinary activities	8	(165,594)	(145,500)
<b>Profit for the financial year</b>		<b>339,913</b>	<b>346,780</b>
Dividends paid		(1,300,000)	-
<b>Retained (loss)/profit for the financial year</b>	16	<b>(960,087)</b>	<b>346,780</b>

All operations relate to continuing activities.

# London Parkcare Limited

## Statement of total recognised gains and losses

	2000	1999
For the year ended 31 December 2000	£	£
Profit attributable to shareholders	339,913	346,780
Unrealised surplus on revaluation of properties	-	1,169,087
<b>Total recognised gains for the year</b>	<b>339,913</b>	<b>1,515,867</b>



# London Parkcare Limited

## Note of historical cost profit and losses

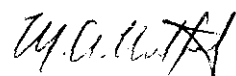
	2000	1999
For the year ended 31 December 2000	£	£
Profit on ordinary activities before taxation	505,507	492,280
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	69,744	61,346
<b>Historical cost profit on ordinary activities before taxation</b>	<b>575,251</b>	<b>553,626</b>
<b>Historical cost (loss)/ profit for the year retained after taxation and dividends</b>	<b>(890,343)</b>	<b>408,126</b>

# London Parkcare Limited

## Balance sheet as at 31 December 2000

	Note	2000 £	1999 £
<b>Fixed Assets</b>			
Tangible assets	9	3,935,764	4,000,000
<b>Current assets</b>			
Stock	10	2,032	2,032
Debtors	11	1,149,040	1,746,219
Cash at bank and in hand		3,723	365,430
		1,154,795	2,113,681
<b>Creditors: amounts falling due within one year</b>	12	(73,136)	(146,171)
<b>Net current assets</b>		1,081,659	1,967,510
<b>Total assets less current liabilities</b>		5,017,423	5,967,510
<b>Creditors: amounts falling due after one year</b>	13	(10,000)	-
<b>Provisions for liabilities and charges</b>	14	(25,000)	(25,000)
<b>Net assets</b>		4,982,423	5,942,510
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Revaluation reserve	16	4,233,087	4,233,087
Profit and loss account	16	749,236	1,709,323
<b>Total equity shareholders' funds</b>	17	4,982,423	5,942,510

The financial statements on page 5 to 17 were approved by the board of directors and signed on its behalf by:



M A Stratford

Director

12 July 2001

# London Parkcare Limited

## Notes to the financial statements for the year ended 31 December 2000

### 1. Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The company has implemented FRS 15 'Tangible fixed assets,' the effect of this is disclosed in note 9. A summary of the more important accounting policies, which have been applied consistently, is set out below:

#### Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting modified by the revaluation of certain fixed assets.

#### Fixed Assets

The cost of fixed assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Land and buildings are revalued by professionally qualified valuers every five years and in the intervening years these valuations are updated by the directors with the assistance of independent professional advice as required.

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets less their estimated residual values, on the following bases:

Freehold Land	Nil
Freehold Buildings – straight line basis	2%
Motor Vehicles – straight line basis	25%
Furniture, fittings, tools and equipment – reducing balance method	15%

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS11, 'Impairment of fixed assets and goodwill'. The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk adjusted weighted cost of capital.

Provisions for impairment in the carrying value of fixed assets to below cost are charged to the profit and loss account.

#### Stocks

Stocks are valued at the lower of cost and net realisable value.

#### Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable a liability will crystallise.

# **London Parkcare Limited**

## **Notes to the financial statements for the year ended 31 December 2000 (continued)**

### **1. Principal accounting policies (continued)**

#### **Cash flow statement**

The company is a wholly owned subsidiary of Craegmoor Group Limited and the cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently, the company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cash flow statement.

### **2. Turnover**

Turnover which excludes value added tax consists entirely of fee income charged for the year in the United Kingdom.

### **3. Related party transactions**

The company has taken advantage of the exemption granted under paragraph 3 (c) of FRS 8 and not disclosed any transactions with other group companies.

### **4. Directors' emoluments**

Directors' emoluments for the year ended 31 December 2000 were £Nil (1999: £Nil).

# London Parkcare Limited

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 5. Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

Nursing, ancillary and administrative	2000 Number	1999 Number
Full time	30	35
Part time	14	14
	44	49

Staff costs (for the above persons)	2000 £	1999 £
Wages and salaries	467,829	480,020
Social security costs	36,466	34,341
	504,295	514,361

### 6. Net interest receivable

	2000 £	1999 £
Interest on overdue taxation	-	(4,473)
Interest payable on bank overdraft repayable within 5 years, not by instalments	-	( 1)
Bank interest receivable	2,392	14,633
Net interest receivable	2,392	10,159

# London Parkcare Limited

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 7. Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	88,415	70,836
Hire of machinery, equipment and operating lease rentals	1,724	1,776
Auditors' fees – Audit	3,930	3,750
– Non audit services	530	550

### 8. Tax on profit on ordinary activities

	2000	1999
	£	£
Taxation on the profit for the year		
UK corporation tax at 30% (1999: 30.25%) – current	166,299	159,034
Prior year adjustment for over provision	( 705)	(13,534)
	165,594	145,500

# London Parkcare Limited

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 9. Tangible fixed assets

	Freehold Land and Buildings	Fixtures and Fittings	TOTAL
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2000	3,911,178	216,131	4,127,309
Additions	-	24,179	24,179
<b>At 31 December 2000</b>	<b>3,911,178</b>	<b>240,310</b>	<b>4,151,488</b>
<b>Accumulated Depreciation</b>			
At 1 January 2000	31,255	96,054	127,309
Charge for the year	70,403	18,012	88,415
<b>At 31 December 2000</b>	<b>101,658</b>	<b>114,066</b>	<b>215,724</b>
<b>Net book value</b>			
<b>At 31 December 2000</b>	<b>3,809,520</b>	<b>126,244</b>	<b>3,935,764</b>
At 31 December 1999	3,879,923	120,077	4,000,000
<b>Cost or valuation at 31 December 2000 is represented by:</b>	<b>£</b>	<b>£</b>	<b>£</b>
Valuation in 1999	3,911,178	-	3,911,178
Cost	-	240,310	240,310
<b>At 31 December 2000</b>	<b>3,911,178</b>	<b>240,310</b>	<b>4,151,488</b>

The company has adopted FRS15 'Tangible fixed assets' during the year and has chosen to continue its policy to revalue its land and buildings every five years.

In accordance with the Companies accounting policy, the freehold land and buildings occupied by the company were revalued by external valuers, Matthews & Goodman, Chartered Surveyor and Valuers, as at 28 May 1999. This was on the basis of existing use value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

# London Parkcare Limited

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 9. Tangible fixed assets (continued)

If freehold land and buildings had not been re-valued they would have been included at the following amounts:

	2000	1999
	£	£
Cost	33,613	33,613
Aggregate depreciation based on cost	(1,618)	(959)
Net book amount based on cost	31,995	32,654

### 10. Stocks

	2000	1999
	£	£
Consumables	2,032	2,032

### 11. Debtors

Amounts falling due within one year	2000	1999
	£	£
Trade debtors	18,048	27,049
Amounts owed by group undertakings	1,047,519	1,712,190
Corporation tax recoverable	71,160	-
Prepayments and accrued income	12,313	6,980
	1,149,040	1,746,219



# London Parkcare Limited

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 12. Creditors – Amounts falling due within one year

	2000	1999
	£	£
Trade creditors	27,056	6,272
Corporation tax	-	106,005
Accruals and deferred income	46,080	33,894
	73,136	146,171

### 13. Creditors – Amounts falling due after more than one year

	2000	1999
	£	£
Amounts owed to group companies	10,000	-

Included in amounts owed to group companies due after more than one year is £10,000 loaned to the company by Craegmoor Funding PLC, a fellow subsidiary of Craegmoor Group Limited, under the Issuer/Borrowers Facility Agreement dated 23 November 2000.

### 14. Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amount unprovided of the total potential liability, at a tax rate of 30% (1999: 30%) are as follows,

	Amounts provided		Amounts unprovided	
	2000	1999	2000	1999
	£	£	£	£
Tax effect of timing differences because of:				
Excess capital allowances over depreciation	25,000	25,000	81,068	73,602
Revaluation surplus	-	-	716,000	716,000
	25,000	25,000	797,068	789,602

# London Parkcare Limited

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 15. Called up share capital

	2000 £	1999 £
<b>Authorised</b>		
5,000 ordinary shares of £1 each	5,000	5,000
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100

### 16. Reserves

	Profit and loss account £	Revaluation reserve £
At 1 January 2000	1,709,323	4,233,087
Loss for the financial year	(960,087)	-
<b>At 31 December 2000</b>	<b>749,236</b>	<b>4,233,087</b>

### 17. Reconciliation of movement in shareholders' funds

	2000 £	1999 £
Profit for the financial year	339,913	346,780
Equity dividends paid	(1,300,000)	-
Other recognised gains relating to the year	-	1,169,087
Net (reduction in)/addition to shareholders' funds	(960,087)	1,515,867
Opening equity shareholders' funds	5,942,510	4,426,643
<b>Closing equity shareholders' funds</b>	<b>4,982,423</b>	<b>5,942,510</b>

# **London Parkcare Limited**

## **Notes to the financial statements for the year ended 31 December 2000 (continued)**

### **18. Capital commitments**

The company had no capital commitments at 31 December 2000 (1999: £Nil).

### **19. Contingent Liabilities**

There is a fixed and floating charge over the property, undertakings and assets of the company in respect of a loan from Craegmoor Funding PLC to the company and its fellow subsidiaries under the Issuer/Borrowers Facility Agreement dated 23 November 2000. Craegmoor Funding PLC is a fellow subsidiary of Craegmoor Group Limited.

### **20. Immediate and ultimate parent companies**

The directors regard Craegmoor Holdings Limited, a company registered in England and Wales, as the immediate parent company of London Parkcare Limited and regard Craegmoor Group Limited, registered in England and Wales as the ultimate parent company in the United Kingdom of Craegmoor Holdings Limited. Copies of Craegmoor Group Limited's consolidated financial statements may now be obtained from its registered office, "Hillcairnie", St. Andrew's Road, Droitwich, Worcester WR9 8DJ.

The directors regard Warburg Pincus LP, a company partnership incorporated in the United States of America, as the ultimate parent company. Copies of the ultimate parent company's financial statements are not available to the public.