

Community Care Limited

**Directors' report and financial
statements**

Registered number 2006031

31 December 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal activities and business review

The company did not trade during the year.

Directors and directors' interests

The directors who held office during the year were as follows:

D Brosnan
O McGartoll
M Parsons
D Duncan

None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company.

The directors' interests in the shares of the ultimate parent company are detailed in the directors' report of that company.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board



D Duncan
Company Secretary

Suite 201
The Chambers
Chelsea Harbour
London
SW10 0XF

14 May 2003

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 for that year. 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Plym House
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Independent auditors' report to the members of Community Care Limited

We have audited the financial statements on pages 4 to 6.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 Companies Act 1985. 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 with the company is not disclosed.

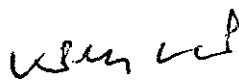
Basis of audit opinion


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 as at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG LLP
Chartered Accountants
Registered Auditor

 2003

Balance sheet
at 31 December 2002

	<i>Note</i>	2002 £000	2001 £000
Fixed assets			
Investments	2	2,829	2,829
Current assets			
Debtors due after one year	3	554	554
Total assets		<u>3,383</u>	<u>3,383</u>
Creditors: amounts falling due after more than one year			
	4	<u>(9,676)</u>	<u>(9,676)</u>
Net liabilities		<u>(6,293)</u>	<u>(6,293)</u>
Capital and reserves			
Called up share capital	5	10	10
Profit and loss account	1	<u>(6,303)</u>	<u>(6,303)</u>
Shareholders' funds		<u>(6,293)</u>	<u>(6,293)</u>

These financial statements were approved by the board of directors on **14 May** 2003 and were signed on its behalf by:



Michael Parsons
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No.1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Barchester Healthcare Limited, and its cash flows are included within the consolidated cash flow statement of that company.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Profit and loss account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

2 Fixed asset investments

	Shares in subsidiary undertaking £000
<i>Cost</i>	
At 31 December 2001 and 31 December 2002	2,829

The company owns 100% of the ordinary share capital of Community Clean Limited, a company registered in England and Wales, which during 2002 began the construction of a nursing home.

3 Debtors: due after one year

	2002 £000	2001 £000
Amounts owed by group undertakings	554	554

Notes (continued)

4 Creditors: amounts falling due after more than one year

	2002 £000	2001 £000
Amounts owed to parent, subsidiary and fellow subsidiary undertakings	<u>9,676</u>	<u>9,676</u>

The amounts owed to the company's parent, subsidiary and fellow subsidiary undertakings fall due after more than five years and are interest free.

5 Share capital

	2002 £000	2001 £000
<i>Authorised</i>		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

6 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary undertaking of Barchester Healthcare Homes Limited, a company incorporated in Great Britain and registered in England and Wales.

The company's ultimate parent undertaking is Grove Limited, a company incorporated in and registered in Jersey.

The smallest group in which the results of the company are consolidated is that headed by Barchester Healthcare Limited. The largest group in which the results of the company are consolidated is that headed by Grove Limited. The consolidated accounts of both companies are available to the public and may be obtained from:

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