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# **Peverel OM Limited**

## **Report and Accounts**

31 December 2001



# **Peverel OM Limited**

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Registered No. 2061041

## **DIRECTORS**

N G Bannister  
M L Dalby  
K C Rutherford

## **SECRETARY**

R D F Bagley

## **AUDITORS**

Ernst & Young LLP  
Wessex House  
19 Threefield Lane  
Southampton  
SO14 3QB

## **BANKERS**

Barclays Bank PLC  
PO Box 378  
71 Grey Street  
Newcastle-Upon-Tyne  
Tyne & Wear  
NE99 1JP

## **SOLICITORS**

Nabarro Nathanson  
84 Theobald's Road  
London  
WC1X 8RW

## **REGISTERED OFFICE**

Queensway House  
11 Queensway  
New Milton  
Hampshire  
BH25 5NR

# Peverel OM Limited

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## DIRECTORS' REPORT AND ACCOUNTS

The directors present their report and accounts for the year ended 31 December 2001.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £89,222 (7 months ended 31 December 2000: £229,778). The directors recommend the payment of a final ordinary dividend of £Nil (7 months ended 31 December 2000: £229,778).

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the management of residential and commercial property developments as agents to landlords, developers or resident controlled management companies. The company has traded satisfactorily during the year and the directors look forward to the year ahead with confidence.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

N G Bannister  
M L Dalby  
K C Rutherford

No director had an interest in the ordinary share capital of the company or the ultimate parent undertaking, Holiday Retirement Corporation. The interest of N G Bannister in the share capital of Holiday Retirement UK Limited is disclosed in that company's accounts.

The directors are not liable to retire by rotation

### DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the group has been continued through the newsletter "In-Touch" in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



R D F Bagley  
Secretary  
22 March 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 year. In preparing those accounts, 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 accounts 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 accounts 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEVEREL OM LIMITED**

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

### **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 financial statements in accordance with applicable United Kingdom law and accounting standards.

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

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.

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 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 affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Southampton  
22 March 2002

# Peverel OM Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

		<i>Year ended 31 December 2001</i>	<i>7 months ended 31 December 2000</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>TURNOVER</b>	3	2,888,999	1,557,045
Administrative expenses		(2,784,077)	(1,226,172)
<b>OPERATING PROFIT</b>	4	104,922	330,873
Interest receivable		-	6,774
Interest payable and similar charges	5	-	(3,785)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		104,922	333,862
Tax on profit on ordinary activities	8	(15,700)	(104,084)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		89,222	229,778
Dividend	9	-	(229,778)
<b>RETAINED PROFIT / (LOSS) FOR THE YEAR / PERIOD</b>	15	89,222	-

There are no recognised gains or losses other than the profit attributable to shareholders for the year ended 31 December 2001 of £89,222 (7 months ended 31 December 2000: £229,778). There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial periods stated above, and their historical cost equivalents.

# Peveler OM Limited

## BALANCE SHEET at 31 December 2001

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	10	596,646	367,617
<b>CURRENT ASSETS</b>			
Debtors	11	617,791	885,549
Cash at bank and in hand		665,406	621,375
		1,283,197	1,506,924
<b>CREDITORS: amounts falling due within one year</b>	12	(1,790,231)	(1,874,441)
<b>NET CURRENT LIABILITIES</b>		(507,034)	(367,517)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		89,612	100
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	(290)	-
		89,322	100
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	100	100
Profit and loss account	15	89,222	-
<b>SHAREHOLDERS' FUNDS - equity interests</b>		89,322	100

These accounts were approved by the board of directors on 22 March 2002 and were signed on its behalf by:



**N G Bannister**  
Chief Executive

NOTES TO THE ACCOUNTS

at 31 December 2001

1. **FUNDAMENTAL ACCOUNTING CONCEPT**

The accounts have been prepared under the going concern basis because the ultimate parent undertaking has provided assurance that adequate finance will be available.

2. **ACCOUNTING POLICIES**

*Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and with the requirements of the Companies Act 1985.

*Cash flow statement*

Under Financial Reporting Standard 1 (revised 1996) which the company has adopted in these accounts, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated accounts.

*Related parties*

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Holiday Retirement UK Limited or other group undertakings as the consolidated accounts of the Holiday Retirement UK Limited group in which the company is included are publicly available.

*Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its useful life, as follows:

Fixtures and fittings	-	evenly over 5 years
Motor vehicles	-	evenly over 5 years

*Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

*Leasing and hire purchase commitments*

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet, and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements, less interest not yet due, are included in creditors. Interest on such agreements is charged to the profit and loss account equally over the term of each agreement.

Rentals paid under operating leases are charged in the profit and loss account as they fall due.

*Pensions*

The company operates a defined contribution pension scheme for its employees to which the company makes a contribution under specified circumstances. The scheme is administered on behalf of employees by an independent insurance company in funds separate from the group's finances. The amount charged against profits represents the contributions payable by the company in to the scheme in respect of the year.



# Peverel OM Limited

## NOTES TO THE ACCOUNTS

at 31 December 2001

### 3. TURNOVER

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax, all of which is attributable to continuing operations generated in the UK.

Developments under management owned by other group companies are deemed to be related parties within the meaning of FRS 8. During the year ended 31 December 2001, the company's aggregate charges to those developments are as follows:

	<i>Year ended 31 December 2001 £</i>	<i>7 months ended 31 December 2000 £</i>
Management fees	1,392,747	1,071,615
Other fees and charges	1,496,252	485,430
	<u>2,888,999</u>	<u>1,557,045</u>

### 4. OPERATING PROFIT

This is stated after charging / (crediting):

	<i>Year ended 31 December 2001 £</i>	<i>7 months ended 31 December 2000 £</i>
Depreciation of owned fixed assets	145,606	79,916
Profit / (Loss) on sale of fixed assets	(655)	1,695
Operating lease rentals - land and buildings	119,632	21,300
Operating lease rentals - plant and equipment	7,586	-
	<u>272,169</u>	<u>102,911</u>

The auditors were remunerated by the immediate parent undertaking, Peverel Limited.

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Year ended 31 December 2001 £</i>	<i>7 months ended 31 December 2000 £</i>
Finance charges	-	3,785
	<u>-</u>	<u>3,785</u>

# Peverel OM Limited

## NOTES TO THE ACCOUNTS at 31 December 2001

### 6. DIRECTORS' EMOLUMENTS

The directors were paid by a fellow subsidiary undertaking, Peverel Limited, of which they are also directors.

### 7. STAFF COSTS

	<i>Year ended 31 December 2001</i>	<i>7 months ended 31 December 2000</i>
	<i>£</i>	<i>£</i>
Wages and salaries	5,448,315	2,454,372
Social security costs	165,650	64,664
Other pension costs	37,577	35,520
	<u>5,651,542</u>	<u>2,554,556</u>

The payroll costs of house staff included in the above table are recharged at cost to the developments under management. These amounted to £3,654,442 in the year ended 31 December 2001 (7 months ended 31 December 2000: £1,587,174).

The average number of persons employed by the company during the year/period, including executive directors, was as follows:

	<i>No.</i>	<i>No.</i>
Management	3	3
Administration	77	64
Property maintenance	22	16
House staff	245	216
	<u>347</u>	<u>299</u>

### 8. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	<i>Year ended 31 December 2001</i>	<i>7 months ended 31 December 2000</i>
	<i>£</i>	<i>£</i>
Based on the taxable profit for the year/period:		
UK Corporation Tax – current year / period	11,124	104,084
UK Corporation tax underprovided in previous years	4,286	-
Deferred Taxation – current year / period	290	-
	<u>15,700</u>	<u>104,084</u>

Payment is made for group relief at the standard rate of Corporation Tax.

# Peveler OM Limited

## NOTES TO THE ACCOUNTS at 31 December 2001

### 9. DIVIDENDS

	<i>Year ended 31 December 2001 £</i>	<i>Period ended 31 December 2000 £</i>
Ordinary - final proposed	-	229,778

### 10. TANGIBLE FIXED ASSETS

	<i>Fixtures &amp; fittings £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost or valuation:			
At 1 January 2001	511,694	338,184	849,878
Additions	274,755	85,367	360,122
Transfers from other group undertakings	-	43,250	43,250
Disposals	(112,088)	(38,410)	(150,498)
At 31 December 2001	674,361	428,391	1,102,752
Depreciation:			
At 1 January 2001	372,284	109,977	482,261
Provided during the year	77,693	67,913	145,606
Transfers from other group undertakings	-	24,292	24,292
Disposals	(112,088)	(33,965)	(146,053)
At 31 December 2001	337,889	168,217	506,106
Net book value at 31 December 2001	336,472	260,174	596,646
Net book value at 31 December 2000	139,410	228,207	367,617

# Peverel OM Limited

## NOTES TO THE ACCOUNTS

at 31 December 2001

### 11. DEBTORS

	2001 £	2000 £
Trade debtors	494,483	389,569
Amounts due from parent undertaking	-	438,101
Other debtors	3,400	7,162
Prepayments and accrued income	119,908	50,717
	<u>617,791</u>	<u>885,549</u>

The amount due from related parties, within trade debtors, as at 31 December 2001 was £365,539 (7 months ended 31 December 2000: £1,115)

### 12. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Trade creditors	73,571	5,636
Amounts owed to parent undertakings	631,581	859,616
Corporation tax	-	166,600
Corporation tax group relief	57,076	-
Other taxes and social security costs	85,455	75,843
Other creditors	540,409	224,150
Accruals and deferred income	402,139	312,818
Dividends payable	-	229,778
	<u>1,790,231</u>	<u>1,874,441</u>

# Peverel OM Limited

## NOTES TO THE ACCOUNTS at 31 December 2001

### 13. DEFERRED TAXATION

The movements in deferred taxation during the current year and previous period are as follows:

	2001	2000
	£	£
At 1 January 2001 / 1 June 2000	-	-
Charge for the year / period	290	-
At 31 December 2001	290	-

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	<i>Provided</i>		<i>Not provided</i>	
	2001	2000	2001	2000
	£	£	£	£
Capital allowances in advance of depreciation	290	-	-	-
	290	-	-	-

### 14. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2001	2000	2001	2000
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	100	100

NOTES TO THE ACCOUNTS  
at 31 December 2001

**15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES**

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
At 1 June 2000	100	-	100
Profit for the year	-	229,778	229,778
Dividend	-	(229,778)	(229,778)
At 31 December 2000	100	-	100
Profit for the year		89,222	89,222
Dividend	-	-	-
At 31 December 2001	100	89,222	89,322

**16. CLIENT MONIES**

	<i>2001 £</i>	<i>2000 £</i>
Residents' net cash balances held in trust accounts	12,284,055	10,248,414

These balances are not reflected in the balance sheet.

**17. OTHER FINANCIAL COMMITMENTS**

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>2001 £</i>	<i>2000 £</i>
Operating leases which expire:		
Between two and five years	43,834	49,680

NOTES TO THE ACCOUNTS

at 31 December 2001

**18. CONTINGENT LIABILITIES**

The company has given unlimited guarantees on the bank overdrafts and loans of various UK group undertakings. At 31 December 2001 the amount outstanding under these guarantees was £24,337,650 (31 December 2000: £18,922,498).

The company has given unlimited guarantees on the bank overdrafts of various UK related parties. At 31 December 2001 the amount outstanding under these guarantees was £1,347,363.

**19. ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking and controlling party is Holiday Retirement Corporation, a company registered in Oregon USA. Holiday Retirement UK Limited is the smallest and largest group for which group accounts are prepared and are available to the public and may be obtained from Companies House, Cardiff.