

SUMMERLANDS CARE LINE LIMITED

STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED  
30TH SEPTEMBER 1999



2390654

SUMMERLANDS CARE LINE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH SEPTEMBER 1999

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SEWELL & CO.  
Chartered Accountants  
31 Luton Avenue  
Broadstairs  
Kent.

SUMMERLANDS CARE LINE LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

The directors present their Annual Report on the affairs of the company together with the Financial Statements and Auditors Report for the year ended 30th September 1999.

Results and Review of Business

The profit after taxation for the year amounted to £68008 which after providing for the dividend payment the balance of £43008 is to be added to Revenue Reserves brought forward and gives a balance of £178904 to carry forward. The business continued to expand during the year with resulting increase in turnover. The Directors recommend the payment of a dividend for the year amounting to £25000.

Principal Activity

The Company's principal activity continues to be providing a care service to the elderly and handicapped, in the form of its Care Line and Home Care services.

Fixed Assets

Movements in Fixed Assets are set out in Note 4 to the Accounts.

Directors and Their Interests

The Directors who held office during the year ended 30th September 1999 and their beneficial interests in the share capital of the Company were:

	<u>At 30.09.99</u>	<u>At 30.09.98</u>
K. W. Piper and P. Piper as Trustees	55	55
H. P. Harrison	9	9
K. A. Piper	9	9
G. I. Howell	-	-
G. J. Piper	9	9

K. W. Piper and Mrs P. Piper hold 55 shares as trustees for their children H. P. Harrison, K. A. Piper, G. J. Piper, H. W. Piper and M. J. Piper in equal proportions. M. J. Piper and H. W. Piper also each hold 9 shares individually.

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 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.

SUMMERLANDS CARE LINE LIMITED

REPORT OF THE DIRECTORS CONTINUED

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

- 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 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 financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



.....  
Director

Registered Office:

11 St Peters Road  
Broadstairs,  
Kent CT10 3PG

Registered in England No.      02390654

10th January 2000

SUMMERLANDS CARE LINE LIMITED  
REPORT OF THE AUDITORS TO THE SHAREHOLDERS

SUMMERLANDS CARE LINE LIMITED  
YEAR ENDED 30TH SEPTEMBER 1999

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit of those statements and to report our opinion to you.

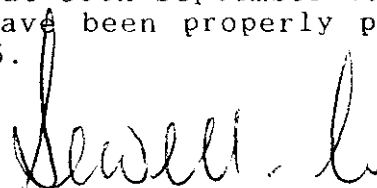
Basis of Opinion

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 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 30th September 1999 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SEWELL & CO.  
Chartered Accountants and  
Registered Auditors.

31 Luton Avenue  
Broadstairs  
Kent.

10th January 2000

SUMMERLANDS CARE LINE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

	<u>Note</u>	<u>1999</u>	<u>1998</u>
TURNOVER	1	815627	579783
Cost of Sales		591102	455333
		-----	-----
GROSS PROFIT		224525	124450
Administrative Expenses		112960	76080
		-----	-----
OPERATING PROFIT		111565	48370
Interest Payable		27135	13969
		-----	-----
<u>PROFIT ON ORDINARY ACTIVITIES</u>	2	84430	34401
<u>BEFORE TAXATION</u>			
Taxation	3	16422	4689
		-----	-----
<u>RETAINED PROFIT ON ORDINARY ACTIVITIES</u>		68008	29712
<u>AFTER TAXATION</u>			
Less: Exceptional Item	12	-	13194
		-----	-----
<u>PROFIT FOR THE FINANCIAL YEAR</u>		68008	16518
Less: Dividends Payable		25000	-
		-----	-----
		43008	16518
RETAINED PROFIT BROUGHT FORWARD		135896	119378
		-----	-----
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 178904	£ 135896
		=====	=====

There are no recognised gains or losses other than as disclosed above

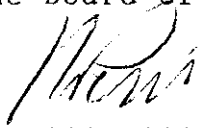
There were no acquisitions or discontinued activities during the current or preceding year.

The notes on pages 6 to 9 form part of these statements.

SUMMERLANDS CARE LINE LIMITED  
BALANCE SHEET AS AT 30TH SEPTEMBER 1999

	<u>Note</u>	<u>1999</u>	<u>1998</u>
<u>FIXED ASSETS</u>			
Tangible Assets	4	229655	181334
<u>CURRENT ASSETS</u>			
Debtors	5	125051	115771
Cash at Bank and in Hand		81970	20275
		-----	-----
		207021	136046
		=====	=====
<u>CREDITORS</u>			
Amounts falling due within one year	6	167234	84239
		=====	=====
NET CURRENT ASSETS		39787	51807
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		269442	233141
<u>CREDITORS</u>			
Amounts falling due after more than one year	7	90438	97145
		-----	-----
		£ 179004	£ 135996
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	9	100	100
Profit and Loss Account		178904	135896
		-----	-----
SHAREHOLDERS FUNDS	10	£ 179004	£ 135996
		=====	=====

Approved by the Board of Directors on 10th January 2000

.....  Director

The notes on pages 6 to 9 form part of these statements.

SUMMERLANDS CARE LINE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

1. ACCOUNTING POLICIES

- (a) The accounts are prepared under the historical cost convention taking regard of applicable accounting standards and in accordance with the Companies Act 1985.
- (b) Depreciation is provided on all tangible fixed assets, other than freehold land, leasehold reversion and Property Improvements at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis as follows:-
- |                |                       |
|----------------|-----------------------|
| Motor Vehicles | 4 years               |
| Plant          | between 3 and 5 years |
- (c) Turnover represents the invoiced value of services rendered exclusive of VAT, and arises wholly in the UK.
- (d) Finance Lease Commitments

Assets obtained under finance lease contracts are capitalised in the Balance Sheet and are depreciated over the shorter period of the duration of the lease and the useful life of the asset. The finance charge element is charged to Profit and Loss Account over the period of the agreement on a straight line basis.

(e) Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future. Due to the fact that the Net Written down value for taxation purposes is greater than the net Written down value shown in the accounts no provision for deferred tax is required.

- (f) The Company does not operate a pension scheme.

2. OPERATING PROFIT

This is stated after charging and crediting:	1999	1998
Auditor's Remuneration	3600	3600
Depreciation	20607	19231
Bank Interest	8335	10138
Finance Lease Charges	17659	415
Staff Costs - Salaries and Wages	531492	399055
Social Security Costs	26098	21737
	=====	=====
Profit\ (loss) on disposal of assets	(556)	4500
	=====	=====

# SUMMERLANDS CARE LINE LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30TH SEPTEMBER 1999 CONTINUED

The total average number of full time employees was 117 (1998 - 108).

Directors' Emoluments included in staff costs amounted to:

Services as director	51966	33941
In connection with management	21762	22868
	-----	-----
	73728	56809
	=====	=====

### 3. TAXATION ON ORDINARY ACTIVITIES

Corporation Tax payable stated at 20%\		
21% on the results for the year	16422	7492
(Over)\Under provision in earlier years	-	(2803)
	-----	-----
	£ 16422	4689
	=====	=====

### 4. FIXED ASSETS

	<u>Leasehold</u>	<u>Plant</u>	<u>Motor</u>	<u>Property</u>	<u>Freehold</u>	
	<u>Reversion</u>		<u>Vehicles</u>	<u>Improve</u>	<u>Property</u>	<u>Total</u>
<u>COST</u>						
At 30.09.1998	720	90833	46587	-	150000	288140
Adds. in Year	-	35014	24990	21419	-	81423
Sales in Year	-	-	(12495)	-	-	(12495)
	-----	-----	-----	-----	-----	-----
At 30.09.1999	720	125847	59082	21419	150000	357068
	=====	=====	=====	=====	=====	=====
<u>DEPRECIATION</u>						
At 30.09.1998	-	76898	29908	-	-	106806
Charge for Year	-	9100	11507	-	-	20607
Elimination for						
Disposals	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
At 30.09.1999	-	85998	41415	-	-	127413
	=====	=====	=====	=====	=====	=====
Net at 30.09.98	720	13935	16679	-	150000	181334
	=====	=====	=====	=====	=====	=====
Net at 30.09.99	720	39849	17667	21419	150000	229655
	=====	=====	=====	=====	=====	=====

Included in the above are the following assets held under finance leases:

	<u>1999</u>	<u>1998</u>
Cost	27495	28272
Aggregate Depreciation	12232	12924
	=====	=====

The freehold property has not been depreciated as in the directors' opinion it is not valued at less than cost.

SUMMERLANDS CARE LINE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

	<u>1999</u>	<u>1998</u>
5. <u>DEBTORS:</u> Amounts due within one year		
Trade Debtors	82963	62207
Other Debtors (see note 11)	35469	44146
Prepayments	6619	9418
	-----	-----
	£ 125051	115771
	=====	=====
6. <u>CREDITORS:</u> Amounts falling due within one year		
Trade Creditors	28217	13087
Corporation Tax	19225	7492
Payments received on Account	377	1723
Accruals	1295	1097
Other Taxation and Social Security	60207	32994
Other Creditors	7158	3692
Bank Loan (secured)	18672	18672
Hire Purchase Creditors	7083	5482
Obligation under Finance Leases	-	-
Dividends	25000	-
	-----	-----
	£ 167234	84239
	=====	=====
7. <u>CREDITORS:</u> Amounts falling due after more than one year		
Bank Loan (secured)	80959	90582
Hire Purchase Creditors	9479	6563
	-----	-----
	£ 90438	97145
	=====	=====

The bank loan is secured by a first charge on the freehold property, a floating charge over the remaining assets of the company and an unlimited guarantee by K.W. Piper, director.

8. FINANCE LEASES

Obligations under finance leases are payable as follows:

Within one year	7083	5482
Between two and five years	9479	6563
	-----	-----
	16562	12045
Less: Finance charges allocated to future periods	-	-
	-----	-----
	£ 16562	12045
	=====	=====

SUMMERLANDS CARE LINE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

8. FINANCE LEASES (continued) 1999      1998

This liability has been disclosed as follows:

Creditors due within one year	7083	5482
Creditors due after more than one year	9479	6563
	-----	-----
	£ 16562	12045
	=====	=====

9. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Called Up and Fully Paid</u>
Ordinary £1 Shares	100	100
	===	===

10. SHAREHOLDERS FUNDS

Reconciliation of movements on shareholders funds.

	<u>1999</u>	<u>1998</u>
Profit for the financial year after taxation	43008	16518
Opening shareholders funds at 30.10.98	135896	119378
	-----	-----
Closing shareholders funds at 30.09.99	£ 178904	135896
	=====	=====

11. DIRECTORS' LOANS

(a) G. J. Piper has a beneficial loan from the company standing at £8010 at 30th September 1999 and is included in other debtors. No date has been specified for the repayment of this loan.

Corporation Tax was provided for in the 1996 accounts amounting to £2003.

12. EXCEPTIONAL ITEM

This represents a provision for debts due by related companies which may prove to be bad.

13. CAPITAL COMMITMENTS

There were no capital commitments either contracted or authorised but not contracted at 30th September 1999. (1998 - Nil).