

Notepike Limited

**Annual report
for the year ended 31 December 1998**

Registered no: 2495515



Notepike Limited

Annual report for the year ended 31 December 1998

Contents	Pages
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

Directors' report for the year ended 31 December 1998

The directors present their report and the audited financial statements for the year ended 31 December 1998.

Principal activities

The company is a property holding company. The directors are confident about its future prospects.

Financial results

The results of the company are shown in the profit and loss account on page 4. The directors do not propose a dividend for the year (1997: £Nil).

Directors

The directors of the company who served during the year were:

J A S Jewitt (Appointed 3 February 1998)
D O Lyon

Directors' interests

The directors had no interests in the share capital of the company.

The interests of the directors in the share capital of Nestor Healthcare Group plc are disclosed in the financial statements of that company.

Year 2000

Disclosures relating to the Year 2000 issue, as required by UITF Abstract 20, Year 2000 issues: accounting and disclosures, can be found in the financial statements of Nestor Healthcare Group plc, the ultimate holding company.

Employee involvement

The company's policies in respect of disabled persons and employee involvement are in accordance with those detailed in the financial statements of Nestor Healthcare Group plc, the ultimate holding company.

**Directors' report
for the year ended 31 December 1998 (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:

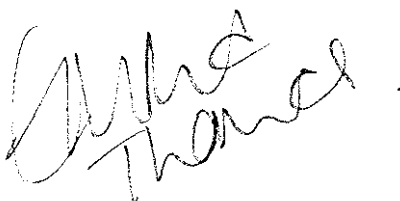
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare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

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, since the company has dispensed with the obligation to appoint auditors annually, PricewaterhouseCoopers will continue in office.

Approved by the Board on 27 October 1999, and signed on its behalf by

A handwritten signature in dark ink, appearing to read 'S. Thorne', is written over the printed name 'S. Thorne'.

Company Secretary

Report of the auditors to the members of Notepike Limited

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

The directors are responsible for preparing the Annual Report, including, as described on page 2, the financial statements. Our responsibilities, as independent auditors, are established 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 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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

28 October 1999

**Profit and loss account
for the year ended 31 December 1998**

	Notes	1998 £	1997 £
Turnover	2	95,784	91,881
Administrative expenses		<u>(222,728)</u>	<u>(258,215)</u>
Operating loss	5	(126,944)	(166,334)
Tax on profit on ordinary activities		-	-
Loss for the financial year	9	<u>(126,944)</u>	<u>(166,334)</u>

All of the operations of the company are continuing.


The company has no recognised gains and losses other than the above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

**Balance sheet
at 31 December 1998**

	Notes	1998 £	1997 £
Current assets			
Debtors	6	34,796	38,359
		<u>34,796</u>	<u>38,359</u>
Creditors: amounts falling due within one year	7	(912,326)	(788,945)
Net current liabilities		<u>(877,530)</u>	<u>(750,586)</u>
Capital and reserves			
Called up share capital	8	2	2
Reserves	9	(877,532)	(750,588)
Equity shareholders' funds	10	<u>(877,530)</u>	<u>(750,586)</u>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 27th October 1999 and were signed on its behalf by:


Director

Notes to the financial statements for the year ended 31 December 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom under the historical cost convention. Accounts are made up to the nearest practicable Friday to 31 December each year.

A summary of the more important accounting policies, which have been applied consistently, except as noted, is set out below.

Leases

Where fixed assets are financed by leasing agreements which give rights approximately equivalent to ownership (finance lease) the assets are capitalised. The corresponding lease commitments are treated as obligations to the lessor. All other lease payments are charged to the profit and loss account in the year to which they relate.

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Nestor Healthcare Group plc and is included in the consolidated financial statements of Nestor Healthcare Group plc, which are publicly available. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 (revised 1996) from preparing its own cash flow statement. The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Nestor Healthcare Group plc group or investees of the Nestor Healthcare Group plc group.

2 Turnover

Turnover represents the amount of rent receivable from properties sub-let by the Company, net of value added tax. All turnover is attributable to the UK market.

3 Employee information

The company had no employees during the financial year (1997: Nil).

4 Directors' emoluments

None of the directors received any emoluments during the year (1997: Nil).

**Notes to the financial statements
for the year ended 31 December 1998 (continued)**

5 Operating loss

	1998 £	1997 £
Operating profit is stated after charging:		
Year 2000 modification costs	-	-
Rent of premises (operating lease charges)	214,501	248,628
Other operating changes	8,228	9,587

Auditors' remuneration is borne by the parent company.

6 Debtors

	1998 £	1997 £
Amounts falling due within one year:		
Prepayment and accrued income	30,529	34,731
Other debtors	4,267	3,628
	<u>34,796</u>	<u>38,359</u>

7 Creditors: amounts falling due within one year

	1998 £	1997 £
Amounts falling due within one year:		
Bank overdrafts	254,002	118,090
Amounts owed to other group companies	658,324	670,855
	<u>912,326</u>	<u>788,945</u>

**Notes to the financial statements
for the year ended 31 December 1998 (continued)**

8 Called up share capital

	1998 £	1997 £
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued and fully paid:		
2 Ordinary share of £1 each	<u>2</u>	<u>2</u>

9 Reserves

	1998 £	1997 £
At 1 January	(750,588)	(584,254)
Loss for the year	(126,944)	(166,334)
At 31 December	<u>(877,532)</u>	<u>(750,588)</u>

10 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Opening shareholders' funds	(750,586)	(584,252)
Loss for the financial year	(126,944)	(166,334)
Dividends	-	-
Closing shareholders' funds	<u>(877,530)</u>	<u>(750,586)</u>

Notes to the financial statements for the year ended 31 December 1998 (continued)

11 Financial commitments

The company occupies numerous premises operated under leases whose terms, conditions and expiry dates vary considerably.

At 31 December 1998 the company had annual commitments in respect of operating leases as follows:

	Land and buildings £
For leases expiring:	
- within 1 year	-
- between two and five years	-
- beyond five years	214,501

Nestor Healthcare Group plc, the parent company, has confirmed its intention to continue to provide financial support. Accordingly, no provision has been made in these financial statements for the company's obligations under the leases.

12 Ultimate parent undertaking

The company's ultimate parent undertaking is Nestor Healthcare Group plc which is registered in England and Wales and heads up the largest and smallest group for which consolidated accounts incorporating this company are drawn up. Copies of the ultimate holding company's consolidated financial statements may be obtained from its registered offices, The Colonnades, Beaconsfield Close, Hatfield, Hertfordshire, AL10 8YD.