

Notepike Limited

Registered No: 2495515

**Directors' Report and Financial Statements
For the Year Ended 31 December 2004**



Notepike Limited

Directors' Report and Financial Statements For the Year Ended 31 December 2004

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Notepike Limited

Directors' Report For the Year Ended 31 December 2004

The directors present their report and the audited financial statements for the year ended 31 December 2004.

Principal activities

The company is a property holding company, holding properties under operating leases. 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 (2003: £nil).

Directors

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

J A S Jewitt	(resigned 27 May 2004)
M A Ellis	
S M Booty	(appointed 27 May 2004)

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, the ultimate parent company, are disclosed in the financial statements of that company.

Notepike Limited

Directors' Report

For the Year Ended 31 December 2004 (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 LLP, have indicated their willingness to continue in office. Since the company has dispensed with the obligation to appoint auditors annually, PricewaterhouseCoopers LLP will continue in office.

Approved by the Board on *4th August* 2005, and signed on its behalf by



D Collison
Company Secretary

Independent Auditors' Report to the Members of Notepike Limited

We have audited the financial statements on pages 4 to 10 which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 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. The other information comprises only the directors' report.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

1 Embankment Place London WC2N 6RH

4 August 2005

Notepike Limited

Profit and Loss Account For the Year Ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	2	15,083	4,202
Administrative expenses: provision no longer needed	10	95,553	58,991
Operating profit		110,636	63,193
Interest payable	6	(12,293)	(15,160)
Profit on ordinary activities before tax	5	98,343	48,033
Tax on profit on ordinary activities	7	(29,503)	(14,410)
Profit for the financial year		68,840	33,623

There were no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

All of the operations of the company are continuing.

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.

The notes on pages 6 to 10 form an integral part of these financial statements.

Notepike Limited

Balance Sheet

At 31 December 2004

	Notes	2004 £	2003 £
Current assets			
Cash at bank		5,374	-
Debtors	8	27,510	25,007
		32,884	25,007
Creditors: amounts falling due within one year	9	(867,356)	(743,161)
Net current liabilities		(834,472)	(718,154)
Provisions for liabilities and charges	10	(60,697)	(245,855)
Net liabilities		(895,169)	(964,009)
Capital and reserves			
Called up share capital	11	2	2
Reserves	12	(895,171)	(964,011)
Equity shareholders' deficit	13	(895,169)	(964,009)

The notes on pages 6 to 10 form an integral part of these financial statements.

The financial statements on pages 4 to 10 were approved by the Board of Directors on 4 August 2005 and were signed on its behalf by:

MA Ellis
Director



Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2004

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 1985 under the historical cost convention. Accounts are made up to the nearest practicable Friday to 31 December each year.

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.

The company has a number of vacant and sub-let properties relating to former retailing activities and which are located in the South of England. Full provision has been made, consistent with the requirements of FRS 12, for the residual lease commitments, together with other outgoings, after taking into account existing sub-tenant agreements, for the remaining period of the leases. In determining the provision for vacant properties, the cash flows have been discounted on a pre-tax basis using appropriate government bond rates.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2004

2 Turnover

Turnover represents service charge income, not previously provided for, 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 (2003: None).

4 Directors' emoluments

None of the directors received any emoluments during the year (2003: £Nil).

5 Operating profit

	2004 £	2003 £
Operating profit is stated after charging/(crediting):		
Release of provision	(95,553)	(58,991)
Service charges	(15,083)	(4,202)

Auditors' remuneration is borne by the parent company.

6 Interest payable

	2004 £	2003 £
<u>Unwinding of discount in provisions (note 10)</u>	<u>12,293</u>	<u>15,160</u>

7 Tax on profit on ordinary activities

	2004 £	2003 £
UK Corporation Tax (charge) at 30% (2003 - 30%) on taxable profits for the year	(29,503)	(14,410)
	<u>(29,503)</u>	<u>(14,410)</u>

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2004

8 Debtors

	2004 £	2003 £
Amounts falling due within one year:		
Prepayment and accrued income	21,936	17,667
Other debtors	5,574	7,340
	<u>27,510</u>	<u>25,007</u>

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts falling due within one year:		
Bank overdraft	-	167,303
Amounts owed to other group companies	849,259	567,577
Accruals and deferred income	18,097	8,281
	<u>867,356</u>	<u>743,161</u>

10 Provisions for liabilities and charges

	Vacant Properties £
At 1 January 2004	245,855
Utilised in the year	(101,898)
Transferred to profit and loss account – provision no longer required	(95,553)
Amortisation of discount	12,293
At 31 December 2004	60,697

The company has a number of vacant and sub-let properties relating to former retailing activities and which are located in the South of England. Full provision has been made, consistent with the requirements of FRS 12, for the residual lease commitments, together with other outgoings, after taking into account existing sub-tenant agreements, for the remaining period of the leases. In determining the provision for vacant properties, the cash flows have been discounted on a pre-tax basis using appropriate government bond rates.

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Notes to the Financial Statements For the Year Ended 31 December 2004

11 Called up share capital

	2004 £	2003 £
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
Issued and fully paid:		
2 Ordinary shares of £1 each	2	2

12 Reserves

	£
At 1 January 2004	(964,011)
Profit for the year	68,840
At 31 December 2004	(895,171)

13 Reconciliation of movements in shareholders' deficit

	£
Opening shareholders' deficit:	(964,009)
Profit for the financial year	68,840
Closing shareholders' deficit	(895,169)

14 Financial commitments

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

At 31 December 2004 the company had annual commitments in respect of operating leases as follows:

	Land and buildings	
	2004 £	2003 £
For leases expiring:		
- within 1 year	-	30,000
- between two and five years	18,500	-
- beyond five years	-	49,000

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2004

15 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 office, Beaconsfield Court, Beaconsfield Road, Hatfield, Hertfordshire, AL10 8HU.