

Notepike Limited

Registered No: 2495515

**Directors' Report and Financial Statements
For the Year Ended 31 December 2003**



Notepike Limited

Directors' Report and Financial Statements For the Year Ended 31 December 2003

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Notepike Limited

Directors' Report For the Year Ended 31 December 2003

The directors present their report and the audited financial statements for the year ended 31 December 2003.

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 (2002: £Nil).

Directors

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

J A S Jewitt	(resigned 27 May 2004)
D O Lyon	(resigned 1 May 2003)
M A Ellis	(appointed 1 May 2003)

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 2003 (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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 01 January 2003, PricewaterhouseCoopers resigned on 25 February 2003 and the directors appointed its successor PricewaterhouseCoopers LLP as 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 27 October 2004, and signed on its behalf by



Emma Thomas
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.

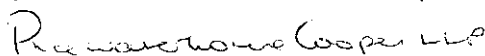
Basis of audit opinion

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 2003 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

27 October

2004

Notepike Limited

Profit and Loss Account For the Year Ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
Turnover	2	4,202	120,493
Administrative expenses: provision no longer needed	10	58,991	(128,344)
Operating profit/(loss)		63,193	(7,851)
Interest payable	6	(15,160)	(16,000)
Profit/(loss) on ordinary activities before tax	5	48,033	(23,851)
Tax on profit/(loss) on ordinary activities	7	(14,410)	427,557
Profit for the financial year		33,623	403,706

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 2003

	Notes	2003 £	2002 £
Current assets			
Debtors	8	438,154	459,904
		438,154	459,904
Creditors: amounts falling due within one year	9	(1,156,308)	(1,154,331)
Net current liabilities		(718,154)	(694,427)
Provisions for liabilities and charges	10	(245,855)	(303,205)
Net liabilities		(964,009)	(997,632)
Capital and reserves			
Called up share capital	11	2	2
Reserves	12	(964,011)	(997,634)
Equity shareholders' deficit	13	(964,009)	(997,632)

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 27.10.2004 and were signed on its behalf by:

Director



Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2003

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.

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 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

The company has adopted FRS 19 'Deferred taxation'. Under FRS 19, 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, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets.
- Provision is made for gains which have been rolled over into replacement assets only to the extent that, at the balance sheet date, there is a commitment to dispose of the replacement assets.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

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.

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2003

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 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 (2002: None).

4 Directors' emoluments

None of the directors received any emoluments during the year (2002: £Nil).

5 Profit/(loss) before tax

	2003 £	2002 £
Profit/(loss) before tax is stated after charging/(crediting):		
Gross rental of premises (operating lease costs)	97,209	128,104
Release of provision	(58,991)	7,851
Service charges	(4,202)	(7,611)

Auditors' remuneration is borne by the parent company.

6 Interest payable

	2003 £	2002 £
Unwinding of discount in provisions (note 10)	15,160	16,000

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2003

7 Tax on loss on ordinary activities

	2003 £	2002 £
UK Corporation Tax (charge)/credit at 30% (2002 - 30%) on taxable profits/losses for the year	(14,410)	7,155
Over provision in previous years	-	420,402
	(14,410)	427,557

8 Debtors

	2003 £	2002 £
Amounts falling due within one year:		
Amounts receivable from group undertaking	413,147	427,557
Prepayment and accrued income	17,667	26,000
Other debtors	7,340	6,347
	438,154	459,904

9 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts falling due within one year:		
Bank overdrafts	167,303	133,514
Amounts owed to other group companies	980,724	996,984
Accruals and deferred income	8,281	23,833
	1,156,308	1,154,331

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Notes to the Financial Statements For the Year Ended 31 December 2003

10 Provisions for liabilities and charges

	Vacant Properties £
At 1 January 2003	303,205
Utilised in the year	(13,519)
Transferred to profit and loss account – provision no longer required	(58,991)
Amortisation of discount	15,160
At 31 December 2003	245,855

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 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.

11 Called up share capital

	2003 £	2002 £
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 2003	(997,634)
Profit for the year	33,623
At 31 December 2003	(964,011)

13 Reconciliation of movements in shareholders' deficit

	£
Opening shareholders' deficit:	(997,632)
Profit for the financial year	33,623
Closing shareholders' deficit	(964,009)

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 2003

14 Financial commitments

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

At 31 December 2003 the company had annual commitments in respect of operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
For leases expiring:		
- within 1 year	30,000	-
- between two and five years	-	30,000
- beyond five years	49,000	87,000

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 offices, The Colonnades, Beaconsfield Close, Hatfield, Hertfordshire, AL10 8YD.