

Notepike Limited

Registered No: 2495515

Annual Report

For the Year Ended 31 December 1999



Notepike Limited

Annual Report

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Notepike Limited

Directors' Report For the Year Ended 31 December 1999

The directors present their report and the audited financial statements for the year ended 31 December 1999.

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 (1998: £Nil).

Directors

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

J A S Jewitt
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.

Notepike Limited

Directors' Report

For the Year Ended 31 December 1999 (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:

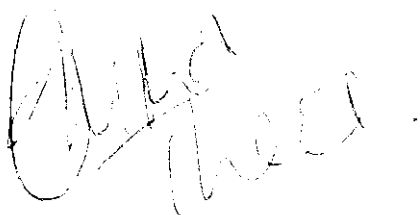
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare 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 6 September 2000, and signed on its behalf by



Company Secretary

Report of the Auditors to the Members of Notepike Limited

We have audited the financial statements on pages 4 to 10 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. As described on page 2, this includes responsibilities for preparing the financial statements in accordance with United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 1999 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

6 September 2000

Notepike Limited

Profit and Loss Account For the Year Ended 31 December 1999

	Notes	1999 £	Restated 1998 £
Turnover	2	157,789	95,784
Administrative expenses		(157,789)	(95,784)
Operating loss	5	-	-
Interest payable	6	(55,333)	(55,566)
Loss before tax		(55,333)	(55,566)
Tax on loss on ordinary activities	7	18,064	-
Loss for the financial year		(37,269)	(55,566)

Statement of Total Recognised Gains and Losses For the Year Ended 31 December 1999

	Notes	1999 £	Restated 1998 £
Loss attributable to shareholders		37,269	55,566
Total recognised losses relating to the year		37,269	55,566
Prior year adjustment	1	1,167,000	
Total losses recognised since the last annual report		1,204,269	

All of the operations of the company are continuing.

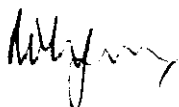
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Notepike Limited

Balance Sheet At 31 December 1999

	Notes	1999 £	Restated 1998 £
Current assets			
Debtors	8	73,853	34,796
		73,853	34,796
Creditors: amounts falling due within one year	9	(993,535)	(912,326)
Net current liabilities		(919,682)	(877,530)
Provisions for liabilities and charges	10	(1,162,117)	(1,167,000)
Net liabilities		(2,081,799)	(2,044,530)
Capital and reserves			
Called up share capital	11	2	2
Reserves	12	(2,081,801)	(2,044,532)
Equity shareholders' deficit	13	(2,081,799)	(2,044,530)

The financial statements on pages 4 to 10 were approved by the Board of Directors on 6 September 2000 and were signed on its behalf by:



Director

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 1999

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.

Change in accounting policy

In order to comply with the requirement of FRS 12, "Provisions, Contingent Liabilities and Contingent Assets", the Company has established provisions in respect of vacant leasehold properties. The provisions have been established as a prior year adjustment as they represent a change in accounting policy. The effect on the balance sheet at 31 December 1998 has been to increase the provisions for liabilities and charges and reduce the reserves of the Company by £1,167,000. The impact on the loss before tax of the Company for the current year is a decrease of £4,883 (1998: decrease of £71,378). Details are shown in note 10 to the accounts.

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 (1998: Nil).

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 1999

4 Directors' emoluments

None of the directors received any emoluments during the year (1998: Nil).

5 Operating loss

	1999 £	1998 £
Operating loss is stated after charging:		
Year 2000 modification costs	-	-
Rent of premises (operating lease charges)	216,610	214,501
Other operating charges	1,395	8,228

Auditors' remuneration is borne by the parent company.

6 Interest payable

	1999 £	1998 £
Unwinding of discount in provisions (note 10)	55,333	55,566

7 Tax on loss on ordinary activities

	1999 £	1998 £
UK Corporation Tax at 30.25% (1998 – 31.5%) on taxable losses for the year	18,064	-

8 Debtors

	1999 £	1998 £
Amounts falling due within one year:		
Prepayment and accrued income	47,390	30,529
Other debtors	8,399	4,267
Corporation tax	18,064	-
	73,853	34,796

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 1999

9 Creditors: amounts falling due within one year

	1999 £	1998 £
Amounts falling due within one year:		
Bank overdrafts	122,769	254,002
Amounts owed to other group companies	839,359	658,324
Accruals and deferred income	31,407	-
	993,535	912,326

10 Provisions for liabilities and charges

	Vacant properties £
At 1 January 1999	-
Prior year adjustment	1,167,000
At 1 January 1999 as restated	1,167,000
Utilised in the year	(60,216)
Amortisation of discount	55,333
At 31 December 1999	1,162,117

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. This represents a change in accounting policy and the establishment of the provision for vacant properties has been treated as a prior year adjustment.

11 Called up share capital

	1999 £	1998 £
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
Issued and fully paid:		
2 Ordinary shares of £1 each	2	2

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 1999

12 Reserves

	£
At 1 January 1999	
As previously reported	(877,532)
Prior year adjustment (note 1)	(1,167,000)
As restated	(2,044,532)
Loss for the year	(37,269)
At 31 December 1999	(2,081,801)

13 Reconciliation of movements in shareholders' funds

	£
Opening shareholders' funds:	
As previously reported	(877,530)
Prior year adjustment (note 1)	(1,167,000)
As restated	(2,044,530)
Loss for the financial year	(37,269)
Dividends	-
Closing shareholders' funds	(2,081,799)

14 Financial commitments

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

At 31 December 1999 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	21,500
- beyond five years	139,000

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.

Notepike Limited

Notes to the Financial Statements For the Year Ended 31 December 1999

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.