

Company Registration Number 2912772

Woodland Healthcare Limited

Financial Statements

31 March 2006



WOODLAND HEALTHCARE LIMITED

Financial Statements

Year ended 31 March 2006

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WOODLAND HEALTHCARE LIMITED

Financial Statements

Year ended 31 March 2006

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WOODLAND HEALTHCARE LIMITED

The Directors' Report

Year ended 31 March 2006

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 March 2006.

Principal activities and business review

The principal activity of the Company during the year was the management of three wholly owned nursing homes and the management of South Garth Residential Care Home, on a profit sharing basis, on behalf of the South Garth Residential Care Home Partnership.

The Company's subsidiary, Woodland Nursing Homes Limited, became dormant on 20 May 2004 on the termination of the Jubilee House Residential Care Home Partnership.

Results and dividends

The trading results for the year, and the Company's financial position at 31 March 2006, are shown in the attached Financial Statements.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2006 (2005: nil).

Directors

The Directors who served the Company during the year were as follows:

W J Davies
R J Ellert
P L Jackson

The Company is a wholly owned subsidiary of ADL plc and the interests of the Directors are disclosed in the Financial Statements of that company.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps one ought to have taken as a director to make oneself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to re-appoint CLB Littlejohn Frazer as auditors to the Company will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Corbie Steps
89 Harehills Lane
Leeds
West Yorkshire
LS7 4HA

Signed by order of the Directors



R J Ellert
Company Secretary

Approved by the Directors on 26 July 2006

WOODLAND HEALTHCARE LIMITED

Statement of Directors' Responsibilities

Year ended 31 March 2006

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 year. 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; and
- 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 maintaining 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. The Directors are responsible for ensuring that the Directors' Report is prepared in accordance with company law in the United Kingdom.

WOODLAND HEALTHCARE LIMITED

Independent Auditors' Report to the Shareholders

Year ended 31 March 2006

We have audited the Financial Statements of Woodland Healthcare Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the accounting policies and the related notes 1 to 23. These Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for preparing the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

WOODLAND HEALTHCARE LIMITED

Independent Auditors' Report to the Shareholders *(continued)*

Year ended 31 March 2006

Opinion

In our opinion, the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion, the information given in the Directors' report is consistent with the Financial Statements.



CLB Littlejohn Frazer

Chartered Accountants
and Registered Auditors
26 July 2006

1 Park Place,
Canary Wharf,
London E14 4HJ

WOODLAND HEALTHCARE LIMITED

Profit and Loss Account

Year ended 31 March 2006

	Note	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Turnover	1	1,428,500	1,628,624
Cost of sales		(1,082,739)	(1,168,228)
Gross profit		345,761	460,396
Administrative expenses		(155,869)	(242,751)
Other operating income		59,658	61,021
Operating profit	2	249,550	278,666
Exceptional item			
Write down of investment in subsidiary company	4	—	(631,995)
		249,550	(353,329)
Interest receivable		429	544
Interest payable	5	(415)	(8,872)
Profit/(loss) on ordinary activities before taxation		249,564	(361,657)
Tax on profit on ordinary activities	6	45,000	(45,910)
Profit/(loss) on ordinary activities after taxation		204,564	(407,567)
Profit/(loss) for the year		204,564	(407,567)

All of the activities of the company are classed as continuing.

Notes 1 to 23 form part of these financial statements.

WOODLAND HEALTHCARE LIMITED

Statement of Total Recognised Gains and Losses

Year ended 31 March 2006

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Profit/(loss) for the year attributable to the shareholders	204,564	(407,567)
Unrealised (loss)/profit on revaluation of intangible and fixed assets	(200,000)	225,000
Total losses relating to the year	(4,564)	(182,567)
Prior year adjustment (note 7)	—	125,000
Total losses recognised since the last annual report	(4,564)	(57,567)

Notes 1 to 23 form part of these financial statements.

WOODLAND HEALTHCARE LIMITED

Balance Sheet

31 March 2006

	Note	31 Mar 06 £	31 Mar 05 £
Fixed assets			
Intangible asset	7	250,000	250,000
Tangible assets	8	3,250,415	3,451,870
Investments	9	495,627	495,627
		<u>3,996,042</u>	<u>4,197,497</u>
Current assets			
Stocks	10	3,000	3,000
Debtors	11	176,452	161,893
Cash at bank and in hand		24,541	16,024
		<u>203,993</u>	<u>180,917</u>
Creditors: Amounts falling due within one year	12	<u>668,674</u>	<u>679,601</u>
Net current liabilities		<u>(464,681)</u>	<u>(498,684)</u>
Total assets less current liabilities		<u>3,531,361</u>	<u>3,698,813</u>
Creditors: Amounts falling due after more than one year	13	<u>2,645,653</u>	<u>2,817,669</u>
		<u>885,708</u>	<u>881,144</u>
Capital and reserves			
Called-up equity share capital	18	3,000	3,000
Revaluation reserve	19	1,065,000	1,265,000
Profit and loss account	20	(182,292)	(386,856)
Shareholders' funds	21	<u>885,708</u>	<u>881,144</u>

These Financial Statements were approved by the Directors on 26 July 2006 and are signed on their behalf by:



R J Ellert

Notes 1 to 23 form part of these financial statements.

WOODLAND HEALTHCARE LIMITED

Accounting Policies

Year ended 31 March 2006

Basis of accounting

The Financial Statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Going concern

The Financial Statements have been prepared on a going concern basis. The Company meets its day to day working capital requirements through a loan facility provided by ADL plc (the parent company).

Cash flow statement

The Directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the Financial Statements on the grounds that the Company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Intangible assets	8.75 years from 31 March 2006
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Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	- 25% straight line
Office Equipment	- 25% straight line

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings. Included within freehold land and buildings are all fixtures and fittings in respect of care homes. An impairment review permitted by FRS 15 is carried out each year to ensure the carrying value of the cost of the care homes is not overstated. The care homes must be maintained to a standard approved by the Commission for Social Care Inspection.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 a right to pay less or to receive more tax, with the following exceptions:

WOODLAND HEALTHCARE LIMITED

Accounting Policies *(continued)*

Year ended 31 March 2006

Deferred taxation *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement 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 and charged to tax only where the replacement assets are sold; and

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 future reversal of 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.

Group Relief

Taxable losses acquired by the Company from another company within the Group are charged /credited to the profit and loss account at a fair value reflecting the reduction in corporation tax liability of the Company.

WOODLAND HEALTHCARE LIMITED

Notes to the Financial Statements

Year ended 31 March 2006

1. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
United Kingdom	<u>1,428,500</u>	<u>1,628,624</u>

2. Operating profit

Operating profit is stated after charging:

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Directors' emoluments	—	—
Depreciation of owned fixed assets	1,455	8,406
Auditors' remuneration		
- as auditors	5,000	7,500
- other services	<u>1,527</u>	<u>—</u>

3. Particulars of employees

The average number of staff employed by the Company during the year to 31 March 2006 and 31 March 2005 amounted to:

	Year to 31 Mar 06 No	Year to 31 Mar 05 No
Engaged in provision of care	30	36
Catering, domestic and maintenance	11	11
Management and administration	3	5
	<u>44</u>	<u>52</u>

The aggregate payroll costs of the above were:

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Wages and salaries	765,708	790,121
Social security costs	61,375	55,408
	<u>827,083</u>	<u>845,529</u>

WOODLAND HEALTHCARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2006

4. Exceptional item

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Write down of investment in subsidiary company	<u>—</u>	<u>(631,995)</u>

5. Interest payable

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Interest payable on bank borrowing	269	2,437
Other interest payable	146	6,435
	<u>415</u>	<u>8,872</u>

6. Tax on profit on ordinary activities

(a) Analysis of charge in the period

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2005: 19%)	20,000	5,144
Group relief	25,000	46,220
Over provision in prior year	—	(5,454)
Total current tax	<u>45,000</u>	<u>45,910</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year ended 31 March 2006 and the year ended 31 March 2005 is lower than the standard rate of corporation tax in the UK of 19% (2005: 19%).

	Year to 31 Mar 06 £	Year to 31 Mar 05 £
Profit/(loss) on ordinary activities before taxation	<u>249,564</u>	<u>(361,657)</u>
Profit/(loss) on ordinary activities by rate of tax	47,417	(68,715)
Expenses not deductible for tax	—	120,079
Excess capital allowances over depreciation	(2,417)	—
Over provision in prior years	—	(5,454)
Total current tax (note 6(a))	<u>45,000</u>	<u>45,910</u>

WOODLAND HEALTHCARE LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2006

7. Intangible fixed assets and prior year adjustment

	31 Mar 06 £	31 Mar 05 £
Cost or valuation		
At 1 April 2005	250,000	—
Prior year adjustment	—	125,000
Revaluation	—	125,000
Net book value	250,000	250,000

The intangible asset of £250,000 represents Christie & Co's (valuers, surveyors and agents) open market valuation, at 31 March 2006 and 31 March 2005, of a profit sharing agreement with South Garth Residential Care Home Partnership. This agreement was amended in December 2004 from an annually renewable contract to a fixed ten year contract which will be amortised over a period of 8.75 years from 31 March 2006.

The prior year adjustment has been made in respect of the value of the intangible asset being understated by £125,000 at 31 March 2004.

8. Tangible fixed assets

	Freehold Property £	Motor Vehicles £	Office Equipment £	Total £
Cost or valuation				
At 1 April 2005	3,450,000	23,600	21,376	3,494,976
Additions	—	—	—	—
Disposals	—	—	—	—
Revaluation	(200,000)	—	—	(200,000)
At 31 March 2006	3,250,000	23,600	21,376	3,294,976
Depreciation				
At 1 April 2005	—	23,600	19,506	43,106
Charge for the period	—	—	1,455	1,455
At 31 March 2006	—	23,600	20,961	44,561
Net book value				
At 31 March 2006	3,250,000	—	415	3,250,415
At 31 March 2005	3,450,000	—	1,870	3,451,870

The freehold properties are held for long term retention and were valued by Christie & Co (valuers, surveyors and agents) at 31 March 2006 at existing use value on an individual property basis in accordance with The Appraisal and Valuation Standards published by The Royal Institution of Chartered Surveyors.

The bank loans to ADL plc (the parent company) are secured by way of a legal charge and a fixed and floating charge over all the Company's freehold properties.

WOODLAND HEALTHCARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2006

9. Investments

	Subsidiary Undertakings £
Cost	
At 1 April 2005 and 31 March 2006	1,127,622
Provision	
At 1 April 2005 and 31 March 2006	(631,995)
Net book value	
At 1 April 2005 and 31 March 2006	<u>495,627</u>

The Company owns 100% of the issued share capital of Woodland Nursing Homes Limited a company incorporated in England and Wales. Its net assets at 31 March 2006 were £495,627 (2005: £495,627) and the profit on ordinary activities for the year was £nil (2005: £4,756).

10. Stocks

	31 Mar 06 £	31 Mar 05 £
Stock	<u>3,000</u>	<u>3,000</u>

11. Debtors

	31 Mar 06 £	31 Mar 05 £
Trade debtors	148,807	132,753
Other debtors	17,612	15,594
Prepayments and accrued income	10,033	13,546
	<u>176,452</u>	<u>161,893</u>

12. Creditors: Amounts falling due within one year

	31 Mar 06 £	31 Mar 05 £
Trade creditors	40,417	82,374
Amounts owed to subsidiary company	495,628	495,627
Corporation tax	20,309	5,144
PAYE and social security	36,056	27,691
Other creditors	57,424	57,310
Accruals and deferred income	18,840	11,455
	<u>668,674</u>	<u>679,601</u>

WOODLAND HEALTHCARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2006

13. Creditors: Amounts falling due after more than one year

	31 Mar 06	31 Mar 05
	£	£
Amounts owed to parent company	<u>2,645,653</u>	<u>2,817,669</u>

The Company meets its day to day working capital requirements through a loan facility provided by ADL plc (the parent company) which is interest free.

14. Deferred taxation

The Directors have made no provision in the Financial Statements as these assets are held for continuing use in the business. The amounts un-provided at the end of the year were as follows:

	Year to 31 Mar 06	Year to 31 Mar 05
	£	£
Revaluation of intangible assets and freehold properties	<u>319,500</u>	<u>379,500</u>

15. Commitments under operating leases

At 31 March 2005 and 31 March 2006 the company had no annual commitments under non-cancellable operating leases.

16. Transactions with the directors

During the year ended 31 March 2006, Solutions (Yorkshire) Limited, a company owned by P L Jackson, a director, provided goods to the Company for a consideration of £Nil (2005: £1,586).

During the year ended 31 March 2006, Energy Telecom Limited, a company of which directors, W J Davies and R J Ellert are directors and shareholders, provided telecommunications services to the Company for a consideration of £1,706 (2005: £809).

All transactions were made on an arm's length basis.

17. Related party transactions

The Company manages South Garth Residential Care Home on behalf of the South Garth Residential Care Home Partnership for a profit share in accordance with the Partnership Agreement. The share of the profit for year was £59,658 (2005: £61,021). The amount owing to the Company at 31 March 2006 was £12,716 (2005: £9,504).

WOODLAND HEALTHCARE LIMITED

Notes to the Financial Statements (continued)

Year ended 31 March 2006

18 Share capital

Authorised share capital:

	31 Mar 06	31 Mar 05
	£	£
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

Allotted, called up and fully paid:

	31 Mar 06		31 Mar 05	
	No	£	No	£
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

19. Revaluation reserve

	Year to 31 Mar 06	Year to 31 Mar 05
	£	£
Balance brought forward	1,265,000	915,000
Prior year adjustment (note 7)	—	125,000
Restated balance	<u>1,265,000</u>	<u>1,040,000</u>
Revaluation of intangible and fixed assets	<u>(200,000)</u>	<u>225,000</u>
Balance carried forward	<u>1,065,000</u>	<u>1,265,000</u>

20. Profit and loss account

	Year to 31 Mar 06	Year to 31 Mar 05
	£	£
Balance brought forward	(386,856)	20,711
Profit/(loss) retained for the year	<u>204,564</u>	<u>(407,567)</u>
Balance carried forward	<u>(182,292)</u>	<u>(386,856)</u>

21. Reconciliation of movements in shareholders' funds

	31 Mar 06	31 Mar 05
	£	£
Profit/(loss) for the year	204,564	(407,567)
Other net recognised gains/(losses)	<u>(200,000)</u>	<u>225,000</u>
Net addition/(reduction) to funds	4,564	(182,567)
Opening shareholders' equity funds	881,144	938,713
Prior year adjustment (note 7)	—	125,000
Closing shareholders' equity funds	<u>885,708</u>	<u>881,144</u>

WOODLAND HEALTHCARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2006

22. Contingent liability

The Company's freehold properties are secured by way of a legal charge and a fixed and floating charge in respect of the parent company's bank loans and overdrafts amounting to £6,793,707 (2005: £7,150,049).

23. Ultimate parent company

The Company is a wholly owned subsidiary company of ADL plc (a company incorporated in England and Wales) and Group Financial Statements are available from Companies House.

In the Directors' opinion Mr W J Davies was the controlling party at 31 March 2006 of the Company as he owned a majority of shares in ADL plc.