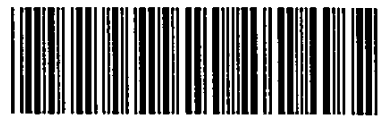


COMPANY REGISTRATION NUMBER 03025072

PRESTIGE CARE LIMITED
FINANCIAL STATEMENTS
31ST JULY 2011

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PRESTIGE CARE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

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PRESTIGE CARE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr S Singh
Mrs M Singh

Company secretary

Mrs M Singh

Registered office

West Acres
Durham Lane
Eaglescliffe
Stockton on Tees
TS16 0PG

Auditor

Tait Walker LLP
Chartered Accountants
& Statutory Auditor
Crutes House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

Bankers

National Westminster Bank Plc
5 High Street East
Redcar
Cleveland
TS10 3JR

Svenska Handelsbanken AB
Ground Floor
Winder House
Kingfisher Way
Stockton on Tees
TS18 3EX

Santander Corporate Banking
Level 9, Baltic Place
South Shore Road
Gateshead
NE8 3AE

Solicitors

DWF
Crutes House
University Boulevard
Teesdale Park
Stockton-on-Tees
TS17 6EN

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST JULY 2011

The directors present their report and the financial statements of the group for the year ended 31st July 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the management of freehold investment properties, property development & construction and running a professional football club

Due to the unprecedented continued low Bank of England interest rates, during the first quarter the group bought itself out of part of one of its loan interest hedging agreements. This will ensure significant savings are achieved going forward in terms of the group's financing costs. The cost to break the hedging agreement is included in the interest payable charge of £1,626,079 as disclosed on the profit & loss account. If the cost of breaking the hedging arrangement less the associated cost savings were to be excluded from these results, the loss would be reduced by approximately £509,000.

FUTURE DEVELOPMENTS

During the year, the group had three freehold care home properties as investments. These were leased out to Southern Cross Plc. Following the demise of Southern Cross Plc, on 1 October 2011 the group commenced trading the care home businesses from these properties. The directors believe that by doing so there will be far greater returns to be made. The directors also believe that with their proven track record of successfully operating care home businesses, the opportunity will play into their strengths and will ultimately add greater value for the shareholders.

On 3rd January 2012 the directors took the decision to place Darlington Football Club (2009) Limited into administration. Due to the loss making nature of Darlington Football Club (2009) Limited, now that Prestige Care Group no longer has to fund those losses, the group will see a benefit in terms of improved profitability and liquidity.

RESULTS AND DIVIDENDS

The loss for the year amounted to £1,367,462. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The group has an established, structured approach to risk management. The group's activities expose it to a variety of financial risks, including the effects of credit, along with liquidity and cash flow risk. The group has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The group performs on-going credit evaluation of its customers' financial condition.

Liquidity risk is the risk that the company does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the company ensures there is an adequate liquidity buffer to cover contingencies. The group maintains sufficient cash and open committed credit lines from its bank for its funding requirements.

Interest rate risk re unfavourable movements in interest rates is not perceived as being material to the accounts due to the borrowing agreements in place.

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST JULY 2011

DIRECTORS

The directors who served the company during the year were as follows

Mr S Singh
Mrs M Singh

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the profit or loss of the group for that year.

In preparing these 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the company made the following contributions

	2011	2010
	£	£
Charitable	<u>5,203</u>	<u>5,157</u>

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST JULY 2011

AUDITOR

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006

Signed on behalf of the directors

Mr S Singh
Director



Approved by the directors on 20/4/12

PRESTIGE CARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S SHAREHOLDERS

YEAR ENDED 31ST JULY 2011

We have audited the group and parent company financial statements ("the financial statements") of Prestige Care Limited for the year ended 31st July 2011 set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31st July 2011 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PRESTIGE CARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S SHAREHOLDERS

(continued)

YEAR ENDED 31ST JULY 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Arthur FCA (Senior Statutory Auditor)
For and on behalf of
Tait Walker LLP, Chartered Accountants & Statutory Auditor
Crutes House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

24th April 2012

PRESTIGE CARE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST JULY 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	2,504,345	3,950,618
Cost of sales		<u>2,421,274</u>	<u>4,848,154</u>
GROSS PROFIT/(LOSS)		83,071	(897,536)
Administrative expenses		854,562	918,546
Other operating income		(930,324)	(1,340,208)
OPERATING PROFIT/(LOSS)	3	158,833	(475,874)
Attributable to			
Operating profit/(loss) before exceptional items		158,833	(366,369)
Exceptional items	3	–	(109,505)
		158,833	(475,874)
Profit on disposal of fixed assets	6	–	40,505
		158,833	(435,369)
Interest receivable		568	2,614
Interest payable and similar charges	7	(1,626,079)	(769,310)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,466,678)	(1,202,065)
Tax on loss on ordinary activities	8	(99,216)	127,954
LOSS FOR THE FINANCIAL YEAR	9	(1,367,462)	(1,330,019)

All of the activities of the group are classed as continuing
The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 14 to 26 form part of these financial statements

PRESTIGE CARE LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31ST JULY 2011

	2011	2010
	£	£
Loss for the financial year attributable to the shareholders of the parent company	(1,367,462)	(1,330,019)
Unrealised profit on revaluation of certain fixed assets	1,998,698	46,343
Total recognised gains and losses relating to the year	631,236	(1,283,676)
Prior year adjustment	—	(625,000)
Total gains and losses recognised since the last annual report	631,236	(1,908,676)

The notes on pages 14 to 26 form part of these financial statements.

PRESTIGE CARE LIMITED

GROUP BALANCE SHEET *(continued)*

31ST JULY 2011

FIXED ASSETS

Tangible assets	11	15,140,927	13,146,334
Investments	12	—	—
		<u>15,140,927</u>	<u>13,146,334</u>

CURRENT ASSETS

Stocks	13	3,920,387	1,838,015
Debtors	14	1,854,156	1,804,944
Cash at bank and in hand		63,980	98,673
		<u>5,838,523</u>	<u>3,741,632</u>

CREDITORS: amounts falling due within one year	15	<u>5,539,155</u>	<u>2,313,999</u>
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NET CURRENT ASSETS		<u>299,368</u>	<u>1,427,633</u>
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TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,440,295</u>	<u>14,573,967</u>
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CREDITORS: amounts falling due after more than one year	16	10,256,671	10,077,022
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PROVISIONS FOR LIABILITIES

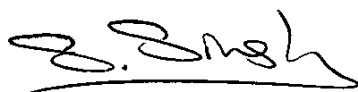
Deferred taxation	17	57,368	1,925
		<u>5,126,256</u>	<u>4,495,020</u>

CAPITAL AND RESERVES

Called-up equity share capital	20	4	4
Revaluation reserve	21	5,598,131	3,599,433
Profit and loss account	21	(471,879)	895,583
SHAREHOLDERS' FUNDS	22	<u>5,126,256</u>	<u>4,495,020</u>

These financial statements were approved by the directors and authorised for issue on 29/4/12, and are signed on their behalf by

Mr S Singh
Director



The notes on pages 14 to 26 form part of these financial statements

PRESTIGE CARE LIMITED
COMPANY REGISTRATION NUMBER 03025072

BALANCE SHEET *(continued)*

31ST JULY 2011

FIXED ASSETS

Tangible assets	11	6,000,000	5,100,000
Investments	12	5	5
		<u>6,000,005</u>	<u>5,100,005</u>

CURRENT ASSETS

Debtors	14	4,620,837	5,653,088
Cash at bank		<u>31,621</u>	<u>27</u>
		4,652,458	5,653,115

CREDITORS: amounts falling due within one year

15	296,776	605,545
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NET CURRENT ASSETS

4,355,682	5,047,570
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TOTAL ASSETS LESS CURRENT LIABILITIES

10,355,687	10,147,575
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CREDITORS: amounts falling due after more than one year

16	4,690,440	4,604,821
----	-----------	-----------

PROVISIONS FOR LIABILITIES

Deferred taxation	17	38,845	—
		<u>5,626,402</u>	<u>5,542,754</u>

CAPITAL AND RESERVES

Called-up equity share capital	20	4	4
Revaluation reserve	21	3,952,504	3,052,504
Profit and loss account	21	<u>1,673,894</u>	<u>2,490,246</u>

SHAREHOLDERS' FUNDS

<u>5,626,402</u>	<u>5,542,754</u>
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These financial statements were approved by the directors and authorised for issue on 20/4/12, and are signed on their behalf by

Mr S Singh
 Director



The notes on pages 14 to 26 form part of these financial statements

PRESTIGE CARE LIMITED
GROUP CASH FLOW
YEAR ENDED 31ST JULY 2011

	2011	2010
	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(2,089,504)	57,405
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	568	2,614
Interest paid	<u>(1,626,079)</u>	<u>(769,310)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(1,625,511)	(766,696)
TAXATION	(44,256)	(69,018)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(21,737)	(144,748)
Receipts from sale of fixed assets	–	5,425,000
Acquisition of investments	–	(25,000)
Disposal of investments	<u>–</u>	<u>172</u>
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(21,737)	5,255,424
EQUITY DIVIDENDS PAID	–	(255,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(3,781,008)	4,222,115
FINANCING		
Increase in/(repayment of) bank loans	3,502,925	(354,041)
Repayment of amounts owed to group undertakings	–	(625,000)
Net inflow from other long-term creditors	<u>206,161</u>	<u>31,439</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	3,709,086	(947,602)
(DECREASE)/INCREASE IN CASH	<u>(71,922)</u>	<u>3,274,513</u>

The notes on pages 14 to 26 form part of these financial statements.

PRESTIGE CARE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST JULY 2011

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit/(loss)	158,833	(475,874)
Depreciation	25,842	16,155
(Increase)/decrease in stocks	(2,082,372)	480,538
Increase in debtors	(26,818)	(649,627)
(Decrease)/increase in creditors	(164,989)	686,213
Net cash (outflow)/inflow from operating activities	<u>(2,089,504)</u>	<u>57,405</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011	2010
	£	£
(Decrease)/increase in cash in the period	(71,922)	3,274,513
Net cash (inflow) from/outflow from bank loans	(3,502,925)	354,041
Net cash outflow from amounts owed to group undertakings	—	625,000
Net cash (inflow) from other long-term creditors	<u>(206,161)</u>	<u>(31,439)</u>
	<u>(3,781,008)</u>	<u>4,222,115</u>
Change in net debt	(3,781,008)	4,222,115
Net debt at 1 August 2010	<u>(10,456,988)</u>	<u>(14,679,102)</u>
Net debt at 31 July 2011	<u>(14,237,996)</u>	<u>(10,456,988)</u>

The notes on pages 14 to 26 form part of these financial statements

PRESTIGE CARE LIMITED
GROUP CASH FLOW
YEAR ENDED 31ST JULY 2011

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Aug 2010 £	Cash flows £	At 31 Jul 2011 £
Net cash			
Cash in hand and at bank	98,673	(34,693)	63,980
Overdrafts	<u>(62,862)</u>	<u>(37,229)</u>	<u>(100,091)</u>
	<u>35,811</u>	<u>(71,922)</u>	<u>(36,111)</u>
Debt			
Debt due within 1 year	(415,777)	(3,529,437)	(3,945,214)
Debt due after 1 year	<u>(10,077,022)</u>	<u>(179,649)</u>	<u>(10,256,671)</u>
	<u>(10,492,799)</u>	<u>(3,709,086)</u>	<u>(14,201,885)</u>
Net debt	<u>(10,456,988)</u>	<u>(3,781,008)</u>	<u>(14,237,996)</u>

The notes on pages 14 to 26 form part of these financial statements

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents the value of goods sold and services provided during the year net of discounts, returns and Value Added Tax.

For goods sold, turnover is recognised when the goods are physically received by the customer and for services provided, turnover is recognised to the extent that and when there is a right to consideration.

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:

Plant & machinery - 4 to 5 years straight line

Fixtures & fittings - 3 to 5 years straight line

Motor vehicles - 25% reducing balance

Office equipment 3 years straight line

Football equipment - 5 years straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

1. ACCOUNTING POLICIES *(continued)*

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

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.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

2. TURNOVER

The turnover and loss before tax are attributable to the principal activities of the group. An analysis of turnover is given below:

	2011	2010
	£	£
Property investment and development	200,000	2,047,500
Football and related activities	2,304,345	1,903,118
	<u>2,504,345</u>	<u>3,950,618</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2011	2010
	£	£
Depreciation of owned fixed assets	25,842	16,155
Auditor's remuneration		
- as auditor	20,605	14,519
Operating lease costs		
- Other	-	3,780
Net loss on foreign currency translation	-	203
Exceptional cost of sales	-	356,874
Exceptional administrative expenses	-	20,171
Exceptional other operating income	-	<u>(267,540)</u>

Exceptional items relate entirely to Darlington Football Club (2009) Limited. Exceptional cost of sales and exceptional administrative expenses were made up of settlement payments for the old company debt. Exceptional other operating income referred to money withheld by the Football League in connection with the old company.

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2011	2010
	No	No
Number of construction staff	3	1
Number of football staff	56	53
Number of administrative staff	6	5
Number of management staff	7	6
Number of hospitality and commercial staff	76	68
	<u>148</u>	<u>133</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	1,486,711	1,655,470
Social security costs	117,060	137,343
Other pension costs	2,652	2,341
	<u>1,606,423</u>	<u>1,795,154</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Aggregate remuneration	<u>27,500</u>	<u>52,084</u>

6. PROFIT ON DISPOSAL OF FIXED ASSETS

	2011	2010
	£	£
Profit on disposal of fixed assets	<u>-</u>	<u>40,505</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on bank borrowing	1,872	1,652
Other similar charges payable	1,624,207	767,658
	<u>1,626,079</u>	<u>769,310</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011		2010
	£	£	£
Current tax			
In respect of the year			
UK Corporation tax based on the results for the year at 27 33% (2010 - 28%)	(2,739)		106,807
(Over)/under provision in prior year	(151,920)		28,608
Total current tax	(154,659)		135,415
Deferred tax			
Origination and reversal of timing differences (note 17)			
Capital allowances	94,888		3,916
Losses	11,377		(11,377)
Other	(50,822)		-
Total deferred tax (note 17)	55,443		(7,461)
Tax on loss on ordinary activities	(99,216)		127,954

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 27 33% (2010 - 28%)

	2011	2010
	£	£
Loss on ordinary activities before taxation	(1,466,678)	(1,202,065)
Loss on ordinary activities by rate of tax	(1,032,301)	(325,177)
Expenses not deductible for tax purposes	80,503	3,771
Capital allowances for period in excess of depreciation	(24,228)	(15,955)
Utilisation of tax losses	30,402	(9,741)
Unrelieved tax losses	-	11,381
Adjustments to tax charge in respect of previous periods	(151,920)	28,608
Income not recognised on consolidation	942,885	-
Group income	-	43,001
Chargeable gains	-	423,527
Income not taxable	-	(24,000)
Total current tax (note 8(a))	(154,659)	135,415

9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(816,352) (2010 - £56,843)

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

10. DIVIDENDS

Equity dividends

	2011	2010
	£	£
Paid during the year		
Ordinary shares of £1 each	<u>—</u>	<u>255,000</u>

11. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Other Assets £	Total £
COST OR VALUATION						
At 1 Aug 2010	13,065,186	38,000	31,278	3,000	20,818	13,158,282
Additions	1,116	9,750	7,095	500	3,276	21,737
Revaluation	1,998,698	—	—	—	—	1,998,698
At 31 Jul 2011	<u>15,065,000</u>	<u>47,750</u>	<u>38,373</u>	<u>3,500</u>	<u>24,094</u>	<u>15,178,717</u>
DEPRECIATION						
At 1 Aug 2010	—	5,000	4,196	63	2,689	11,948
Charge for the year	—	9,613	10,658	744	4,827	25,842
At 31 Jul 2011	<u>—</u>	<u>14,613</u>	<u>14,854</u>	<u>807</u>	<u>7,516</u>	<u>37,790</u>
NET BOOK VALUE						
At 31 Jul 2011	<u>15,065,000</u>	<u>33,137</u>	<u>23,519</u>	<u>2,693</u>	<u>16,578</u>	<u>15,140,927</u>
At 31 Jul 2010	<u>13,065,186</u>	<u>33,000</u>	<u>27,082</u>	<u>2,937</u>	<u>18,129</u>	<u>13,146,334</u>

The group's freehold property was valued during the year by Andrew Topham BSc(Hons) MRCIS of Savills Commercial Limited

Company

**Freehold Property
£**

COST OR VALUATION

At 1st August 2010	5,100,000
Revaluation	900,000
At 31st July 2011	<u>6,000,000</u>

DEPRECIATION

At 1st August 2010 and 31st July 2011	<u>—</u>
---------------------------------------	----------

NET BOOK VALUE

At 31st July 2011	<u>6,000,000</u>
At 31st July 2010	<u>5,100,000</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

12. INVESTMENTS

Group	Total £
COST	
At 1st August 2010 and 31st July 2011	<u>1,125,000</u>
AMOUNTS WRITTEN OFF	
At 1st August 2010 and 31st July 2011	<u>1,125,000</u>
NET BOOK VALUE	
At 31st July 2011 and 31st July 2010	<u>-</u>
Company	Group companies £
COST	
At 1st August 2010 and 31st July 2011	<u>250,004</u>
AMOUNTS WRITTEN OFF	
At 1st August 2010 and 31st July 2011	<u>249,999</u>
NET BOOK VALUE	
At 31st July 2011 and 31st July 2010	<u>5</u>

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows

	Country of registration and operation	Proportion of share Holding capital held	Nature of business
Subsidiary undertakings			
Prestige Leisure (North East) Limited Limited	England	Ordinary shares 100%	Investment property company
Prestige Properties (North East) Limited	England	Ordinary shares 100%	Investment property company
Sandstone Developments (North East) Limited	England	Ordinary shares 100%	Building company
Darlington FC 2009 Limited	England	Ordinary shares 100%	Football club

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

12. INVESTMENTS *(continued)*

Aggregate capital and reserves

	2011	2010
	£	£
Prestige Leisure (North East) Limited	529,345	739,219
Prestige Properties (North East) Limited	114,410	(1,040,871)
Sandstone Developments (North East) Limited	806,695	(65,492)
Darlington FC 2009 Limited	(861,068)	(680,584)
	<u>589,382</u>	<u>(1,047,728)</u>

Profit for the year

	2011	2010
	£	£
Prestige Leisure (North East) Limited	(209,874)	(568,417)
Prestige Properties (North East) Limited	56,583	143,209
Sandstone Developments (North East) Limited	872,187	(26,068)
Darlington FC 2009 Limited	(180,484)	(930,584)
	<u>538,412</u>	<u>(1,381,860)</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

13. STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Stock	21,427	19,780	—	—
Work in progress	3,898,960	1,818,235	—	—
	<u>3,920,387</u>	<u>1,838,015</u>	<u>—</u>	<u>—</u>

14. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	92,455	128,807	18,029	—
Amounts owed by group undertakings	—	—	4,257,494	4,731,375
Corporation tax repayable	22,394	—	12,798	—
VAT recoverable	3,995	—	—	—
Other debtors	1,429,284	1,594,266	332,516	921,713
Directors current accounts	202,230	17,952	—	—
Prepayments and accrued income	103,798	63,919	—	—
	<u>1,854,156</u>	<u>1,804,944</u>	<u>4,620,837</u>	<u>5,653,088</u>

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts owed by group undertakings	—	—	4,307,493	4,731,375
Other debtors	1,366,712	955,841	329,886	328,686
	<u>1,366,712</u>	<u>955,841</u>	<u>4,637,379</u>	<u>5,060,061</u>

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2011

15. CREDITORS: amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	4,045,305	478,639	220,861	185,303
Trade creditors	747,929	242,916	11,520	–
Directors' loan accounts	–	–	4,196	248,656
Other creditors including taxation and social security	–	–	–	–
Corporation tax	–	176,521	–	75,583
PAYE and social security	38,218	36,727	–	–
VAT	–	623,190	–	–
Other creditors	16,005	11,489	–	4,505
Accruals and deferred income	691,698	744,517	60,199	91,498
	<u>5,539,155</u>	<u>2,313,999</u>	<u>296,776</u>	<u>605,545</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	<u>4,045,305</u>	<u>478,639</u>	<u>220,861</u>	<u>185,303</u>

The group's bank loans are secured by a debenture and legal charge over its freehold investment property

16. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	10,019,071	10,045,583	4,452,840	4,604,821
Other creditors	237,600	31,439	237,600	–
	<u>10,256,671</u>	<u>10,077,022</u>	<u>4,690,440</u>	<u>4,604,821</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	<u>10,019,071</u>	<u>10,045,583</u>	<u>4,452,840</u>	<u>4,604,821</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	<u>8,635,839</u>	<u>6,331,007</u>	<u>3,769,608</u>	<u>3,982,334</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Provision brought forward	1,925	9,386	-	-
Increase/(Decrease) in provision	55,443	(7,461)	38,845	-
Provision carried forward	<u>57,368</u>	<u>1,925</u>	<u>38,845</u>	<u>-</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	108,190	-	13,302	-
Tax losses available	-	-	(11,377)	-
Other timing differences	(50,822)	-	-	-
	<u>57,368</u>	<u>-</u>	<u>1,925</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	38,845	-	-	-

18. COMMITMENTS UNDER OPERATING LEASES

At 31st July 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
After more than 5 years	<u>10,000</u>	<u>-</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

19. RELATED PARTY TRANSACTIONS

The group was under the control of Mr S and Mrs M Singh throughout the current and previous year

During the year Prestige Leisure (North East) Limited sold land to the value of £200,000 (2010 £nil) to Prestige Care Humberside Limited

At the year end Sandstone Developments (North East) Limited was owed the sum of £249,507 (2010. £nil) by Prestige Care Humberside Limited

At the year end the following balances, included in debtors falling due after one year, were due to group companies from Prestige Estates (North East) Limited

	2011	2010
	£	£
Prestige Care Limited	329,886	328,686
Sandstone Developments (North East) Limited	588,540	331,217
Prestige Properties (North East) Limited	198,779	198,438

At the year end the following balances, included in creditors falling due after one year, were due to Prestige Estates (North East) Limited from group companies

	2011	2010
	£	£
Prestige Leisure (North East) Limited	8,124	31,439
Darlington Football Club (2009) Limited	151	-

Prestige Estates (North East) Limited and Prestige Care Humberside Limited are controlled by Mr S and Mrs M Singh

20. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2011		2010
	No	£	No
			£
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2011

21. RESERVES

Group	Revaluation reserve £	Profit and loss account £
Balance brought forward	3,599,433	895,583
Loss for the year	–	(1,367,462)
Other gains and losses		
- Revaluation of fixed assets	1,998,698	–
Balance carried forward	<u>5,598,131</u>	<u>(471,879)</u>
Company	Revaluation reserve £	Profit and loss account £
Balance brought forward	3,052,504	2,490,246
Loss for the year	–	(816,352)
Other gains and losses		
- Revaluation of fixed assets	900,000	–
Balance carried forward	<u>3,952,504</u>	<u>1,673,894</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(1,367,462)	(1,330,019)
Other net recognised gains and losses	1,998,698	46,343
Equity dividends	–	(255,000)
Transfer from revaluation reserve	–	2,728,018
Transfer to profit and loss account	–	(2,728,018)
Net addition/(reduction) to shareholders' funds	<u>631,236</u>	<u>(1,538,676)</u>
Opening shareholders' funds	4,495,020	6,658,696
Prior year adjustment	–	(625,000)
Closing shareholders' funds	<u>5,126,256</u>	<u>4,495,020</u>

23. POST BALANCE SHEET EVENTS

On 3rd January 2012 the directors took the decision to place Darlington Football Club (2009) Limited into administration. Due to the loss making nature of Darlington Football Club (2009) Limited, now that Prestige Care Group no longer has to fund those losses, the group will see a benefit in terms of improved profitability and liquidity.