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**Rochefort Healthcare (Newlands) Limited**

**Reports and Financial Statements**

**31st March 1998**

**Nash & Company  
Chartered Accountants**

43 Dover Street  
London, W1X 3RE



# **Rochefort Healthcare (Newlands) Limited**

## **Reports and financial statements**

Director: M. M. Musa

Secretary: A. Musa

Registered office: 16 High Street  
Windsor  
Berkshire  
SL4 1LD

Company number: 3075409

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## **Rochefort Healthcare (Newlands) Limited**

### **Director's report**

The director has pleasure in presenting his report, together with the financial statements for the period ended 31st March 1998.

#### **Principal activity**

The principal activity of the company in the period under review was maintaining and running Newlands, a nursing home for the elderly.

#### **Review of business and future developments**

A summary of the results of the period's trading is given in the profit and loss account on page 4 of the financial statements. No changes are planned in the company's operations in the foreseeable future.

Negotiations are in hand for the sale and leaseback of the company's freehold property at a valuation which is not substantially different from the valuation as disclosed in note 6 to these accounts.

#### **Dividend**

The director does not recommend the payment of a dividend for the period.

#### **Director**

The director who held office during the period, together with his beneficial interest in the share capital of the company, was as follows:

	<b>1998 and 1997</b> <b>Ordinary £1 shares</b>
M. M. Musa	850
	==

## **Rochefort Healthcare (Newlands) Limited**

### **Director's report**

#### **Statement of director's responsibilities**

Company law requires the director 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 period. In preparing those financial statements, the director is required to:

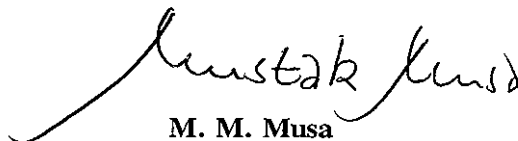
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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**

Nash and Company has signified their willingness to continue in office as auditors and will be proposed for reappointment under section 385 of the Companies Act 1985.

By order of the Board



**M. M. Musa**  
Chairman

<sup>66</sup>  
4 August 1998

**Auditors' report to the members  
of Rochefort Healthcare (Newlands) 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 director and auditors**

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


**Basis of 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 director 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 cause 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 as at 31st March 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

 August 1998

  
**Nash & Company**  
Chartered Accountants

## **Rochefort Healthcare (Newlands) Limited**

### **Profit and loss account for the period ended 31st March 1998**

	Note	6 month period ended 31st March 1998 £	Year ended 30th September 1997 £
<b>Turnover</b>	2	<b>329,184</b>	641,897
Cost of sales		(201,702)	(378,328)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>127,482</b>	263,569
Administrative expenses		(166,596)	(232,610)
		<hr/>	<hr/>
<b>Operating (loss)/</b>	3	<b>(39,114)</b>	30,959
Interest payable and similar charges	3(b)	(50,368)	(96,157)
		<hr/>	<hr/>
<b>Loss on ordinary activities before and after taxation</b>		<b>(89,482)</b>	(65,198)
Profit and loss account reserves brought forward		(158,135)	(92,937)
		<hr/>	<hr/>
<b>Profit and loss account reserves carried forward</b>		<b>£(247,617)</b>	£(158,135)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

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

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

# Rochefort Healthcare (Newlands) Limited

## Balance sheet as at 31st March 1998

	Note	31st March 1998		30th September 1997	
		£	£	£	£
<b>Fixed assets</b>	6		<b>1,312,905</b>		<b>1,275,668</b>
<b>Current assets</b>					
Stock		860		-	
Debtors	7	203,300		163,123	
Cash in hand		50		50	
			<b>204,210</b>		<b>163,173</b>
<b>Creditors: amounts due within one year</b>	8(a)		<b>(600,631)</b>		<b>(444,489)</b>
<b>Net current liabilities</b>			<b>(396,421)</b>		<b>(281,316)</b>
<b>Total assets less current liabilities</b>			<b>916,484</b>		<b>994,352</b>
<b>Creditors: amounts falling due after more than one year</b>	8(b)		<b>(789,538)</b>		<b>(777,924)</b>
<b>Total net assets</b>			<b>£126,946</b>		<b>£216,428</b>
<b>Capital and reserves</b>					
Called up share capital	9		<b>1,000</b>		<b>1,000</b>
Share premium account			<b>108,800</b>		<b>108,800</b>
Profit and loss account			<b>(247,617)</b>		<b>(158,135)</b>
Revaluation reserve			<b>264,763</b>		<b>264,763</b>
<b>Shareholders' funds</b>	10		<b>£126,946</b>		<b>£216,428</b>

Approved by the Board on <sup>6L</sup>4 August 1998

  
Director

## **Rochefort Healthcare (Newlands) Limited**

### **Notes forming part of the financial statements**

#### **1 Accounting policies**

##### **(a) Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### **(b) Turnover**

Turnover represents net invoiced nursing home fees, including value added tax.

##### **(c) Depreciation**

Depreciation is provided at the following annual rates in order to write off the cost of each asset on a straight line basis over its estimated useful life:

Furniture and fittings	- 15 %
Office equipment	- 33 $\frac{1}{3}$ %
Medical equipment	- 20 %

##### **(d) Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing difference except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

##### **(e) Operating leases**

Operating lease rentals are charged evenly to the profit and loss account as incurred.

#### **2 Turnover**

The turnover and loss (1997 - loss) before taxation are attributable to the one principal activity of the company and arose entirely in the United Kingdom.

## **Rochefort Healthcare (Newlands) Limited**

### **Notes (continued)**

#### **3 Loss on ordinary activities before taxation**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
(a) The operating loss is stated after charging:		
Depreciation	<b>12,945</b>	23,449
Director's remuneration	-	-
Auditors' remuneration	<b>2,938</b>	-
	<hr/>	<hr/>
(b) Interest payable and similar charges comprise:		
Loan interest	<b>37,960</b>	64,070
Other interest and charges	<b>12,408</b>	32,087
	<hr/>	<hr/>
	<b>£50,368</b>	<b>£96,157</b>
	<hr/>	<hr/>

#### **4 Staff numbers and costs**

The average number of persons (including directors) employed by the company during the period was as follows:

	<b>1998</b>	<b>1997</b>
	<b>number</b>	<b>number</b>
Production	<b>39</b>	45
Other	<b>1</b>	1
	<hr/>	<hr/>
Total employees	<b>40</b>	46
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	<b>£</b>	<b>£</b>
Wages and salaries	<b>160,635</b>	298,758
Social security costs	<b>9,312</b>	20,893
	<hr/>	<hr/>
	<b>£169,947</b>	<b>£319,651</b>
	<hr/>	<hr/>

## Rochefort Healthcare (Newlands) Limited

### Notes (continued)

#### 5 Taxation

The taxation charge arising from the profit on ordinary activities for the period was as follows:

	1998	1997
UK corporation tax at 21 % (1997 - 24 %) based on the adjusted results for the year	£ -	£ -
	<u>          </u>	<u>          </u>

#### 6 Tangible fixed assets

	Freehold building £	Equipment, furniture and fittings £	Total £
Cost/valuation:			
At 1st October 1997	1,150,000	156,737	1,306,737
Additions	41,316	8,866	50,182
	<u>          </u>	<u>          </u>	<u>          </u>
At 31st March 1998	<b>1,191,316</b>	<b>165,603</b>	<b>1,356,919</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation:			
At 1st October 1997	-	31,069	31,069
Charge for the year	-	12,945	12,945
	<u>          </u>	<u>          </u>	<u>          </u>
At 31st March 1998	-	<b>44,014</b>	<b>44,014</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Net book values:			
At 31st March 1998	<b>£1,191,316</b>	<b>£121,589</b>	<b>£1,312,905</b>
	<u>          </u>	<u>          </u>	<u>          </u>
At 30th September 1997	£1,150,000	£125,668	£1,275,668
	<u>          </u>	<u>          </u>	<u>          </u>

Included in the above are assets held under hire purchase contracts with a net book value of £35,970. Depreciation of £3,782 was charged on these assets for the period.

# **Rochefort Healthcare (Newlands) Limited**

## **Notes (continued)**

### **7 Debtors**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>26,579</b>	2,436
Other debtors	<b>23,373</b>	18,384
Prepayments and accrued income	<b>1,024</b>	3,630
Amounts owed by related enterprises	<b>152,324</b>	138,673
	<hr/>	<hr/>
	<b>£203,300</b>	<b>£163,123</b>
	<hr/>	<hr/>

### **8(a) Creditors: Amounts falling due within one year**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Bank overdraft	<b>120,082</b>	130,457
Trade creditors	<b>15,773</b>	35,004
Social security and other taxes	<b>160,881</b>	101,030
Accruals and deferred income	<b>98,148</b>	8,624
Other creditors	<b>46,517</b>	32,374
Loans	<b>133,000</b>	137,000
Hire purchase liabilities	<b>8,518</b>	-
Amounts owed to related enterprises	<b>17,712</b>	-
	<hr/>	<hr/>
	<b>£600,631</b>	<b>£444,489</b>
	<hr/>	<hr/>

The bank loan and overdraft are secured by fixed and floating charges over the company's assets.

### **8(b) Creditors: Amounts falling due after more than one year**

	<b>1998</b>	<b>1997</b>
Loans	<b>£789,538</b>	<b>£777,924</b>
	<hr/>	<hr/>

## Rochefort Healthcare (Newlands) Limited

### Notes (continued)

#### 9 Called up share capital

	1998	1997
Authorised:		
1,000 ordinary shares of £1 each	£1,000	£1,000
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	£1,000	£1,000

#### 10 Movement on shareholders' funds

	1998 £	1997 £
Loss for the period	(89,482)	(65,198)
Brought forward	216,428	281,626
Carried forward	£126,946	£216,428

#### 11 Related party transactions

The closing balances owed by related parties with whom transactions were entered into in the year were:

	Debtor/(creditor) balance	
	1998	1997
	£	£
Rochefort Healthcare (Highfield House) Limited	86,161	77,925
Rochefort Healthcare (Rookstone) Limited	2,550	894
Rochefort Healthcare (Riverview) Limited	63,612	58,809
Rochefort Healthcare (South Shields) Limited	(17,712)	1,045

All these companies are under common control and are registered in England. The transactions all related to reimbursement of specific expenses at cost, amounting to £4,062 (1997 - £63,055).

# **Rochefort Healthcare (Newlands) Limited**

## **Trading and profit and loss account for the six month period ended 31st March 1998**

	<b>6 month period ended 31st March 1998</b>		<b>Year ended 30th September 1997</b>	
	£	£	£	£
<b>Fee income</b>		<b>329,184</b>		<b>641,897</b>
<b>Direct costs</b>				
Wages	169,947		319,651	
Kitchen costs	16,175		32,739	
Laundry and cleaning	12,540		22,862	
Medical supplies	2,083		2,206	
Welfare and staff cost	957		870	
<b>Cost of sales</b>		<b>(201,702)</b>		<b>(378,328)</b>
<b>Gross profit</b>		<b>127,482</b>		<b>263,569</b>
<b>Administrative expenses</b>				
Salaries and payroll	-		2,002	
Depreciation	12,945		23,449	
Accountancy and audit fees	3,506		965	
Legal and professional	4,707		-	
Central administration expenses	90,022		118,610	
Consultancy fees	12,500		24,996	
Rates and water rates	4,246		9,980	
Light, heat and power	23,557		29,305	
Insurance	175		2,195	
Repairs and maintenance	2,737		11,988	
Equipment hire	4,422		6,138	
Printing, postage and stationery	1,053		998	
Telephone	1,654		1,723	
General expenses	287		255	
	<b>161,811</b>		<b>232,604</b>	
<b>Totals carried forward</b>	<b>161,811</b>	<b>127,482</b>	<b>232,604</b>	<b>263,569</b>

**Rochefort Healthcare (Newlands) Limited**

**Trading and profit and loss account (continued)  
for the six month period ended 31st March 1998**

	6 month period ended 31st March 1998		Year ended 30th September 1997	
	£	£	£	£
<b>Totals brought forward</b>	<b>161,811</b>	<b>127,482</b>	<b>232,604</b>	<b>263,569</b>
Advertising	237		-	
Motor expenses	-		5	
Travel and entertaining	-		1	
Bad debt write off	4,548		-	
	<b>166,596</b>		<b>232,610</b>	
<b>Total operating expenses</b>		<b>(166,596)</b>		<b>(232,610)</b>
<b>Operating (loss)/profit</b>		<b>(39,114)</b>		<b>30,959</b>
<b>Interest payable and similar charges</b>				
Loan interest	37,960		64,070	
Other interest and charges	12,408		32,087	
		<b>(50,368)</b>		<b>(96,157)</b>
<b>Loss on ordinary activities before taxation</b>		<b>£(89,482)</b>		<b>£(65,198)</b>