



ELIZABETH HOUSE REST HOME LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the year from  
1st October 1998 to 30th September 1999

Company number : 3196374

BENTLEY JENNISON

CHARTERED ACCOUNTANTS

ELIZABETH HOUSE REST HOME LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the year ended 30th September 1999

Directors                      Mr. P. H. Fradley  
                                 Mrs. S. Fradley

Secretary                      Mrs S. Fradley

Registered office              Elizabeth House  
                                 Sandy Hill  
                                 Werrington  
                                 ST9 OHB

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The following page does not form part of  
the statutory financial statements :

13                      Detailed profit and loss account

## ELIZABETH HOUSE REST HOME LIMITED

## DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30th September 1999.

## PRINCIPAL ACTIVITY

The principal activity of the company is retirement home for the elderly.

## DIRECTORS

The directors who held office during the year and their beneficial interest in the shares of the company were as follows:-

Ordinary shares of £1 each	1999	1998
Mr. P. H. Fradley	1	1
Mrs. S. Fradley	1	1

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 27/7/00  
S. Fradley and signed on its behalf by:

Mrs S. Fradley

Secretary

ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF  
ELIZABETH HOUSE REST HOME LIMITED

As described on the balance sheet on page 5 you are responsible for the compilation of the accounts for the year ended 30th September 1999, set out on pages 3 to 12, and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled the unaudited accounts from the accounting records and information and explanations supplied to us.

We have not conducted an audit on the accounts in accordance with Auditing Standards and accordingly we express no opinion thereon. Our work does not provide any assurance that the accounting records are free from material misstatement.



Bentley Jennison  
Chartered Accountants

27/7/00

5 Ridge House  
Ridge House Drive  
Festival Park  
Stoke on Trent ST1 5SJ

## ELIZABETH HOUSE REST HOME LIMITED

## Profit and loss account for the year ended 30th September 1999

	Notes	1999 £	1998 £
TURNOVER	2	177,210	168,914
Administrative expenses		(146,117)	(120,066)
OPERATING PROFIT	3	31,093	48,848
Interest payable and similar charges		(25,496)	(22,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,597	26,848
Tax on profit on ordinary activities	5	—	—
PROFIT FOR THE FINANCIAL YEAR		5,597	26,848
RETAINED PROFIT/(DEFICIT) BROUGHT FORWARD		7,048	(19,800)
RETAINED PROFIT CARRIED FORWARD		12,645	7,048

## ELIZABETH HOUSE REST HOME LIMITED

Statement of total recognised gains and losses  
for the year ended 30th September 1999

	1999 £	1998 £
Profit for the financial year	5,597	26,848
Unrealised surplus on revaluation of properties	102,956	-
Total recognised gains and losses relating to the year	<u>108,553</u>	<u>26,848</u>

## ELIZABETH HOUSE REST HOME LIMITED

Balance sheet at 30th September 1999

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	6	541,684	311,077
<b>CURRENT ASSETS</b>			
Debtors	8	5,144	4,428
		5,144	4,428
<b>CREDITORS : Amounts falling due within one year</b>	9	(57,358)	(47,991)
<b>NET CURRENT LIABILITIES</b>		(52,214)	(43,563)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		489,470	267,514
<b>CREDITORS : Amounts falling due after more than one year</b>	10	(354,597)	(241,194)
<b>NET ASSETS</b>		134,873	26,320
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Revaluation reserve	13	122,226	19,270
Profit and loss account		12,645	7,048
<b>SHAREHOLDERS' FUNDS</b>		134,873	26,320

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with section 221; and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved by the Board on 27/7/00 and signed on its behalf by:

Mr. P.H. Fradley

Mrs. S. Fradley

Directors

## ELIZABETH HOUSE REST HOME LIMITED

## Notes to the accounts for the year ended 30th September 1999

**1 ACCOUNTING POLICIES****Basis of accounting**

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

**Depreciation**

Depreciation is calculated to write off fixed assets over their estimated useful lives as follows:

Motor vehicles	25% reducing balance
Fixtures & fittings	20% straight line

Fixtures and fittings were previously depreciated at 15% on a reducing balance basis. The directors consider that the previous rate and method provided for insufficient depreciation. The effect of the change in rate in the year was to increase the depreciation charge by £3812.

Land is not depreciated. Freehold properties are maintained to ensure that their value does not diminish over time. The maintenance costs are charged to the profit and loss account in the year incurred. In the directors' opinion depreciation would be immaterial and has not been charged.

**Leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated in accordance with the company's depreciation policy. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease or hire purchase contract and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Deferred taxation**

Provision is made for deferred taxation using the liability method to the extent that it is considered likely that a liability will crystallise in the foreseeable future.

**2 TURNOVER**

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers in the United Kingdom during the year.



## ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the year ended 30th September 1999

## 3 OPERATING PROFIT

	1999 £	1998 £
Operating profit is stated after charging :		
Depreciation of tangible fixed assets (note 6)	15,525	6,104
	<u>          </u>	<u>          </u>

## 4 DIRECTOR'S REMUNERATION

	1999 £	1998 £
Management remuneration	-	-
Benefits in kind	903	725
	<u>          </u>	<u>          </u>
	903	725
	<u>          </u>	<u>          </u>

## 5 TAXATION

The company has no liability for taxation.

The movement on unprovided deferred taxation  
for the year was as follows:

Tax losses carried forward	1,019	481
Accelerated capital allowances	(3,024)	(1,976)
	<u>          </u>	<u>          </u>
	(2,005)	(1,495)
	<u>          </u>	<u>          </u>

## ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the year ended 30th September 1999

## 6 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures and fittings	Land and buildings	Total
Cost or valuation	£	£	£	£
1st October 1998	-	47,416	276,488	323,904
Additions	800	51,820	90,556	143,176
Surplus on revaluation	-	-	102,956	102,956
30th September 1999	800	99,236	470,000	570,036
<b>Depreciation</b>				
1st October 1998	-	12,827	-	12,827
Charge for year	200	15,325	-	15,525
30th September 1999	200	28,152	-	28,352
<b>Net book value</b>				
30th September 1999	600	71,084	470,000	541,684
30th September 1998	-	34,589	276,488	311,077

The net book value of fixed assets includes £24,033 (1998 £20,672) in respect of assets held under finance leases and hire purchase contracts.

## ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the year ended 30th September 1999

## 7 LAND AND BUILDINGS

	1999 £	1998 £
Net book value comprises :		
Freehold	470,000	276,488
	<u>470,000</u>	<u>276,488</u>
Historic cost and aggregate depreciation based on cost of land and buildings included at valuation :		
Cost	347,774	255,730
Net book value	<u>347,774</u>	<u>255,730</u>

The freehold interest was valued by Taylors, Chartered Surveyors on 2 June 1999 at £510,000. This valuation was based on the estimated realisation price of the freehold interest in Elizabeth Rest Homes Limited on the basis of existing use as a fully equipped, operational entity. The open market value is considered, by the valuers, to be equivalent to this valuation, assuming a reasonable marketing period prior to the date of valuation. As the valuation included fixtures and fittings held at the time of the valuation, the directors estimate that £470,000 of this valuation is in respect of land and buildings and have therefore adopted a valuation of £470,000 in these financial statements.

## 8 DEBTORS

	1999 £	1998 £
Amounts falling due within one year:-		
Trade debtors	3,974	4,381
Other debtors	1,170	47
	<u>5,144</u>	<u>4,428</u>

## ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the year ended 30th September 1999

9 CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	1999 £	1998 £
Bank loan and overdraft	15,726	8,100
Trade creditors	1,141	988
Social security and other taxes	1,036	1,237
Other creditors	4,523	2,017
Directors loans	30,000	30,000
Obligations under finance leases and hire purchase contracts	4,932	5,649
	<u>57,358</u>	<u>47,991</u>

The bank borrowing is secured.

10 CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Bank loan	324,883	187,125
Directors loans	11,257	45,653
Obligations under finance leases and hire purchase contracts	18,457	8,416
	<u>354,597</u>	<u>241,194</u>
Includes		
Amounts due after more than five years	<u>261,000</u>	<u>158,125</u>

The bank borrowing is secured.

## ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the year ended 30th September 1999

## 11 PROVISIONS FOR LIABILITIES AND CHARGES

## Deferred taxation

	£
Balance at 1st October 1998	-
Balance at 30th September 1999	-

	1999		1998	
	Provision made £	Potential liability £	Provision made £	Potential liability £
Accelerated capital allowances	-	5,000	-	1,976
Tax losses carried forward	-	(1,500)	-	(481)
	-	3,500	-	1,495

The potential tax liabilities which might arise in the event of the disposal of revalued properties are not quantified as the directors do not consider them to constitute timing differences.

## 12 CALLED UP SHARE CAPITAL

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	2	2	2	2

## ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the year ended 30th September 1999

## 13 RESERVES

	Revaluation reserve £
At 1st October 1998	19,270
Revaluation during the year	102,956
At 30th September 1999	<u>122,226</u>

## 14 FINANCIAL COMMITMENTS

## Capital commitments

There were no capital commitments at the balance sheet date.

## Operating lease commitments

At 30th September 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999 £	1998 £
Leases expiring within one year	3,480	1,451
	<u>3,480</u>	<u>1,451</u>

## 15 RELATED PARTIES

## Control relationship

The company is controlled by Mr P H Fradley and Mrs S Fradley, who own all the share capital.

The following loans from directors were outstanding during the year:

	1999 £	1998 £
Mr P H Fradley and Mrs S Fradley	<u>41,257</u>	<u>75,653</u>