

**CARE FIRST BEDFORDSHIRE LIMITED**

**(Registered No. 3333791)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**



## **CARE FIRST BEDFORDSHIRE LIMITED**

### **REPORT OF THE DIRECTORS** **for the year ended 31 December 2000**

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

#### **1. Principal activity**

The principal activity of the Company was the operation and management of nursing and residential homes for elderly people.

#### **2. Review of the business**

The directors consider the development of the Company during the year to be satisfactory, and do not foresee any significant changes in the forthcoming year.

#### **3. Results and Dividends**

The profit for the year, after taxation, amounted to £372,209 (1999 - £77,766).  
No dividend is proposed for 2000 ( 1999 - £ nil).

#### **4. Directors and directors' interests**

Details of the present directors and any other person who served as a director during the year are set out below:

J P Davies	
M Ellerby	
D Kelly	(appointed 6 March 2000)
G Smith	(resigned 31 December 2000)
N R Taylor	
A D Walford	

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company or other Group undertakings.

#### **5. Employees and remuneration**

Details of the number of persons employed and gross remunerations are contained in note 3 to the financial statements.

Every effort is made by the directors and management to inform, consult and encourage the full involvement of staff on matters concerning them as employees and affecting the Company's performance.

The Company continues to pursue its stated policy of giving every consideration to the employment of disabled persons. Employees who are registered disabled persons are, to the greatest possible extent, treated on the same basis as all other employees and given every opportunity to develop their full working potential within the Company, through training, career development and promotion. Where employees have become disabled whilst in the service of the Company, every effort is made to rehabilitate them in their former occupation or some suitable alternative.

**CARE FIRST BEDFORDSHIRE LIMITED**

**REPORT OF THE DIRECTORS**

**for the year ended 31 December 2000**

**6. Auditors**

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

Registered Office:  
Bridge House  
Horsforth  
Leeds  
LS18 4UP

15 March 2001

By Order of the Board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

**M Ellerby**  
**Director**

## **CARE FIRST BEDFORDSHIRE LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the auditors' report set out on page 4, is made for the purpose of clarifying the respective responsibilities of the directors and the auditors in the preparation of the financial statements.

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 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; 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 keeping 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.

# **CARE FIRST BEDFORDSHIRE LIMITED**

## **REPORT OF THE AUDITORS**

### **TO THE MEMBERS OF CARE FIRST BEDFORDSHIRE LIMITED**

**for the year ended 31 December 2000**

We have audited the financial statements set out on pages 5 to 15.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 with the company is not disclosed

#### **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 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 as at 31 December 2000 and of the Company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Leeds

15 March 2001

*KMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

**CARE FIRST BEDFORDSHIRE LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2000**

	<b>Note</b>	<b>2000</b> <b>£</b>	<b>1999</b> <b>£</b>
<b>Turnover</b>	1	9,499,449	8,798,092
<b>Operating expenses</b>		<u>(8,989,144)</u>	<u>(8,669,256)</u>
<b>Operating profit</b>		510,305	128,836
Finance leases payable		(2,428)	(320)
Provision for liabilities in participating interest	4	(183,133)	-
<b>Profit on ordinary activities before taxation</b>	5	<u>324,744</u>	<u>128,516</u>
Tax on profit on ordinary activities	6	<u>47,465</u>	<u>(50,750)</u>
<b>Retained profit for the financial year</b>		<u>372,209</u>	<u>77,766</u>

The operating profit is wholly derived from continuing operations.

There were no recognised gains and losses other than the profit for the financial year.

There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation.

The accounting policies and notes on pages 8 to 15 form part of these financial statements.

**CARE FIRST BEDFORDSHIRE LIMITED**

**BALANCE SHEET**  
as at 31 December 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	7	2,538,862	2,425,111
<b>Current assets</b>			
Debtors		8,729,345	8,380,199
Debtors due within one year	8	5,488,105	4,726,053
Debtors due after one year	8	3,241,240	3,654,146
Cash at bank and in hand		249,097	35,020
		<u>8,978,442</u>	<u>8,415,219</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(10,801,854)</u>	<u>(10,667,307)</u>
<b>Net current liabilities</b>		<u>(1,823,412)</u>	<u>(2,252,088)</u>
<b>Total assets less current liabilities</b>		715,450	173,023
<b>Creditors: amounts falling due after more than one year</b>	10	(40,135)	(5,585)
<b>Provision for liabilities and charges</b>	11	<u>(187,585)</u>	<u>(51,917)</u>
		<u>487,730</u>	<u>115,521</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	<u>487,728</u>	<u>115,519</u>
<b>Equity shareholders' funds</b>		<u>487,730</u>	<u>115,521</u>

These financial statements were approved by the Board of Directors on 15 March 2001 and were signed on its behalf by:

N R Taylor  
Director



The accounting policies and notes on pages 8 to 15 form part of these financial statements.

**CARE FIRST BEDFORDSHIRE LIMITED**

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
for the year ended 31 December 2000

	2000 £	1999 £
Profit for the financial year and net addition to shareholders' funds	372,209	77,766
Opening shareholders' funds	<u>115,521</u>	<u>37,755</u>
Closing shareholders' funds	<u>487,730</u>	<u>115,521</u>



## CARE FIRST BEDFORDSHIRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2000

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, applicable SORPs and under the historical cost accounting convention as modified to include the revaluation of land and buildings and on a going concern basis.

As the Company is a wholly owned subsidiary undertaking it is exempt from the requirements of Financial Reporting Standard No. 8 (FRS8) to disclose details of transactions with other members of the BUPA group of companies.

##### (b) Changes in accounting policies

Financial Reporting Standard No. 15 "Tangible Fixed Assets" (FRS15) has been applied for the first time in the current financial year.

The company has adopted the option available within the transitional arrangements under FRS15 to continue to treat the historic costs as the book value of fixed assets, with the exception of property which will continue to be revalued. In accordance with FRS15 interim valuations will be made every three years and full valuations will be completed at least every five years.

Financial Reporting Standard No. 16 "Current Tax" (FRS16) also became mandatory for the current year. There has been no impact on Company's accounts as it has been in compliance with the Standard since 1999.

##### (c) Cash flow statement

The Company is exempt from the requirements of Financial Reporting Standard No. 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The British United Provident Association Limited, and its cash flows are included within the consolidated cash flow statement of that company.

##### (d) Turnover

Turnover represents the amounts earned by the Company in the ordinary course of business for goods supplied and services rendered after deducting value added tax, where applicable. All turnover arises within the United Kingdom.

##### (e) Fixed assets and depreciation

Depreciation is provided so as to write off the cost of tangible assets to their residual values over their estimated useful lives by applying the straight line method and using the following annual rates or periods.

Freehold land	- nil
Freehold buildings	- 50 years
Leasehold improvements	- term of the lease
Fixtures, fittings & equipment	- 3 to 50 years

##### (f) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. No payment is made for group relief claimed or surrendered.

## CARE FIRST BEDFORDSHIRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2000

**(g) Operating leases**

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred.

**(h) Finance lease**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

**(i) Pensions**

The Company operates an optional defined benefit pension scheme, the Care First Partnerships Limited Defined Benefit Pension Scheme, which provides benefits based on final pensionable pay for certain members of staff. Contributions to this scheme are charged to the profit and loss account so as to spread the cost of pensions over the eligible employees working lives with the company. The level of contributions is determined by qualified actuaries who periodically carry out professional valuations of the scheme's assets and liabilities. The assets of the scheme are held separately from those of the company in an independently administered fund.

## 2. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Care First Group plc which is registered in England and Wales.

The ultimate holding company is The British United Provident Association Limited (BUPA), in whose accounts these financial statements are consolidated. A copy of BUPA's consolidated financial statements are available to the public from The Registrar of Companies, Cardiff, CF4 3UZ.

## 3. STAFF COSTS AND DIRECTORS' REMUNERATION

**Employees**

The average number of persons employed by the Company during the year (including directors), analysed by category, was as follows:

	Number of employees	
	2000	1999 Restated
Health Care	527	506

The 1999 employee numbers have been restated to reflect the average number of full time equivalent persons employed by the Company.

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	5,674,113	5,644,986
Social security costs	318,684	319,008
Other pension costs (see note 13)	417,899	492,031
	<u>6,410,696</u>	<u>6,456,025</u>

**b) Directors' remuneration**

The emoluments of the Directors are borne entirely by the other group companies and are disclosed in the financial statements of those companies.

**CARE FIRST BEDFORDSHIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2000

**4. PROVISION FOR LIABILITIES IN PARTICIPATING INTEREST**

	2000 £	1999 £
Share of liabilities in The Care Homes Partnership	<u>183,133</u>	<u>-</u>

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2000 £	1999 £
<b>Profit on ordinary activities is stated after charging:</b>		
Depreciation and other amounts written off owned tangible and intangible fixed assets:		
Owned	65,719	5,081
Leased	2,955	2,429
Hire of land and buildings – payable under operating leases	<u>456,021</u>	<u>421,368</u>

The remuneration of the Company's auditors is borne by another Company in the group.

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2000 £	1999 £
The taxation (credit)/charge is based on the results for the year:		
UK corporation tax at 30% (1999 – 30.25%)	-	-
Deferred taxation	<u>4,452</u>	<u>50,613</u>
	4,452	50,613
Taxation (over)/under provided in previous years:		
Deferred taxation	<u>(51,917)</u>	<u>137</u>
	(47,465)	50,750

The current year's UK corporation tax charge has been eliminated due to surrender of group relief from a related party, for which no payment has been made. The current year corporation tax charge would otherwise have amounted to £127,352.

# CARE FIRST BEDFORDSHIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2000

### 7. TANGIBLE FIXED ASSETS

Cost or valuation	Land & buildings £	Fixtures, fittings & equipment £	Total £
At 1 January 2000	1,779,262	653,359	2,432,621
Additions	(6,409)	188,834	182,425
Reclassification	(149,225)	149,225	-
At 31 December 2000	<u>1,623,628</u>	<u>991,418</u>	<u>2,615,046</u>
<b>Depreciation</b>			
At 1 January 2000	2,160	5,350	7,510
Charge for the year	24,667	44,007	68,674
At 31 December 2000	<u>26,827</u>	<u>49,357</u>	<u>76,184</u>
<b>Net Book Value</b>			
At 31 December 2000	<u>1,596,801</u>	<u>942,061</u>	<u>2,538,862</u>
At 31 December 1999	<u>1,777,102</u>	<u>648,009</u>	<u>2,425,111</u>

The companies freehold land & buildings were valued by Knight Frank, Chartered Surveyors at 31 October 2000 on the basis of existing use. The valuation has been made in accordance with the RICS statement of Asset Valuation Practice & Guidance notes.

Particulars relating to revalued assets are given below:

	2000 Land & buildings £
At open market value	1,532,970
At cost	90,658
Aggregate depreciation thereon	(26,827)
	<u>1,596,801</u>
Historical cost of revalued assets	1,623,628
Aggregate depreciation based on historical cost	(26,827)
Historical cost net book value	<u>1,596,801</u>

**CARE FIRST BEDFORDSHIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**8. DEBTORS**

	2000 £	1999 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,056,618	3,564
Payments made on account	3,375,005	3,379,714
Amounts owed by Group undertakings	596,867	788,289
Other debtors	4,315	85,955
Prepayments and accrued income	-	13,231
Advance operating property rental payments	455,300	455,300
	<u>5,488,105</u>	<u>4,726,053</u>
<b>Amounts falling due after one year:</b>		
Advance operating property rental payments	<u>3,241,240</u>	<u>3,654,146</u>

**9. CREDITORS – amounts falling due within one year:**

	2000 £	1999 £
Trade creditors	-	1,647
Amounts owed to Group undertakings	10,474,698	10,055,241
Obligation under finance leases	4,003	1,175
Other creditors	70,827	78,990
Taxation and social security	-	175,600
Accruals and deferred income	252,326	354,654
	<u>10,801,854</u>	<u>10,667,307</u>

**10. CREDITORS – amounts falling due after more than one year:**

	2000 £	1999 £
Obligations under finance leases	<u>40,135</u>	<u>5,585</u>

# CARE FIRST BEDFORDSHIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2000

### 10. CREDITORS – amounts falling due after more than one year: (continued)

Finance leases are repayable as follows:

	2000	1999
	£	£
Between one and two years	4,132	1,433
Between two and five years	11,330	1,978
After five years	24,673	2,174
	<u>40,135</u>	<u>5,585</u>

### 11. PROVISIONS FOR LIABILITIES AND CHARGES

	Participating interest £	Deferred taxation £	Total £
At 1 January 2000	-	51,917	51,917
Profit and loss account	183,133	(47,465)	135,668
<b>At 31 December 2000</b>	<u>183,133</u>	<u>4,452</u>	<u>187,585</u>

The company has a participating interest in a joint venture with The Care Homes Partnership. This provision represents the company's share of the partnership liabilities as at 31 December 2000.

The amounts provided for deferred taxation and the amounts not provided are set out below:

	Provided		Not provided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	46,384	51,917	-	-
Other	(41,932)	-	-	-
	<u>4,452</u>	<u>51,917</u>	<u>-</u>	<u>-</u>

### 12. SHARE CAPITAL

	2000	1999
	£	£
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	2000	1999
	£	£
<b>Allotted, called-up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## CARE FIRST BEDFORDSHIRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2000

#### 13. RESERVES

	Profit and loss account £000
At 1 January 2000	115,519
Retained profit	372,209
At 31 December 2000	<u>487,728</u>

#### 14. PENSIONS

The Company operates a defined benefit pension scheme for certain employees of Bedfordshire County Council who were previously members of the relevant local government superannuation scheme (LGSS). The scheme has been established to provide benefits identical to those offered by the LGSS.

The scheme is administrated by Friends Provident Corporate Pensions Limited who are also responsible for investments management and the provision of actuarial advice. The scheme was established on 4 November 1996 and eligible staff joined the scheme with effect from the 14 July 1998.

An actuarial valuation was carried out at 28 January 1999 in respect of 1 July 1997. Contributions are currently being made in accordance with advice provided by Friends Provident Corporate Pensions Limited. Members contribute either 5% or 6% of their annual pensionable pay and the company contributes approximately 15% of the employees' pensionable pay.

The aggregate pension costs charged in the year are shown in note 3.

#### 15. COMMITMENTS

##### Operating leases

At 31 December 2000 the Company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2000	1999
	£	£
Operating leases which expire:		
Within one year	-	-
Between two and five years	-	-
Over five years	455,300	455,300
	<u>455,300</u>	<u>455,300</u>

##### Capital commitments

At 31 December 2000 the company had capital commitments amounting to £5,337 (1999 - £418).

**CARE FIRST BEDFORDSHIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2000**

**16. CONTINGENT LIABILITIES**

The Company has given a guarantee and other undertakings, as part of the Group banking arrangements in respect of the overdrafts of certain other Group undertakings. Under a Group registration the Company is jointly and severally liable for Value Added Tax due by certain other Group companies.