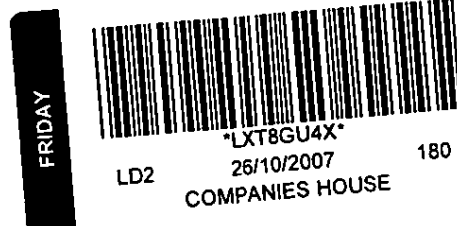


**Registration number 3353584**

**Westminster Homecare Limited**  
**Abbreviated financial statements**  
**for the year ended 31 December 2006**



**Independent auditors' report to Westminster Homecare Limited  
under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 8 together with the financial statements of Westminster Homecare Limited for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with those provisions and to report our opinion to you.

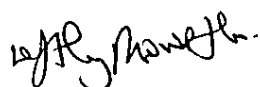
**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with those provisions.

**Leftley Rowe & Company**  
**Chartered Accountants and**  
**Registered Auditors**



22/10/07

**The Heights**  
**59-65 Lowlands Road**  
**Harrow**  
**Middlesex**  
**HA1 3AW**

**Westminster Homecare Limited**

**Abbreviated balance sheet  
as at 31 December 2006**

|  |       | 2006               |                  | 2005             |                |
|--|-------|--------------------|------------------|------------------|----------------|
|  | Notes | £                  | £                | £                | £              |
| <b>Fixed assets</b>  |       |                    |                  |                  |                |
| Intangible assets  | 2     |                    | 1,127,451        |                  | 512,427        |
| Tangible assets  | 2     |                    | 89,985           |                  | 63,264         |
| Investments  | 2     |                    | 751,317          |                  | -              |
|  |       |                    | <u>1,968,753</u> |                  | <u>575,691</u> |
| <b>Current assets</b>  |       |                    |                  |                  |                |
| Debtors  |       | 1,340,373          |                  | 790,188          |                |
| Cash at bank and in hand                                       |       | <u>1,635</u>       |                  | <u>493,371</u>   |                |
|  |       | 1,342,008          |                  | 1,283,559        |                |
| <b>Creditors: amounts falling due within one year</b>          | 3     | <u>(1,522,642)</u> |                  | <u>(501,734)</u> |                |
| <b>Net current (liabilities)/assets</b>                        |       |                    | <u>(180,634)</u> |                  | <u>781,825</u> |
| <b>Total assets less current liabilities</b>                   |       |                    | 1,788,119        |                  | 1,357,516      |
| <b>Creditors: amounts falling due after more than one year</b> | 4     |                    | (1,222,937)      |                  | (862,260)      |
| <b>Provisions for liabilities</b>                              |       |                    | <u>(6,105)</u>   |                  | <u>(3,411)</u> |
| <b>Net assets</b>  |       |                    | <u>559,077</u>   |                  | <u>491,845</u> |
| <b>Capital and reserves</b>                                    |       |                    |                  |                  |                |
| Called up share capital  | 5     |                    | 250,000          |                  | 250,000        |
| Profit and loss account  |       |                    | <u>309,077</u>   |                  | <u>241,845</u> |
| <b>Shareholders' funds</b>                                     |       |                    | <u>559,077</u>   |                  | <u>491,845</u> |

The abbreviated financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The abbreviated financial statements were approved by the Board on 22/10/07 and signed on its behalf by

  
**J Patel**  
**Director**

The notes on pages 3 to 8 form an integral part of these financial statements.

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

**1.2. Changes in accounting policy**

The company has adopted FRS 25 "Financial instruments disclosure and presentation" in these financial statements. The adoption of this standard represents a change in accounting policy and the comparatives have been restated accordingly.

The effect of the change in accounting policy to adopt the presentation requirements of FRS 25 was to reclassify preference shares of £500,000 (2005 £500,000) from equity to liabilities.

**1.3. Turnover**

Turnover represents the total value of fees receivable during the year.

**1.4. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 4 years.

**1.5. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

|                                     |                            |
|-------------------------------------|----------------------------|
| Fixtures, fittings<br>and equipment | - 25% reducing balance p a |
|-------------------------------------|----------------------------|

**1.6. Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.7. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

**1.8. Pensions**

The company operates a stakeholder pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

**1.9. 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

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

**1.10. Group accounts**

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts

The financial statements present information about the individual company

**1 11. Financial instruments**

Financial instruments are classified and accounted for, according to the substance of contractual arrangement, as either financial assets, financial liabilities or equity instruments, as defined in FRS 25, Financial Instruments Disclosure and Presentation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

# Westminster Homecare Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2006

continued

| 2. Fixed assets   | Intangible<br>assets<br>£ | Tangible<br>fixed<br>assets<br>£ | Investments<br>£ | Total<br>£       |
|---|---------------------------|----------------------------------|------------------|------------------|
| <b>Cost or valuation</b>  |                           |                                  |                  |                  |
| At 1 January 2006   | 886,871                   | 197,255                          | -                | 1,084,126        |
| Additions   | 1,287,622                 | 40,573                           | 751,317          | 2,079,512        |
| Reduction in investment value                                     | (334,159)                 | -                                | -                | (334,159)        |
| Transfer from subsidiary  | -                         | 13,810                           | -                | 13,810           |
| At 31 December 2006   | <u>1,840,334</u>          | <u>251,638</u>                   | <u>751,317</u>   | <u>2,843,289</u> |
| <b>Depreciation and<br/>Provision for<br/>diminution in value</b> |                           |                                  |                  |                  |
| At 1 January 2006   | 374,444                   | 133,991                          | -                | 508,435          |
| Charge for year   | 338,439                   | 26,799                           | -                | 365,238          |
| Transfer from subsidiary  | -                         | 863                              | -                | 863              |
| At 31 December 2006   | <u>712,883</u>            | <u>161,653</u>                   | <u>-</u>         | <u>874,536</u>   |
| <b>Net book values</b>  |                           |                                  |                  |                  |
| At 31 December 2006   | <u>1,127,451</u>          | <u>89,985</u>                    | <u>751,317</u>   | <u>1,968,753</u> |
| At 31 December 2005   | <u>512,427</u>            | <u>63,264</u>                    | <u>-</u>         | <u>575,691</u>   |

The Company's policy upon acquisition of a subsidiary is to transfer the trade and net assets of the newly-acquired subsidiary to the Company at book value. The initial cost of the Company's investment in the subsidiary undertaking reflects the underlying fair value of its net assets and goodwill at the time of its acquisition. As a result of the transfer, the value of the Company's investment in the subsidiary undertaking falls below the amount at which it is stated in the Company's accounting records. Schedule 4 to the Companies Act 1985 requires that the investment be written down accordingly and that the amount be charged as a loss in the Company's profit and loss account. However, the directors consider that, as there has been no overall loss to the Company, it would fail to give a true and fair view to charge the diminution to the Company's profit and loss account and it should instead be re-allocated to goodwill and the identifiable net assets transferred, so as to recognise, in the Company's individual balance sheet, the effective cost to the Company of those net assets and goodwill. The effect on the Company's balance sheet of this departure is to recognise goodwill at cost of £641,732 (2005 £235,420), less accumulated amortisation of £128,640 (2005 £48,718).

Given that the business concerned operates in a generally stable market, the directors have concluded that the estimated economic life of the resulting intangible asset is 4 years at the date the transfer took place.

The asset is reviewed annually for impairment. The review at 31st December 2006 indicated that no impairment had arisen.

# Westminster Homecare Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2006

continued

|                                |                |             |
|--------------------------------|----------------|-------------|
| <b>2.1. Investment details</b> | <b>2006</b>    | <b>2005</b> |
|                                | <b>£</b>       | <b>£</b>    |
| Subsidiary undertaking         | <u>751,317</u> | <u>-</u>    |

### Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

| <b>Company</b>                   | <b>Country of<br/>registration<br/>or incorporation</b> | <b>Nature of<br/>business</b> | <b>Shares held<br/>Class</b> | <b>%</b> |
|----------------------------------|---|-------------------------------|------------------------------|----------|
| <b>Subsidiary undertaking</b>    |   |                               |                              |          |
| Martin's Care Limited            | England & Wales   | Dormant                       | Ordinary                     | 100%     |
| Riseway Care Services Limited    | England & Wales   | Social Care                   | Ordinary                     | 100%     |
| Response (East Midlands) Limited | England & Wales   | Dormant                       | Ordinary                     | 100%     |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

|                                  | <b>Capital and reserves</b> | <b>Profit for the year</b> |
|----------------------------------|-----------------------------|----------------------------|
|                                  | <b>£</b>                    | <b>£</b>                   |
| Martin's Care Limited            | 100                         | 52,572                     |
| Riseway Care Services Limited    | 375,266                     | 103,867                    |
| Response (East Midlands) Limited | 2                           | 22,407                     |

|  |                |                |
|--|----------------|----------------|
| <b>3. Creditors: amounts falling due within one year</b> | <b>2006</b>    | <b>2005</b>    |
|  | <b>£</b>       | <b>£</b>       |
| Creditors include the following                          |                |                |
| Secured creditors  | <u>319,651</u> | <u>112,230</u> |

|   |                |                |
|---|----------------|----------------|
| <b>4. Creditors: amounts falling due after more than one year</b> | <b>2006</b>    | <b>2005</b>    |
|   | <b>£</b>       | <b>£</b>       |
| Creditors include the following                                   |                |                |
| Secured creditors   | <u>722,937</u> | <u>362,260</u> |

# Westminster Homecare Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2006

continued

| 5. Share capital                                 | 2006<br>£        | 2005<br>£        |
|--|------------------|------------------|
| <b>Authorised equity</b>                         |                  |                  |
| 1,000,000 "A" Ordinary shares of £1 each         | 1,000,000        | 1,000,000        |
| 500,000 "B" Ordinary shares of £1 each           | 500,000          | 500,000          |
| 500,000 Preference shares of £1 each             | 500,000          | 500,000          |
|  | <u>2,000,000</u> | <u>2,000,000</u> |
| <b>Allotted, called up and fully paid equity</b> |                  |                  |
| 166,666 "A" Ordinary shares of £1 each           | 166,666          | 166,666          |
| 83,334 "B" Ordinary shares of £1 each            | 83,334           | 83,334           |
| 500,000 Preference shares of £1 each             | 500,000          | 500,000          |
|  | <u>750,000</u>   | <u>750,000</u>   |
| <b>Equity Shares</b>                             |                  |                  |
| 166,666 "A" Ordinary shares of £1 each           | 166,666          | 166,666          |
| 83,334 "B" Ordinary shares of £1 each            | 83,334           | 83,334           |
|  | <u>250,000</u>   | <u>250,000</u>   |
| <b>Shares classed as financial liabilities</b>   |                  |                  |
| 500,000 Preference shares of £1 each             | <u>500,000</u>   | <u>500,000</u>   |

The 8% Cumulative Redeemable Preference shareholders shall be entitled to receive an annual dividend on a cumulative basis after the Company's Revenue Reserve exceeds £500,000. The holders of the 8% Cumulative Redeemable Preference shares are not entitled to receive notice of or to attend and vote at General Meetings of the Company. In the event of winding up or liquidation, the 8% Cumulative Redeemable Preference shares shall be repayable at par and their holders shall not be entitled to participate in the distribution of any remaining capital.



**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2006**

continued

**6. Transactions with directors**

The following directors had interest free loans during the year. The movements on these loans are as follows

|         | <b>Amount owing</b> |             | <b>Maximum</b> |
|---------|---------------------|-------------|----------------|
|         | <b>2006</b>         | <b>2005</b> | <b>in year</b> |
|         | <b>£</b>            | <b>£</b>    | <b>£</b>       |
| J Patel | 10,000              | -           | 10,000         |
| S Radia | 23,759              | -           | 23,759         |
|         | <u>23,759</u>       | <u>-</u>    | <u>23,759</u>  |