

**Registration number 3353584**

**Westminster Homecare Limited**  
**Abbreviated financial statements**  
**for the year ended 31 December 2007**

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## **Westminster Homecare Limited**

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## **Westminster Homecare Limited**

### **Directors' report for the year ended 31 December 2007**

The directors present their report and the financial statements for the year ended 31 December 2007

#### **Principal activity and review of the business**

The principal activity of the company during the year was the provision of domiciliary care services

During the year the company acquired two further businesses. The trade and assets of these subsidiaries were transferred to Westminster Homecare Limited at 31 December 2007

Subsequent to the year end the company has exchanged contracts to purchase further businesses for consideration of £2,100,000

The company made a profit before tax of £347,584 (2006 £183,603). This result includes dividends received from subsidiaries of £300,000 and is after charging amortisation of goodwill of £517,834 (2006 £338,439). The directors consider earnings before interest, tax, depreciation and amortisation (EBITDA) to be the main financial key performance indicator. For 2007 this was £660,763, up from £582,532 in 2006

The directors continually strive to maintain the high standards of quality which they consider an essential part of the company's service

#### **Financial risk management objectives and policies**

The company's financial instruments comprise predominantly cash, trade debtors, loans and various other debtors and creditors that arise directly from its operations

The company has available a loan from a major shareholder to assist with working capital requirements where necessary. The directors therefore do not consider financial risks to be significant

#### **Employment policy**

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the company's policy to give full and fair consideration to applications for employment from people who are disabled and to arrange appropriate training for employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees

The directors also recognise that the continued position of the company in the health and social care industry depends on the quality and motivation of its employees and as such the company is committed to pursue employment policies which will continue to attract, retain and motivate its employees

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by all employees of the company's business aims and performance. This is achieved through a variety of communication approaches for each branch

## **Westminster Homecare Limited**

### **Directors' report for the year ended 31 December 2007**

continued

#### **Directors**

The directors who served during the year are as stated below

J M Patel

S C Radia

#### **Directors' responsibilities**

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and 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 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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Leftley Rowe & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

**Westminster Homecare Limited**

**Directors' report  
for the year ended 31 December 2007**

continued

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

This report was approved by the Board on 11 July 2008 and signed on its behalf by



**S M Patel  
Secretary**

**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 5 to 20 together with the financial statements of Westminster Homecare Limited for the year ended 31 December 2007 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 246A 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 Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

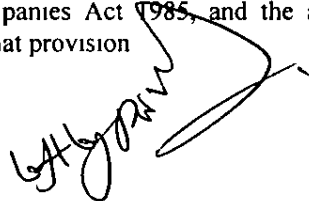
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial 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 Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with that provision.

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

**14 July 2008**



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

**Westminster Homecare Limited**

**Abbreviated profit and loss account  
for the year ended 31 December 2007**

		<b>Continuing operations</b>	
		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Gross profit</b>		2,474,601	2,060,341
Distribution costs		(1,137,991)	(986,908)
Administrative expenses		(1,224,812)	(856,139)
<b>Operating profit</b>	<b>2</b>	111,798	217,294
Investment income	<b>3</b>	300,000	-
Other interest receivable and similar income	<b>4</b>	2,594	9,226
Interest payable and similar charges	<b>5</b>	(66,808)	(42,917)
<b>Profit on ordinary activities before taxation</b>		347,584	183,603
Tax on profit on ordinary activities	<b>8</b>	(80,070)	(116,371)
<b>Profit for the year</b>	<b>18</b>	267,514	67,232

There are no recognised gains or losses other than the profit or loss for the above two financial years

**The notes on pages 8 to 20 form an integral part of these financial statements.**

**Westminster Homecare Limited**

**Abbreviated balance sheet  
as at 31 December 2007**

		<b>2007</b>		<b>2006</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	<b>9</b>		1,281,430		1,127,451
Tangible assets	<b>10</b>		133,693		89,985
Investments	<b>11</b>		745,917		751,317
			<u>2,161,040</u>		<u>1,968,753</u>
<b>Current assets</b>					
Debtors	<b>12</b>	1,410,730		1,340,373	
Cash at bank and in hand		<u>149,589</u>		<u>1,635</u>	
		1,560,319		1,342,008	
<b>Creditors: amounts falling due within one year</b>	<b>13</b>	<u>(2,407,684)</u>		<u>(1,522,642)</u>	
<b>Net current liabilities</b>			<u>(847,365)</u>		<u>(180,634)</u>
<b>Total assets less current liabilities</b>			1,313,675		1,788,119
<b>Creditors: amounts falling due after more than one year</b>	<b>14</b>		(480,949)		(1,222,937)
<b>Provisions for liabilities</b>	<b>15</b>		<u>(6,135)</u>		<u>(6,105)</u>
<b>Net assets</b>			<u>826,591</u>		<u>559,077</u>
<b>Capital and reserves</b>					
Called up share capital	<b>17</b>		250,000		250,000
Profit and loss account	<b>18</b>		576,591		309,077
<b>Shareholders' funds</b>	<b>19</b>		<u>826,591</u>		<u>559,077</u>

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

The abbreviated financial statements were approved by the Board on 11 July 2008 and signed on its behalf by

  
**J M Patel**  
**Director**

**The notes on pages 8 to 20 form an integral part of these financial statements.**



**Westminster Homecare Limited**

**Cash flow statement  
for the year ended 31 December 2007**

	Notes	2007 £	2006 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		111,798	217,294
Depreciation		548,965	365,238
Increase in debtors		(70,357)	(548,837)
(Decrease)/increase in creditors		(84,630)	443,294
<b>Net cash inflow from operating activities</b>		<u>505,776</u>	<u>476,989</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		505,776	476,989
Returns on investments and servicing of finance	25	235,786	(33,691)
Taxation	25	(127,833)	(94,182)
Capital expenditure	25	(746,652)	(1,006,983)
Acquisitions and disposals	25	5,400	(751,317)
		(127,523)	(1,409,184)
Financing	25	340,159	825,491
<b>Increase/(decrease) in cash in the year</b>		<u>212,636</u>	<u>(583,693)</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 26)</b>			
<b>Increase/(decrease) in cash in the year</b>		212,636	(583,693)
Cash outflow from decrease in debts and lease financing		(340,159)	(825,491)
Change in net debt resulting from cash flows		(127,523)	(1,409,184)
<b>Net debt at 1 January 2007</b>		<u>(1,890,303)</u>	<u>(481,119)</u>
<b>Net debt at 31 December 2007</b>		<u>(2,017,826)</u>	<u>(1,890,303)</u>

The notes on pages 8 to 20 form an integral part of these financial statements.

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

**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. Turnover**

Turnover represents the total value of fees receivable during the year

**1.3. Goodwill**

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

**1.4. 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

Leasehold improvements	-	25% reducing balance p a
Fixtures, fittings and equipment	-	25% reducing balance p a
Motor vehicles	-	25% reducing balance p a

**1.5. Leasing**

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

**1.6. Investments**

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

**1.7. 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 2007**

continued

**1.8. 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

**1.9. 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

<b>2. Operating profit</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation and other amounts written off intangible assets	517,834	338,439
Depreciation and other amounts written off tangible assets	31,131	26,799
Operating lease rentals		
- Land and buildings	133,397	87,996
Auditors' remuneration	9,319	2,644
	<u>          </u>	<u>          </u>
<b>3. Income from investments</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Income from subsidiary undertakings	300,000	-
	<u>          </u>	<u>          </u>
<b>4. Interest receivable and similar income</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank interest	2,594	9,182
Other interest	-	44
	<u>          </u>	<u>          </u>
	<u>2,594</u>	<u>9,226</u>

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

<b>5. Interest payable and similar charges</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Interest payable	66,072	39,034
On overdue tax	736	3,883
	<u>66,808</u>	<u>42,917</u>

**6. Employees**

**Number of employees**

The average monthly numbers of employees  
(including the directors) during the year were

	<b>2007</b>	<b>2006</b>
Administration	58	40
Carers and nursing staff	506	406
Management	2	2
	<u>566</u>	<u>448</u>

**Employment costs**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries (including employer's national insurance)	5,546,111	4,419,885
Pension costs-other operating charge	2,964	2,956
	<u>5,549,075</u>	<u>4,422,841</u>

**6.1. Directors' emoluments**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>30,000</u>	<u>52,500</u>

**7. Pension costs**

The company operates a stakeholder pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £2,964 (31 December 2006 - £2,956)

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

**8. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Current tax</b>		
UK corporation tax	80,040	78,336
Adjustments in respect of previous periods	-	36,689
Total current tax charge	<u>80,040</u>	<u>115,025</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	30	1,346
Total deferred tax	<u>30</u>	<u>1,346</u>
Tax on profit on ordinary activities	<u>80,070</u>	<u>116,371</u>

**Factors affecting tax charge for period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below

	<b>2007 £</b>	<b>2006 £</b>
Profit on ordinary activities before taxation	<u>347,584</u>	<u>183,603</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2006 30%)	104,275	55,081
<b>Effects of:</b>		
Expenses not deductible for tax purposes	66,817	23,976
Depreciation for period in excess of capital allowances	(28)	(721)
Utilisation of tax losses	(240)	-
Adjustments to tax charge in respect of previous periods	-	36,689
Dividends received from subsidiaries	(90,000)	-
Marginal relief	(784)	-
Current tax charge for period	<u>80,040</u>	<u>115,025</u>

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

**9. Intangible fixed assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January 2007	1,840,334	1,840,334
Additions/transfer from subsidiary	706,188	706,188
At 31 December 2007	<u>2,546,522</u>	<u>2,546,522</u>
<b>Provision for diminution in value</b>		
At 1 January 2007	712,883	712,883
Charge for the year	517,834	517,834
Transfer from subsidiary	34,375	34,375
At 31 December 2007	<u>1,265,092</u>	<u>1,265,092</u>
<b>Net book values</b>		
At 31 December 2007	<u>1,281,430</u>	<u>1,281,430</u>
At 31 December 2006	<u>1,127,451</u>	<u>1,127,451</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 £1,197,919 (2006 £641,732), less accumulated amortisation of £346,824 (2006 £128,640).

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 2007 indicated that no impairment had arisen.

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

10. Tangible fixed assets	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2007	-	251,638	-	251,638
Additions	-	34,543	-	34,543
Transfer from subsidiaries	24,290	76,795	22,300	123,385
At 31 December 2007	<u>24,290</u>	<u>362,976</u>	<u>22,300</u>	<u>409,566</u>
<b>Depreciation</b>				
At 1 January 2007	-	161,653	-	161,653
Transfer from subsidiaries	10,538	58,432	14,119	83,089
Charge for the year	-	31,131	-	31,131
At 31 December 2007	<u>10,538</u>	<u>251,216</u>	<u>14,119</u>	<u>275,873</u>
<b>Net book values</b>				
At 31 December 2007	<u>13,752</u>	<u>111,760</u>	<u>8,181</u>	<u>133,693</u>
At 31 December 2006	<u>-</u>	<u>89,985</u>	<u>-</u>	<u>89,985</u>

11. Fixed asset investments	Subsidiary undertakings shares £	Total £
<b>Cost</b>		
At 1 January 2007	751,317	751,317
Reclassify to goodwill	(5,400)	(5,400)
At 31 December 2007	<u>745,917</u>	<u>745,917</u>
<b>Net book values</b>		
At 31 December 2007	<u>745,917</u>	<u>745,917</u>
At 31 December 2006	<u>751,317</u>	<u>751,317</u>

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

**11.1. 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 registration or incorporation</b>	<b>Nature of business</b>	<b>Shares held class</b>	<b>Proportion of shares held</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%
Chase Care Services Limited	England & Wales	Social Care	Ordinary	100%
Independent Living Network East Limited	England & Wales	Social Care	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	-
Riseway Care Services Limited	475,640	100,374
Response (East Midlands) Limited	2	-
Chase Care Services Limited	1,000	5,356
Independent Living Network East Limited	1,000	36,842

**12. Debtors**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,224,562	1,280,323
Other debtors	130,500	36,025
Prepayments and accrued income	55,668	24,025
	<u>1,410,730</u>	<u>1,340,373</u>



**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

<b>13. Creditors: amounts falling due within one year</b>	<b>2007 £</b>	<b>2006 £</b>
Bank overdraft	27,275	91,957
Bank loan	234,841	227,694
Loan creditor	924,350	349,350
Trade creditors	21,775	32,240
Amounts owed to group undertakings	52,924	222,109
Corporation tax	90,620	138,413
Directors' accounts	2,731	-
Other creditors	476,497	416,544
Shares classed as financial liabilities (Note 17)	500,000	-
Accruals and deferred income	76,671	44,335
	<u>2,407,684</u>	<u>1,522,642</u>

The bank loan is secured by a fixed and floating charge over the company's assets

<b>14. Creditors: amounts falling due after more than one year</b>	<b>2007 £</b>	<b>2006 £</b>
Bank loan	480,949	722,937
Shares classed as financial liabilities (Note 17)	-	500,000
	<u>480,949</u>	<u>1,222,937</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 13)	1,659,191	577,044
Repayable between one and two years	290,613	934,445
Repayable between two and five years	190,336	288,492
	<u>2,140,140</u>	<u>1,799,981</u>

The bank loan is secured by a fixed and floating charge over the company's assets

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

**15. Provisions for liabilities**

	<b>Deferred taxation (Note 16) £</b>	<b>Total £</b>
At 1 January 2007	6,105	6,105
Movements in the year	30	30
At 31 December 2007	<u>6,135</u>	<u>6,135</u>

**16. Provision for deferred taxation**

	<b>2007 £</b>	<b>2006 £</b>
Accelerated capital allowances	6,135	6,105
Provision for deferred tax	<u>6,135</u>	<u>6,105</u>
Provision at 1 January 2007	6,105	
Deferred tax charge in profit and loss account	30	
Provision at 31 December 2007	<u>6,135</u>	

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

<b>17. Share capital</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<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>
<b>18. Equity Reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>At 1 January 2006</b>	241,845	241,845
Profit for the year	67,232	67,232
<b>At 1 January 2007</b>	309,077	309,077
Profit for the year	267,514	267,514
<b>At 31 December 2007</b>	<u>576,591</u>	<u>576,591</u>

# Westminster Homecare Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2007

continued

<b>19. Reconciliation of movements in shareholders' funds</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the year	267,514	67,232
Opening shareholders' funds	559,077	491,845
Closing shareholders' funds	<u>826,591</u>	<u>559,077</u>

## 20. Financial commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within one year	5,000	14,000
Between one and five years	59,876	30,700
In over five years	30,771	47,547
	<u>95,647</u>	<u>92,247</u>

## 21. Contingent liabilities

There is a company unlimited multilateral guarantee given by Westminster Homecare Limited, Riseaway Care Services Limited and Response (East Midlands) Limited and a group set off is held by the bank

## 22. 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>2007</b>	<b>2006</b>	<b>in year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
J M Patel	-	10,000	10,000
S C Radia	-	23,759	23,759
	<u>-</u>	<u>23,759</u>	<u>23,759</u>

# Westminster Homecare Limited

## Notes to the abbreviated financial statements for the year ended 31 December 2007

continued

### 23. Related party transactions

During the year the company received a loan from Vagard Investment Corp, a major shareholder, to assist with working capital requirements. The amount outstanding at the Balance Sheet date was £924,350 (2006 £349,350)

Balances due to subsidiary undertakings are disclosed in note 13 to the financial statements

### 24. Post balance sheet events

Subsequent to the Balance Sheet date, the company has exchanged contracts to acquire businesses for consideration of £2,100,000

### 25. Gross cash flows

	2007 £	2006 £
<b>Returns on investments and servicing of finance</b>		
Interest received	2,594	9,226
Interest paid	(66,808)	(42,917)
Dividends received	300,000	-
	<u>235,786</u>	<u>(33,691)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(127,833)</u>	<u>(94,182)</u>
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(671,813)	(953,463)
Payments to acquire tangible assets	<u>(74,839)</u>	<u>(53,520)</u>
	<u>(746,652)</u>	<u>(1,006,983)</u>
<b>Acquisitions and disposals</b>		
Payments on acquisition of group interests	<u>5,400</u>	<u>(751,317)</u>
<b>Financing</b>		
New long term bank loan	-	588,371
Other new short term loans	575,000	349,350
Repayment of short term bank loan	<u>(234,841)</u>	<u>(112,230)</u>
	<u>340,159</u>	<u>825,491</u>

**Westminster Homecare Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 December 2007**

continued

**26. Analysis of changes in net debt**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,635	147,954		149,589
Overdrafts	(91,957)	64,682		(27,275)
	<u>(90,322)</u>	<u>212,636</u>		<u>122,314</u>
Debt due within one year	(577,044)	(340,159)	(741,988)	(1,659,191)
Debt due after one year	(1,222,937)	-	741,988	(480,949)
	<u>(1,799,981)</u>	<u>(340,159)</u>	<u>-</u>	<u>(2,140,140)</u>
<b>Net debt</b>	<u><u>(1,890,303)</u></u>	<u><u>(127,523)</u></u>	<u><u>-</u></u>	<u><u>(2,017,826)</u></u>