

**MIMOSA HEALTHCARE LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

# REGISTRAR OF COMPANIES

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**MIMOSA HEALTHCARE LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

A G K Massouras  
L Fenton  
M P Butler  
K T Ford (resigned 15/06/2006)  
S E Millar

**SECRETARY**

A C Bingley

**COMPANY NUMBER**

3788573

**REGISTERED OFFICE**

1st Floor, MMR House  
Harrimans Lane  
Lenton Lane Industrial Estate  
Dunkirk, Nottingham  
NG7 2SD

**AUDITORS**

goodband viner taylor  
Chartered Accountants & Registered Auditors  
The Manor House  
260 Ecclesall Road South  
Sheffield  
S11 9AT

# **MIMOSA HEALTHCARE LIMITED**

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# MIMOSA HEALTHCARE LIMITED

## DIRECTORS' REPORT

For the year ended 31 December 2006

The directors present their report and the financial statements for the year ended 31 December 2006

## PRINCIPAL ACTIVITIES

The principal activity of the company for the year was the running of care homes

## BUSINESS REVIEW

2006 proved to be a busy year. At the end of 2005 the company acquired the freeholds of four care homes in the West Midlands which resulted in an increase from two to six homes for the company. This has led to an increase in turnover of 276% over the previous year.

Care home wages percentages and costs have been adversely affected in the year by poor performing homes such as the newly acquired homes, which were acquired for their turnaround potential.

The company continues to expand and improve its training for all staff.

Potential issues for 2007 that may be of concern to the company continue to be issues relating to the level of fees. In addition, Government policy on the admission of people to care homes means that fewer people will be admitted to long term care as the Government try to keep more people in their own homes.

## RESULTS

The profit for the year, after taxation, amounted to £77,332 (2005 - Loss £298,130)

## DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were

	Ordinary Shares shares of £1 each	
	31/12/06	1/1/06
A G K Massouras	-	-
L Fenton	-	-
M P Butler	-	-
K T Ford (resigned 15/06/2006)	-	-
S E Millar	-	-

The interest of the directors in the share capital of the ultimate parent undertaking are shown in that company's financial statements.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and 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 affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

## MIMOSA HEALTHCARE LIMITED

### DIRECTORS' REPORT

For the year ended 31 December 2006

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### AUDITORS

The auditors, Goodband Viner Taylor, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on

**29 JUN 2007**

and signed on its behalf



**L Fenton**  
Director

## **MIMOSA HEALTHCARE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO MIMOSA HEALTHCARE LIMITED** **Under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Mimosa Healthcare Limited for the year ended 31 December 2006 set out on page 4, together with the financial statements of the company 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 auditors' 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 work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

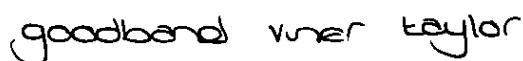
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts 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 accounts and that the abbreviated accounts to be delivered are properly prepared.

### **OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 have been properly prepared in accordance with that provision.



**goodband viner taylor**

Chartered Accountants & Registered Auditors

The Manor House  
260 Ecclesall Road South  
Sheffield  
S11 9AT

Date **29 JUN 2007**

**MIMOSA HEALTHCARE LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2006

	<b>Note</b>	<b>2006 £</b>	<b>2005 £</b>
<b>GROSS PROFIT</b>		<b>1,695,380</b>	<b>496,654</b>
Administrative expenses		<u>(1,033,111)</u>	<u>(347,608)</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>662,269</b>	<b>149,046</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	<b>5</b>	<u>-</u>	<u>(227,507)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>662,269</b>	<b>(78,461)</b>
Income from other fixed asset investments		-	2,591,550
Amounts written off investments		-	(2,716,638)
Interest receivable		-	559
Interest payable	<b>4</b>	<u>(605,956)</u>	<u>(95,140)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>56,313</b>	<b>(298,130)</b>
Tax on profit/(loss) on ordinary activities	<b>6</b>	<u>21,019</u>	<u>-</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>15</b>	<u><b>77,332</b></u>	<u><b>(298,130)</b></u>

All amounts relate to continuing operations

The notes on pages 7 to 15 form part of these financial statements

**MIMOSA HEALTHCARE LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
For the year ended 31 December 2006

	2006 £	2005 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>77,332</b>	<b>(298,130)</b>
Unrealised surplus on revaluation of tangible fixed assets	-	200,000
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>77,332</b>	<b>(98,130)</b>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
For the year ended 31 December 2006

	2006 £	2005 £
<b>REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>56,313</b>	<b>(298,130)</b>
Realisation of valuation gains of previous periods	12,033	6,590
<b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>68,346</b>	<b>(291,540)</b>
<b>HISTORICAL PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION</b>	<b>89,365</b>	<b>(291,540)</b>

The notes on pages 7 to 15 form part of these financial statements



**MIMOSA HEALTHCARE LIMITED**

**ABBREVIATED BALANCE SHEET**  
As at 31 December 2006

	Note	£	2006 £	£	2005 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	8		10,032,425		10,242,965
Investments	9		300		300
			<u>10,032,725</u>		<u>10,243,265</u>
<b>CURRENT ASSETS</b>					
Debtors	10	507,668		1,927,353	
Cash at bank and in hand		741		87,897	
		<u>508,409</u>		<u>2,015,250</u>	
<b>CREDITORS</b> amounts falling due within one year	11	(4,296,406)		(5,818,441)	
<b>NET CURRENT LIABILITIES</b>			(3,787,997)		(3,803,191)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,244,728</u>		<u>6,440,074</u>
<b>CREDITORS</b> amounts falling due after more than one year	12		(5,883,620)		(6,142,500)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred Tax	13		-		(13,798)
<b>NET ASSETS</b>			<u>361,108</u>		<u>283,776</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		2		2
Revaluation reserve	15		495,240		507,273
Profit and loss account	15		(134,134)		(223,499)
<b>SHAREHOLDERS' FUNDS - All equity</b>	16		<u>361,108</u>		<u>283,776</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on

**29 JUN 2007**

**A G W Massouras**  
Director

The notes on pages 7 to 15 form part of these financial statements

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**1 ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group

**1.2 TURNOVER**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

**1.3 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life

**1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2%	straight line
Furnishings and equipment	-	25%	straight line
Motor Vehicles	-	25%	straight line
Fixtures & Fittings	-	25%	straight line

**1.5 REVALUATION OF TANGIBLE FIXED ASSETS**

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 13 July 2005 and will not update that valuation

**1.6 INVESTMENTS**

Investments in subsidiaries are valued at cost less provision for impairment

## MIMOSA HEALTHCARE LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 2006

#### 1 ACCOUNTING POLICIES (continued)

##### 1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

##### 1.8 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

#### 2 OPERATING PROFIT

The operating profit is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	385,470	70,337
Auditors' remuneration	7,955	5,000
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2005 - £NIL)

# MIMOSA HEALTHCARE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 2006

### 3 STAFF COSTS

Staff costs were as follows

	2006 £	2005 £
Wages and salaries	3,402,802	830,958
Social security costs	226,859	56,784
Other pension costs	1,313	989
	<u>3,630,974</u>	<u>888,731</u>

The average monthly number of employees, including the directors, during the year was as follows

	2006 No	2005 No
administrative and care home staff	<u>340</u>	<u>114</u>

### 4 INTEREST PAYABLE

	2006 £	2005 £
On bank loans and overdrafts	<u>605,956</u>	<u>95,140</u>

### 5 EXCEPTIONAL ITEMS

	2006 £	2005 £
Write off of goodwill on hive up of acquisition	-	200,000
Professional fees in respect of acquisitions	-	27,507
	<u>-</u>	<u>227,507</u>

### 6 TAXATION

	2006 £	2005 £
<b>ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR</b>		
<b>CURRENT TAX (see note below)</b>		
UK corporation tax charge on profits for the year	-	-
Adjustments in respect of prior periods	(7,221)	-
<b>TOTAL CURRENT TAX</b>	<u>(7,221)</u>	<u>-</u>
<b>DEFERRED TAX (see note 13)</b>		
Origination and reversal of timing differences	(13,798)	-
<b>TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	<u>(21,019)</u>	<u>-</u>

# MIMOSA HEALTHCARE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2006

### 6 TAXATION (continued)

#### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19%(2005 19%)

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Deferred taxation has not been provided on the revaluation of the freehold land and buildings as there is no intention to sell these assets in the foreseeable future. Should the freehold land and buildings be sold, tax of £158,857 may be payable. However this tax liability is likely to be deferred.

Subject to agreement with the Inland Revenue, there are tax losses of approximately £500,000 available to carry forward to utilise future profits.

### 7 INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 January 2006 and 31 December 2006	200,000
<b>AMORTISATION</b>	
At 1 January 2006 and 31 December 2006	200,000
<b>NET BOOK VALUE</b>	
At 31 December 2006	-

**MIMOSA HEALTHCARE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**8 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Furnishing s and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST OR VALUATION</b>					
At 1 January 2006	9,680,538	25,536	8,863	720,482	10,435,419
Additions	33,860	86,104	-	55,862	175,826
Disposals	-	(955)	-	-	(955)
	<u>9,714,398</u>	<u>110,685</u>	<u>8,863</u>	<u>776,344</u>	<u>10,610,290</u>
<b>DEPRECIATION</b>					
At 1 January 2006	84,787	12,078	739	94,850	192,454
Charge for the year	193,610	16,741	2,216	172,903	385,470
On disposals	-	(59)	-	-	(59)
	<u>278,397</u>	<u>28,760</u>	<u>2,955</u>	<u>267,753</u>	<u>577,865</u>
<b>NET BOOK VALUE</b>					
At 31 December 2006	<u>9,436,001</u>	<u>81,925</u>	<u>5,908</u>	<u>508,591</u>	<u>10,032,425</u>
At 31 December 2005	<u>9,595,751</u>	<u>13,458</u>	<u>8,124</u>	<u>625,632</u>	<u>10,242,965</u>

Cost or valuation at 31 December 2006 is as follows

	Land and buildings £
<b>AT COST</b>	7,441,310
<b>AT VALUATION</b>	
Revaluation in 2002	800,000
Revaluation 2005	1,473,088
	<u>9,714,398</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2006 £	2005 £
Cost	1,743,566	1,743,566
Accumulated depreciation	77,952	43,082
	<u>1,821,518</u>	<u>1,786,648</u>

# MIMOSA HEALTHCARE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2006

### 9 FIXED ASSET INVESTMENTS

	Shares in group under- takings £	Total £
<b>COST OR VALUATION</b>		
At 1 January 2006 and 31 December 2006	300	300

### SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the company

Good Shepherd Limited 100% holding

The aggregate of the share capital and reserves as at 31 December 2006 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows

	Aggregate of share capital and reserves £	Profit/(loss) £
Good Shepherd Limited	300	-

### 10 DEBTORS

	2006 £	2005 £
Trade debtors	476,268	208,619
Amounts owed by group undertakings	-	1,691,612
Other debtors	3,236	5,207
Prepayments and accrued income	28,164	21,915
	<u>507,668</u>	<u>1,927,353</u>

### 11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts	1,226,826	2,030,468
Trade creditors	130,820	73,439
Amounts owed to group undertakings	2,470,367	291,211
Corporation tax	-	19,406
Social security and other taxes	100,635	20,966
Other creditors	67,952	3,169,334
Accruals and deferred income	299,806	213,617
	<u>4,296,406</u>	<u>5,818,441</u>

# MIMOSA HEALTHCARE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2006

Bank loans and overdrafts totaling £1,226,826 (2005 £2,030,468) are secured with a mortgage on the company's freehold land and buildings and a fixed and floating debenture over the assets of the company

### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEA

	2006 £	2005 £
Bank loans	<u>5,883,620</u>	<u>6,142,500</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2006 £	2005 £
Repayable by instalments	<u>4,000,860</u>	<u>4,322,500</u>

The loan is repayable over 15 years in monthly instalments of £37,917 Interest is charged at 1 24% per annum above the base rate of the HSBC

Bank loans of £5,883,620 (2005 £6,142,500) are secured with a mortgage on the company's freehold land and buildings and a fixed and floating debenture over the assets of the company

### 13 DEFERRED TAXATION

	2006 £	2005 £
At 1 January 2006	13,798	-
Charge for/(released during) the year	(13,798)	-
Other movement	-	13,798
	<u>-</u>	<u>13,798</u>
At 31 December 2006	<u>-</u>	<u>13,798</u>

The provision for deferred taxation is made up as follows

	2006 £	2005 £
Accelerated capital allowances	<u>-</u>	<u>13,798</u>

### 14 SHARE CAPITAL

	2006 £	2005 £
<b>AUTHORISED</b>		
1,000 Ordinary Shares shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 Ordinary Shares shares of £1 each	<u>2</u>	<u>2</u>



# MIMOSA HEALTHCARE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2006

### 15 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2006	507,273	(223,499)
Profit retained for the year		77,332
Transfer between Revaluation reserve and P/L account	(12,033)	12,033
	<u>495,240</u>	<u>(134,134)</u>
At 31 December 2006		

### 16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Opening shareholders' funds	283,776	431,906
Profit/(loss) for the year	77,332	(298,130)
Dividends (Note 17)	-	(50,000)
Other recognised gains and losses during the year	-	200,000
	<u>361,108</u>	<u>283,776</u>
Closing shareholders' funds		

### 17 DIVIDENDS

	2006 £	2005 £
Dividends paid on equity capital	-	50,000

### 18 PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,313 (2005 - £989).

### 19 RELATED PARTY TRANSACTIONS

The following balances were outstanding from / (to) group undertakings at the end of the year

	2006 £	2005 £
Mimosa Healthcare Group Limited	(343,510)	(291,211)
Mimosa Healthcare Holdings Limited	<u>(2,126,857)</u>	<u>1,691,612</u>

During the year Mimosa Healthcare Holdings Limited recharged expenses to the company totaling £129,641

**MIMOSA HEALTHCARE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**For the year ended 31 December 2006**

**20 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is ultimately controlled by A G K Massouras, the majority shareholder of the company's parent undertaking Mimosa Healthcare Holdings Limited