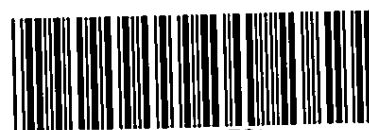


REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007  
FOR  
BENTLEIGH CARE LIMITED

M R Salvage LLP  
Chartered Accountants  
and Registered Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Buckinghamshire  
SL8 5YS

THURSDAY



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31/01/2008

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COMPANIES HOUSE

**BENTLEIGH CARE LIMITED**

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**FOR THE YEAR ENDED 31 MARCH 2007**

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**BENTLEIGH CARE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**DIRECTORS:**

P A Murley  
R A Waterer  
G N Aleksich  
C J Cook

**SECRETARY:**

R A Waterer

**REGISTERED OFFICE.**

1 Templar Street  
London  
SE5 9JB

**REGISTERED NUMBER.**

4286432 (England and Wales)

**AUDITORS.**

M R Salvage LLP  
Chartered Accountants  
and Registered Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Buckinghamshire  
SL8 5YS

**BENTLEIGH CARE LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

The directors present their report with the financial statements of the company for the year ended 31 March 2007

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of operating and managing care homes and close care services

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2007

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2006 to the date of this report

P A Murley  
R A Waterer

Other changes in directors holding office are as follows

G N Aleksich - appointed 14 September 2006  
C J Cook - appointed 14 September 2006

**STATEMENT OF 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 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 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,
- 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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

BENTLEIGH CARE LIMITED

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2007

**AUDITORS**

The auditors, M R Salvage LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

**ON BEHALF OF THE BOARD:**



R A Waterer - Secretary

Date *29 January 2008*

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**BENTLEIGH CARE LIMITED**

We have audited the financial statements of Bentleigh Care Limited for the year ended 31 March 2007 on pages six to thirteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
BENTLEIGH CARE LIMITED

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

*M R Salvage LLP*

M R Salvage LLP  
Chartered Accountants  
and Registered Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Buckinghamshire  
SL8 5YS

Date

*31<sup>st</sup> January 2008*

**BENTLEIGH CARE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
<b>TURNOVER</b>		1,440,305	1,165,047
Cost of sales		1,060,947	939,053
<b>GROSS PROFIT</b>		379,358	225,994
Administrative expenses		312,693	248,189
<b>OPERATING PROFIT/(LOSS)</b>	3	66,665	(22,195)
Interest receivable and similar income		258	37
		66,923	(22,158)
Interest payable and similar charges	4	19,604	4,024
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		47,319	(26,182)
Tax on profit/(loss) on ordinary activities	5	49	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		47,270	(26,182)
<b>PROFIT/(DEFICIT) FOR THE YEAR</b>		47,270	(26,182)
Deficit brought forward		(294,783)	(268,601)
<b>DEFICIT CARRIED FORWARD</b>		(247,513)	(294,783)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

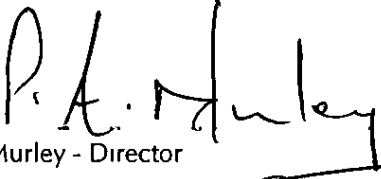
The notes form part of these financial statements



**BENTLEIGH CARE LIMITED****BALANCE SHEET**  
**31 MARCH 2007**

	Notes	2007 £	£	2006 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		7,480		-
<b>CURRENT ASSETS</b>					
Debtors	7	167,005		62,045	
Cash in hand		37		-	
		<u>167,042</u>		<u>62,045</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>422,034</u>		<u>356,827</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(254,992)</u>		<u>(294,782)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(247,512)</u>		<u>(294,782)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		1		1
Profit and loss account			<u>(247,513)</u>		<u>(294,783)</u>
<b>SHAREHOLDERS' FUNDS</b>	15		<u>(247,512)</u>		<u>(294,782)</u>

The financial statements were approved by the Board of Directors on **29 January 2008** and were signed on its behalf by

  
P A Murley - Director

**BENTLEIGH CARE LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
Net cash (outflow)/inflow from operating activities	1	(17,944)	54,103
Returns on investments and servicing of finance	2	(8,916)	37
Taxation		4,908	(4,908)
Capital expenditure	2	(9,350)	-
(Decrease)/Increase in cash in the period		<u>(31,302)</u>	<u>49,232</u>

---

**Reconciliation of net cash flow  
to movement in net debt**

	3		
(Decrease)/Increase in cash in the period		<u>(31,302)</u>	<u>49,232</u>
Change in net debt resulting from cash flows		<u>(31,302)</u>	<u>49,232</u>
Movement in net debt in the period		(31,302)	49,232
Net debt at 1 April		<u>(20,454)</u>	<u>(69,686)</u>
Net debt at 31 March		<u>(51,756)</u>	<u>(20,454)</u>

The notes form part of these financial statements

**BENTLEIGH CARE LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2007	2006
	£	£
Operating profit/(loss)	66,665	(22,195)
Depreciation charges	1,870	-
Increase in debtors	(109,868)	(43,346)
Increase in creditors	23,389	119,644
	<u>          </u>	<u>          </u>
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(17,944)</u></b>	<b><u>54,103</u></b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2007	2006
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	258	37
Interest paid	(9,174)	-
	<u>          </u>	<u>          </u>
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<b><u>(8,916)</u></b>	<b><u>37</u></b>
 <b>Capital expenditure</b>		
Purchase of tangible fixed assets	(9,350)	-
	<u>          </u>	<u>          </u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(9,350)</u></b>	<b><u>-</u></b>

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 4 06	Cash flow	At
	£	£	31 3 07
			£
Net cash			
Cash at bank and in hand	-	37	37
Bank overdraft	(20,454)	(31,339)	(51,793)
	<u>          </u>	<u>          </u>	<u>          </u>
	(20,454)	(31,302)	(51,756)
	<u>          </u>	<u>          </u>	<u>          </u>
 <b>Total</b>	<b><u>(20,454)</u></b>	<b><u>(31,302)</u></b>	<b><u>(51,756)</u></b>

The notes form part of these financial statements

**BENTLEIGH CARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The accounts have been prepared on a going concern basis, which is dependent on the continuing support of the company's immediate parent undertaking, Bentleigh Cross Limited, and the company's bankers. Having considered all the information available, the directors are of the opinion that the going concern basis of preparation is appropriate.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

**Turnover**

Turnover represents net invoiced sales of services.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings                      - 20% on cost

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**2 STAFF COSTS**

	2007 £	2006 £
Wages and salaries	1,101,772	972,292
Social security costs	22,474	10,415
	<u>1,124,246</u>	<u>982,707</u>

The average monthly number of employees during the year was as follows:

	2007	2006
Nursing	<u>75</u>	<u>74</u>

**3 OPERATING PROFIT/(LOSS)**

The operating profit (2006 - operating loss) is stated after charging:

	2007 £	2006 £
Depreciation - owned assets	1,870	-
Auditors' remuneration	6,549	7,050
Auditors' remuneration for non audit work	<u>2,284</u>	<u>-</u>
Directors' emoluments	<u>-</u>	<u>-</u>

**BENTLEIGH CARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2007	2006
	£	£
Interest on late payment of PAYE/NIC	19,604	4,024
	<u>19,604</u>	<u>4,024</u>

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2007	2006
	£	£
Current tax		
UK corporation tax	49	-
	<u>49</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>49</u>	<u>-</u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007	2006
	£	£
Profit/(loss) on ordinary activities before tax	<u>47,319</u>	<u>(26,182)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2006 - 19%)	8,991	(4,975)
Effects of		
Expenses not deductible for tax purposes	3,763	993
Capital allowances in excess of depreciation	(89)	-
Utilisation of tax losses	(12,616)	-
Tax losses carried forward	-	3,982
	<u>49</u>	<u>-</u>
Current tax charge	<u>49</u>	<u>-</u>

**Factors that may affect future tax charges**

A potential deferred tax asset of approximately £43,500 (2006 £54,000), in respect of trading losses, has not been recognised on the grounds that there is insufficient evidence at the current time that the asset will be recoverable in the foreseeable future. The tax losses may be utilised in future periods through the generation of future taxable profits.

The company has estimated trading losses of £217,855 (2006 £284,252) available to utilise against future trading profits.

**BENTLEIGH CARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**6 TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>COST</b>	
Additions	9,350
At 31 March 2007	<u>9,350</u>
<b>DEPRECIATION</b>	
Charge for year	1,870
At 31 March 2007	<u>1,870</u>
<b>NET BOOK VALUE</b>	
At 31 March 2007	<u><u>7,480</u></u>

**7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade debtors	76,306	55,133
Amounts owed by group undertakings	89,919	-
Other debtors	780	2,004
Corporation tax recoverable	-	4,908
	<u>167,005</u>	<u>62,045</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Bank loans and overdrafts (see note 9)	51,793	20,454
Trade creditors	17,564	15,231
Amounts owed to group undertakings	-	32,924
Tax	49	-
Social security and other taxes	314,496	270,988
Other creditors	4,340	19
Accrued expenses	33,792	17,211
	<u>422,034</u>	<u>356,827</u>

**9 LOANS**

An analysis of the maturity of loans is given below

	2007 £	2006 £
Amounts falling due within one year or on demand		
Bank overdrafts	<u>51,793</u>	<u>20,454</u>

**BENTLEIGH CARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**10 SECURED DEBTS**

The following secured debts are included within creditors

	2007	2006
	£	£
Bank overdrafts	<u>51,793</u>	<u>20,454</u>

The bank overdraft is secured by a debenture

**11 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	2007	2006
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	2007	2006
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

**12 ULTIMATE PARENT COMPANY**

The directors consider Bentleigh Cross Limited to be its immediate parent company, and ultimate parent company until 18 September 2006. As a result of Bentleigh Cross Limited receiving a subscription of 2,500,000 Ordinary shares on 18 September 2006, the directors consider the ultimate parent company to be Renaissance Lifecare plc from this date.

**13 CONTINGENT LIABILITIES**

The company and its immediate parent (Bentleigh Cross Limited) are party to a cross guarantee given to The Royal Bank of Scotland plc in respect of group overdraft facilities. The total level of indebtedness at the year end amounted to £4,999,890 (2006 £7,804,734).

**14 RELATED PARTY DISCLOSURES**

At 31 March 2007, the company was owed £89,919 by Bentleigh Cross Limited, its immediate parent company. At 31 March 2006, the company owed £32,924 to Bentleigh Cross Limited.

**15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2007	2006
	£	£
Profit/(Loss) for the financial year	<u>47,270</u>	<u>(26,182)</u>
Net addition/(reduction) to shareholders' funds	47,270	(26,182)
Opening shareholders' funds	<u>(294,782)</u>	<u>(268,600)</u>
Closing shareholders' funds	<u>(247,512)</u>	<u>(294,782)</u>