

Registered in England No: 4364918

**NU Local Care Centres (West Park) Limited**

**ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2004**



# **NU Local Care Centres (West Park) Limited**

## **Contents**

The directors' report	1-2
Independent auditors' report to the members	3-4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-11

# **NU Local Care Centres (West Park) Limited**

## **Directors' Report for the year ended 31 December 2004**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

### **Principal activity and business review**

The principal activity is to provide healthcare and serviced facilities under a private finance initiative ("PFI") with Durham and Darlington Priority Services NHS Trust. Practical completion on this new mental health facility was achieved by the end of November 2004.

The directors have reviewed the activities of the business for the year and the position as at 31 December 2004 and consider them to be satisfactory.

### **Results and dividends**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors do not recommend the payment of a dividend for the year (period ended 31 December 2003:£nil).

### **Directors and their interests in shares of the company**

The directors of the Company who held office during the year and to the date of this report are listed below:

P J Clark  
D Crawshaw

None of the directors held any disclosable beneficial interests in the Company at 31 December 2004, or at any time during the year.

# **NU Local Care Centres (West Park) Limited**

## **Directors' report for the year ended 31 December 2004 (continued)**

### **Policy on the payment of creditors**

It is the company's policy that payment to suppliers for goods and services to the company are made approximately 30 days from receipt of valid invoice unless agreed otherwise as part of a contractual agreement.

### **Directors' responsibilities**

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

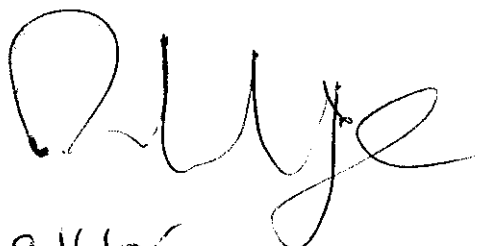
- select suitable accounting policies, as described on page 7, then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial 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. The directors 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.

### **Auditors**

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

Director



Date:

9/16/05

# **NU Local Care Centres (West Park) Limited**

## **Independent auditors' report to the members**

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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.

We read the Directors' Report 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 United Kingdom 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.

# **NU Local Care Centres (West Park) Limited**

## **Independent auditors' report to the members (continued)**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

**Ernst & Young LLP  
Registered Auditor  
London**

*17 June 2005*

# NU Local Care Centres (West Park) Limited

## Profit and Loss Account for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover		165,010	-
Cost of sales		<u>(145,046)</u>	<u>-</u>
Gross Profit		19,964	-
Administrative expenses		<u>(119)</u>	<u>(7)</u>
Operating Profit/(loss)	2	19,845	(7)
Interest receivable	4	31,397	915
Interest Payable		<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation		51,242	908
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the financial year		51,242	908

All results are in respect of continuing activities.

The company has no recognised gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

There are no differences between the amounts reported in the profit and loss account and their historical cost equivalents.

The notes on pages 7 to 11 form part of these accounts.

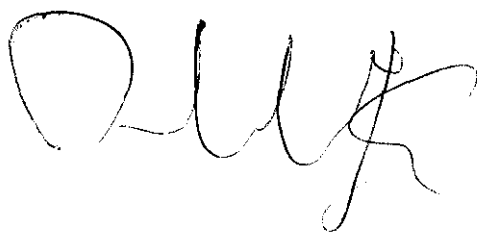
# NU Local Care Centres (West Park) Limited

## Balance sheet as at 31 December 2004

	Notes	2004 £	2003 £
<b>Fixed Assets</b>			
Assets in course of construction		-	5,014,980
<b>Current assets</b>			
Debtors	6	484,105	125,307
Cash at bank and in hand		<u>2,308,851</u>	<u>364,385</u>
		2,792,956	489,692
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,740,805)</u>	<u>(5,503,763)</u>
<b>Net current assets/(liabilities)</b>		<u>52,151</u>	<u>(5,014,071)</u>
<b>Total assets less current liabilities</b>		<u>52,151</u>	<u>909</u>
<b>Capital and Reserves</b>			
Called up share capital	8	1	1
Profit and loss account		52,150	908
<b>Shareholder's funds</b>	9	<u>52,151</u>	<u>909</u>

The financial statements on pages 5 to 11 were approved by the board of directors on  
9/6/2005 and signed on its behalf by:

Director



Date:

9/6/05



# **NU Local Care Centres (West Park) Limited**

## **Notes to the financial statements for the year ended 31 December 2004**

### **1. Accounting Policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, the accounting policies set out below, and in accordance with applicable accounting standards.

#### **Cash flow statement**

The company is a wholly owned subsidiary of the Norwich Union Public Private Partnership Fund and is included in the consolidated financial statements of that entity. Consequently, the company has taken the advantage of the exemption from preparing a cash flow statement under the terms of the Financial Reporting Standard 1 (Revised).

#### **Deferred tax**

Deferred taxation 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 tax, except that 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 rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Assets in the Course of Construction**

Where projects have commenced construction, or the Fund is required to supply construction funding, monies advanced are classified as "assets in the course of construction" and are held as fixed assets. These assets are carried at cost less any provision for impairment in value and are not ordinarily depreciated. On completion, the project is transferred to the Norwich Union Public Private Partnership Fund in settlement of its obligation to that entity.

Interest paid on loans used to finance construction has been capitalised as a cost to the asset.

# NU Local Care Centres (West Park) Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 2. Operating Profit

Auditors' remuneration was borne by the parent undertaking.

The directors do not believe it is practicable to apportion amounts received between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

### 3. Particulars of employees

The company had no employees during the year (2003: Nil).

### 4. Interest receivable and similar income

	2004 £	2003 £
Bank Interest receivable	31,397	915

# NU Local Care Centres (West Park) Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 5. Tax on Profit on ordinary activities

There is no tax charge for the year due to the availability of group relief (period ended 31 December 2003: £nil).

#### Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2003: lower) than the standard rate of corporation tax in the UK of 30%, (2003: 30%). The differences are explained below.

	2004 £	2003 £
Current tax reconciliation		
Profit on ordinary activities before tax	51,242	908
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	15,373	272
Effects of:		
Short term timing differences	5,538	-
Group relief	(20,911)	(272)
	<hr/>	<hr/>
Total current tax charge (see below)	<hr/> <hr/> -	<hr/> <hr/> -
	Not recognised 2004 £	Not recognised 2003 £
Short term timing differences	5,538	-
	<hr/>	<hr/>
Deferred tax asset not provided	5,538	-
	<hr/> <hr/>	<hr/> <hr/>

The above deferred tax assets have not been recognised because, given the current tax losses, there is insufficient evidence under FRS 19 as to the availability of suitable taxable profits in the foreseeable future.

# **NU Local Care Centres (West Park) Limited**

## **Notes to the financial statements for the year ended 31 December 2004 (continued)**

### **6. Debtors**

	2004 £	2003 £
Due within one year		
Trade Debtors	30,797	-
Other debtors	296,019	125,307
Prepayments and accrued income	157,289	-
	<u>484,105</u>	<u>125,307</u>

### **7. Creditors: Amounts falling due within one year**

	2004 £	2003 £
Trade creditors	(43,635)	(19,581)
Amounts due to other group companies	(2,365,568)	(4,691,501)
Sinking funds	(18,460)	-
Retentions	(249,381)	(117,285)
Accruals and deferred income	(63,761)	(675,396)
	<u>(2,740,805)</u>	<u>(5,503,763)</u>

### **8. Share capital**

#### **Authorised share capital:**

	2004 £	2003 £
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

#### **Allotted, called up and fully paid:**

	2004 £	2003 £
1 Ordinary shares of £1.00	<u>1</u>	<u>1</u>

# NU Local Care Centres (West Park) Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 9. Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	51,242	908
Opening shareholders' funds	<u>909</u>	<u>1</u>
Closing shareholders' equity funds	<u>52,151</u>	<u>909</u>

### 10. Immediate parent undertaking

The directors regard NU 3PS Limited as the immediate parent undertaking. The ultimate parent undertaking is the Norwich Union Public Private Partnership Fund.

### 11. Ultimate controlling party

At 31 December 2004 the ultimate controlling party is Aviva plc. Aviva plc is a company registered in England No.2468686. The registered office is situated at St Helen's, 1 Undershaft, London EC3P 3DQ.

In June 2004 Uberior Infrastructure Investments Limited, a subsidiary of HBOS plc, sold its interests in Norwich Union Public Private Partnership to the other limited partner, Norwich Union Life and Pensions Limited. On 1 July 2004 Norwich Union Life and Pensions Limited exchanged its interest in Norwich Union Public Private Partnership for a share in a new fund, The Lime Property Fund. The ultimate controlling party remained Aviva plc.

### 12. Related party transactions

The company, being a wholly owned subsidiary of NU 3PS Limited, has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Norwich Union Public Partnership Fund.