

COMPANY REGISTRATION NUMBER 4403025

**HAZELWOOD CARE LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2009**



**KOTHARI & CO.**  
Chartered Certified Accountants & Registered Auditor  
1 Acton Hill Mews  
310-328 Uxbridge Road  
London W3 9QN

# **HAZELWOOD CARE LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 MARCH 2009**

<b>CONTENTS</b>	<b>PAGE</b>
The director's report	<b>1</b>
Independent auditor's report to the company	<b>4</b>
Abbreviated profit and loss account	<b>5</b>
Statement of total recognised gains and losses	<b>6</b>
Note of historical cost profits and losses	<b>6</b>
Abbreviated balance sheet	<b>7</b>
Cash flow statement	<b>8</b>
Notes to the abbreviated accounts	<b>9</b>

# **HAZELWOOD CARE LIMITED**

## **THE DIRECTOR'S REPORT**

### **YEAR ENDED 31 MARCH 2009**

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 March 2009.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of managing residential and nursing homes. The company has concentrated on specialist areas, such as dementia care and learning disability sectors.

The company continues to explore further opportunities in its specialist care sectors.

The Key Performance Indicators used in the financial management of the company are as follows:

Sales are monitored through two elements: weekly rates per resident and occupancy rates for individual homes. Sales increases are due an improvement in weekly rates across all homes. Occupancy rates for the year were good except for 87% at Bywell House. Overall sales have increased from £1.8 million to £2.9 million as all six homes were operating for a full twelve months (while in 2008 the Worthing homes showed income for seven months and Devon Lodge for two).

Operating profit is monitored by expense types; cost of sales are monitored for each home, especially wages and purchases of food and consumables, while overheads are controlled for the company as a whole.

A dividend of £80,000 (2008 - £774,227) was received from the dormant subsidiary during the year. Application will be made shortly to strike off that company.

#### **EXCEPTIONAL EXPENSES**

As has been noted below, the home at Devon Lodge was closed after year end. The director considers that there is no impairment in the value of freehold property, but other fixed assets at Devon Lodge are considered to have no value, resulting in exceptional amortisation of goodwill of £606,809 and depreciation of care home equipment of £7,344.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £403,788. Particulars of dividends paid are detailed in note 9 to the financial statements.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial risks are managed in conjunction with the company's bankers and lenders.

The company has minor exposure to price risk, credit risk, liquidity risk and cash flow risk, but such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

#### **DIRECTOR**

The director who served the company during the year was as follows:

Mr. M. Singh

# **HAZELWOOD CARE LIMITED**

## **THE DIRECTOR'S REPORT *(continued)***

### **YEAR ENDED 31 MARCH 2009**

#### **DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 those financial statements, the director is required to:

- select suitable accounting policies and then 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **POST BALANCE SHEET EVENT**

The home at Devon Lodge was closed after year end, following a change in strategy by the local authority which removed most of the residents. A conditional agreement has been reached to sell the freehold property and no significant profit or loss is expected. The goodwill and care home equipment have been written off, resulting in an exceptional expense of £614,153 (2008 - nil).

# HAZELWOOD CARE LIMITED

## THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

### AUDITOR

Kothari & Co. are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:  
1 Acton Hill Mews  
310-328 Uxbridge Road  
Acton Hill  
London  
W3 9QN

Signed by order of the director

~~INCORPORATE SECRETARIAT LIMITED~~

INCORPORATE COMPANY SECRETARIAT  
LIMITED  
Company Secretary

Approved by the director on 27 January 2010

**HAZELWOOD CARE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO HAZELWOOD CARE LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts, together with the financial statements of Hazelwood Care Limited for the year ended 31 March 2009 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 work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

The director is 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 have been properly prepared in accordance with that provision.

1 Acton Hill Mews  
310-328 Uxbridge Road  
London W3 9QN

28 January 2010



KOTHARI & CO.  
Chartered Certified Accountants  
& Registered Auditor

**HAZELWOOD CARE LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2009**

	Note	2009 £	2008 £
<b>GROSS PROFIT</b>		<b>1,357,814</b>	<b>903,717</b>
Administrative expenses excluding exceptional items		<u>862,394</u>	<u>697,380</u>
Exceptional administrative expenses	5	<u>614,153</u>	<u>—</u>
Administrative expenses		<u>1,476,547</u>	<u>697,380</u>
<b>OPERATING (LOSS)/PROFIT:</b>	2		
Continuing operations		486,695	188,901
Acquisitions		—	17,436
Discontinued operations		<u>(605,428)</u>	<u>—</u>
		(118,733)	206,337
Income from shares in group undertakings	6	80,000	774,227
Interest receivable		16,547	17,759
Interest payable and similar charges	7	<u>(331,453)</u>	<u>(207,766)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(353,639)</b>	<b>790,557</b>
Tax on (loss)/profit on ordinary activities	8	50,149	15,492
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>(403,788)</u></b>	<b><u>775,065</u></b>

The notes on pages 9 to 23 form part of these abbreviated accounts.

**HAZELWOOD CARE LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 MARCH 2009**

	2009 £	2008 £
(Loss)/Profit for the financial year attributable to the shareholders	(403,788)	775,065
Unrealised profit on revaluation of certain fixed assets	—	1,862,463
Total gains and losses recognised since the last annual report	<u>(403,788)</u>	<u>2,637,528</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	2009 £	2008 £
Reported (loss)/profit on ordinary activities before taxation	(353,639)	790,557
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>16,803</u>	<u>13,783</u>
Historical cost (loss)/profit on ordinary activities before taxation	<u>(336,836)</u>	<u>804,340</u>
Historical cost (loss)/profit for the year after taxation	<u>(386,985)</u>	<u>788,848</u>

The notes on pages 9 to 23 form part of these abbreviated accounts.



# HAZELWOOD CARE LIMITED

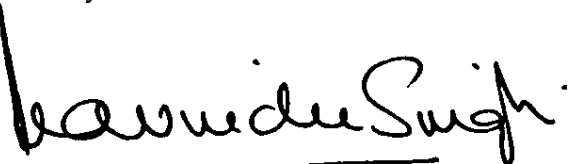
## ABBREVIATED BALANCE SHEET

31 MARCH 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Intangible assets	10	912,833	1,607,387
Tangible assets	11	7,662,595	7,780,081
Investments	12	2	2
		<u>8,575,430</u>	<u>9,387,470</u>
<b>CURRENT ASSETS</b>			
Stocks	13	3,000	3,000
Debtors	14	100,421	234,545
Cash at bank and in hand		978,499	542,697
		<u>1,081,920</u>	<u>780,242</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>267,385</u>	<u>193,839</u>
<b>NET CURRENT ASSETS</b>		<u>814,535</u>	<u>586,403</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,389,965</u>	<u>9,973,873</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	16	7,094,666	7,100,920
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	18	—	15,866
		<u>2,295,299</u>	<u>2,857,087</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	21	100	100
Revaluation reserve	22	1,831,877	1,848,680
Profit and loss account	23	463,322	1,008,307
<b>SHAREHOLDERS' FUNDS</b>	24	<u>2,295,299</u>	<u>2,857,087</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director and authorised for issue on 27 January 2010.



MR. M. SINGH

Company Registration Number: 4403025

The notes on pages 9 to 23 form part of these abbreviated accounts.

# HAZELWOOD CARE LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	862,059	435,074
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25	(234,906)	584,220
TAXATION	25	(3,241)	(29,563)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25	(14,197)	(5,620,903)
ACQUISITIONS AND DISPOSALS	25	–	1,425,773
EQUITY DIVIDENDS PAID		(158,000)	(50,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		451,715	(3,255,399)
FINANCING	25	(15,913)	3,468,026
INCREASE IN CASH	25	<u>435,802</u>	<u>212,627</u>

The notes on pages 9 to 23 form part of these abbreviated accounts.

## 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

In the opinion of the director, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Over 20 years

**All fixed assets are initially recorded at cost.**

Freehold properties are revalued at intervals not exceeding five years.

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Buildings	-	Over 50 years
Care home equipment	-	25% reducing balance
Motor Vehicles	-	25% on cost
Office equipment	-	25% reducing balance

No depreciation is provided on freehold land.

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES** *(continued)*

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

**Stocks**

Stock of consumable items have been valued by the director.

**Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers 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.

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

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

**2. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging/(crediting):

	2009	2008
	£	£
Amortisation of intangible assets	87,745	87,745
Normal depreciation of owned fixed assets	123,774	79,460
Normal depreciation of assets held under hire purchase and finance lease agreements	5,240	4,696
Exceptional amortisation of goodwill and depreciation	614,153	—
Profit on disposal of fixed assets	(4,675)	—
Auditor's remuneration		
- as auditor	6,900	5,875
Operating lease costs:		
- Other	15,869	10,909

**3. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2009	2008
	No	No
Number of management staff	4	3
Number of nursing home staff	112	72
	116	75

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	1,556,042	989,689
Social security costs	113,659	71,117
Other pension costs	7,633	3,372
	1,677,334	1,064,178

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**4. DIRECTOR'S EMOLUMENTS**

The director's aggregate emoluments in respect of qualifying services were:

	2009 £	2008 £
Emoluments receivable	<u>90,000</u>	<u>81,000</u>

**5. EXCEPTIONAL ITEMS**

	2009 £	2008 £
Recognised in arriving at operating (loss)/profit:		
Exceptional amortisation of goodwill and depreciation	<u>614,153</u>	<u>-</u>

The home at Devon Lodge was closed after year end, resulting in exceptional amortisation of goodwill of £606,809 and depreciation of care home equipment of £7,344.

**6. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2009 £	2008 £
Income from group undertakings	<u>80,000</u>	<u>774,227</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2009 £	2008 £
Interest payable on bank borrowing	329,927	206,615
Finance charges	<u>1,526</u>	<u>1,151</u>
	<u>331,453</u>	<u>207,766</u>

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2009 £	2008 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21% (2008 - 20%)	52,665	3,241
Over/under provision in prior year	13,350	-
Total current tax	<u>66,015</u>	<u>3,241</u>
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	(15,866)	12,251
Tax on (loss)/profit on ordinary activities	<u>50,149</u>	<u>15,492</u>

**(b) Factors affecting current tax charge**

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008 - 20%).

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	<u>(353,639)</u>	<u>790,557</u>
(Loss)/profit on ordinary activities by rate of tax	(74,264)	158,111
Effect of fixed assets allowances	2,245	(12,061)
Effect of capital gain rolled over and goodwill written down	124,460	-
Effect of disallowable expenses for tax purposes	174	1,878
Effect of disallowable depreciation on buildings	16,871	10,159
Effect of prior years and tax losses brought forward	13,350	-
Effect of dividends not taxable	(16,821)	(154,846)
Total current tax (note 8(a))	<u>66,015</u>	<u>3,241</u>

**9. DIVIDENDS**

**Equity dividends**

	2009 £	2008 £
Paid during the year		
Equity dividends on ordinary shares	<u>158,000</u>	<u>50,000</u>

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**10. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 April 2008 and 31 March 2009	<u>1,754,882</u>
<b>AMORTISATION</b>	
At 1 April 2008	147,495
Charge for the year	<u>694,554</u>
At 31 March 2009	<u>842,049</u>
<b>NET BOOK VALUE</b>	
At 31 March 2009	<u>912,833</u>
At 31 March 2008	<u>1,607,387</u>

**11. TANGIBLE FIXED ASSETS**

	Freehold Properties £	Care Home Equipment £	Motor Vehicle £	Office Equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 April 2008	7,650,577	227,511	18,785	7,090	7,903,963
Additions	—	3,485	17,350	—	20,835
Disposals	—	—	(18,785)	—	(18,785)
At 31 March 2009	<u>7,650,577</u>	<u>230,996</u>	<u>17,350</u>	<u>7,090</u>	<u>7,906,013</u>
<b>DEPRECIATION</b>					
At 1 April 2008	46,646	58,698	14,474	4,064	123,882
Charge for the year	80,340	50,022	5,240	756	136,358
On disposals	—	—	(16,822)	—	(16,822)
At 31 March 2009	<u>126,986</u>	<u>108,720</u>	<u>2,892</u>	<u>4,820</u>	<u>243,418</u>
<b>NET BOOK VALUE</b>					
At 31 March 2009	<u>7,523,591</u>	<u>122,276</u>	<u>14,458</u>	<u>2,270</u>	<u>7,662,595</u>
At 31 March 2008	<u>7,603,931</u>	<u>168,813</u>	<u>4,311</u>	<u>3,026</u>	<u>7,780,081</u>

The freehold properties are charged as security for bank loans of £6,238,702 (2008 - £6,251,849).



**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**11. TANGIBLE FIXED ASSETS** *(continued)*

Two freehold properties were revalued during 2007 by Knight Frank LLP as follows:

St Josephs Care Home, Harrow, valued by Patrick Evans MRICS at £1,770,026 (£1.85 million less goodwill, fixtures and fittings), and Westcliff Residential Care Home, Felixstowe, valued by Kieren Cole MRICS at £1,862,607 (£2.07 million less goodwill, fixtures and fittings).

The basis is market value, "fully equipped as an operating entity".

The remaining properties were not revalued as they were acquired in the previous financial year, and the director considers that the acquisition cost is equivalent to market value.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2009 £	2008 £
<b>Net book value at end of year</b>	<u>7,523,591</u>	<u>7,603,931</u>
<b>Historical cost:</b>		
At 1 April 2008	5,895,680	1,877,736
Cost of additions to revalued assets brought forward	-	4,017,944
At 31 March 2009	<u>5,895,680</u>	<u>5,895,680</u>
<b>Depreciation:</b>		
At 1 April 2008	140,429	103,417
Charge for year	63,537	37,012
At 31 March 2009	<u>203,966</u>	<u>140,429</u>
<b>Net historical cost value:</b>		
At 31 March 2009	<u>5,691,714</u>	<u>5,755,251</u>
At 1 April 2008	<u>5,755,251</u>	<u>1,774,319</u>

**Hire purchase and finance lease agreements**

Included within the net book value of £7,662,595 is £14,458 (2008 - £4,311) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £5,240 (2008 - £4,696).

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**12. INVESTMENTS**

<b>Investment in subsidiary: Creedy Care Limited</b>	<b>Shares</b>
	<b>£</b>
<b>COST</b>	
At 1 April 2008 and 31 March 2009	<u>2</u>
<b>NET BOOK VALUE</b>	
At 31 March 2009 and 31 March 2008	<u>2</u>

The company owns 100% of the issued share capital of the subsidiary, which operated a care home in New Romney, Kent. The home was sold in November 2005, and the subsidiary has been dormant since that date.

Dividends of £80,000 (2008 - £2,200,000) were received from the subsidiary during the year. (Of the 2008 dividend, £1,425,773 was treated as pre-acquisition profits and as a reduction in the purchase price for the ordinary shares and the remainder of £774,227 as dividend revenue.)

	2009	2008
	£	£
<b>Aggregate capital and reserves</b>		
Creedy Care Limited	3,803	79,461
<b>Profit and (loss) for the year</b>		
Creedy Care Limited	4,342	17,398

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

**13. STOCKS**

	2009	2008
	£	£
Stock	<u>3,000</u>	<u>3,000</u>

Stock consists of consumable items which have been valued by the directors.

**14. DEBTORS**

	2009	2008
	£	£
Trade debtors	82,502	99,551
Amounts owed by group undertakings	-	120,834
Other debtors	1,291	1,799
Prepayments and accrued income	16,628	12,361
	<u>100,421</u>	<u>234,545</u>

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**15. CREDITORS: Amounts falling due within one year**

	2009		2008
	£	£	£
Bank loans		4,047	8,517
Trade creditors		45,753	38,514
Other creditors including taxation and social security:			
Corporation tax	66,015		3,241
PAYE and social security	36,986		31,721
Hire purchase and finance lease agreements	2,897		8,086
Other creditors	83,498		70,455
Directors current accounts	12,929		12,929
		<u>202,325</u>	<u>126,432</u>
Accruals and deferred income		15,260	20,376
		<u>267,385</u>	<u>193,839</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2009	2008
	£	£
Bank loans	4,047	8,517
Hire purchase loans and finance leases	2,897	8,086
	<u>6,944</u>	<u>16,603</u>

A capitalised lease (2008 - hire purchase finance) is secured by the motor vehicle.

**16. CREDITORS: Amounts falling due after more than one year**

	2009		2008
	£		£
Bank loans and overdrafts		6,248,066	6,265,260
Other creditors:			
Hire purchase and finance lease agreements	10,940		—
Amount owed to the Parent Company	835,660		835,660
		<u>846,600</u>	<u>835,660</u>
		<u>7,094,666</u>	<u>7,100,920</u>

Interest rates are as follows:

1. Bank loan of £6,238,702: floating rate with a minimum of 4%, currently 4% (2008 - 6%)
2. Smaller loans of £27,248: various fixed rates, currently 8-11% (2008 - 8%)

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**16. CREDITORS: Amounts falling due after more than one year** *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2009 £	2008 £
Bank loans and overdrafts	<u>6,248,066</u>	<u>6,265,260</u>

The loan facilities are secured by a charge on the company's assets and freehold properties.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2009 £	2008 £
Bank loans and overdrafts	5,246,179	5,541,412
Amounts owed to group undertakings	835,660	835,660
	<u>6,081,839</u>	<u>6,377,072</u>

The bank loans are payable by monthly instalments amounting to £21,984 (2008 - £21,990) and interest is charged at commercial rates. The primary bank loan for an amount of £6,238,702 has no capital repayments until 2010, and is repayable in full by 2032.

The amount of £835,660 owing to the Parent Company has no fixed repayment dates, is interest-free and is subordinated in favour of the bank loan facilities.

**17. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS**

Future commitments under hire purchase and finance lease agreements are as follows:

	2009 £	2008 £
Amounts payable within 1 year	4,284	8,518
Amounts payable between 1 and 2 years	12,260	-
	<u>16,544</u>	<u>8,518</u>
Less interest and finance charges relating to future periods	(2,707)	(432)
	<u>13,837</u>	<u>8,086</u>
Hire purchase and finance lease agreements are analysed as follows:		
Current obligations	2,897	8,086
Non-current obligations	10,940	-
	<u>13,837</u>	<u>8,086</u>

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**18. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	2009 £	2008 £
Provision brought forward	15,866	3,615
Profit and loss account movement arising during the year	(15,866)	12,251
Provision carried forward	<u>-</u>	<u>15,866</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009		2008	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	-	-	15,866	-
Other timing differences	-	739,000	-	739,000
	<u>-</u>	<u>739,000</u>	<u>15,866</u>	<u>739,000</u>

A profit on the disposal of the Cedars home would result in a Corporation Tax charge of approximately £129,000 (2008 - £129,000). Similarly, in respect of the sale of Creedy House by the subsidiary, Creedy Care Limited, there is a potential liability for Corporation Tax of £610,000 (2008 - £610,000).

No provision for deferred tax has been made in respect of the taxable gains above as the company has claimed reinvestment and rollover relief for expenditure on similar assets within the period allowed. The claim has been agreed with HM Revenue & Customs.

**19. DERIVATIVES**

The company does not have any agreements for derivatives.

**20. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2009 £	2008 £
Operating leases which expire:		
Within 1 year	14,136	-
Within 2 to 5 years	-	14,136
	<u>14,136</u>	<u>14,136</u>

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**21. SHARE CAPITAL**

**Authorised share capital:**

	2009 £	2008 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

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

	2009 No	£	2008 No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**22. REVALUATION RESERVE**

	2009 £	2008 £
Balance brought forward	1,848,680	–
Revaluation of fixed assets	–	1,862,463
Transfer to the Profit and Loss Account on realisation	(16,803)	(13,783)
Balance carried forward	<u>1,831,877</u>	<u>1,848,680</u>

**23. PROFIT AND LOSS ACCOUNT**

	2009 £	2008 £
Balance brought forward	1,008,307	269,459
(Loss)/profit for the financial year	(403,788)	775,065
Equity dividends	(158,000)	(50,000)
Transfer from revaluation reserve	16,803	13,783
Balance carried forward	<u>463,322</u>	<u>1,008,307</u>

**24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
(Loss)/Profit for the financial year	(403,788)	775,065
Other net recognised gains and losses	–	1,862,463
Equity dividends	(158,000)	(50,000)
Transfer from revaluation reserve	16,803	13,783
Transfer to profit and loss account	(16,803)	(13,783)
Net (reduction)/addition to shareholders' funds	(561,788)	2,587,528
Opening shareholders' funds	2,857,087	269,559
Closing shareholders' funds	<u>2,295,299</u>	<u>2,857,087</u>

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**25. NOTES TO THE CASH FLOW STATEMENT**

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

	2009 £	2008 £
Operating (loss)/profit	(118,733)	206,337
Amortisation	694,554	87,745
Depreciation	136,358	84,156
Profit on disposal of fixed assets	(4,675)	–
Increase in stocks	–	(500)
Decrease/(increase) in debtors	134,124	(53,060)
Increase in creditors	20,431	110,396
Net cash inflow from operating activities	<u>862,059</u>	<u>435,074</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2009 £	2008 £
Income from group undertakings	80,000	774,227
Interest received	16,547	17,759
Interest paid	(329,927)	(206,615)
Interest element of hire purchase and finance lease	(1,526)	(1,151)
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(234,906)</u>	<u>584,220</u>

**TAXATION**

	2009 £	2008 £
Taxation	<u>(3,241)</u>	<u>(29,563)</u>

**CAPITAL EXPENDITURE**

	2009 £	2008 £
Payments to acquire intangible fixed assets	–	(1,424,882)
Payments to acquire tangible fixed assets	(20,835)	(4,196,021)
Receipts from sale of fixed assets	6,638	–
Net cash outflow from capital expenditure	<u>(14,197)</u>	<u>(5,620,903)</u>

**ACQUISITIONS AND DISPOSALS**

	2009 £	2008 £
Disposal of shares in group undertakings	–	1,425,773
Net cash inflow from acquisitions and disposals	<u>–</u>	<u>1,425,773</u>

**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**25. NOTES TO THE CASH FLOW STATEMENT** *(continued)*

**FINANCING**

	2009 £	2008 £
(Repayment of)/increase in bank loans	(21,664)	4,928,054
Net outflow from other short-term creditors	-	(8,785)
Repayment of amounts owed to group undertakings	-	(1,448,039)
Capital element of hire purchase and finance lease	5,751	(3,204)
Net cash (outflow)/inflow from financing	<u>(15,913)</u>	<u>3,468,026</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2009 £	2008 £
Increase in cash in the period	435,802	212,627
Net cash outflow from/(inflow) from bank loans	21,664	(4,928,054)
Net outflow from other short-term creditors	-	8,785
Net cash outflow from amounts owed to group undertakings	-	1,448,039
Cash outflow in respect of hire purchase and finance lease	<u>(5,751)</u>	<u>3,204</u>
	451,715	(3,255,399)
Change in net debt	451,715	(3,255,399)
Net debt at 1 April 2008	(6,574,826)	(3,319,427)
Net debt at 31 March 2009	<u>(6,123,111)</u>	<u>(6,574,826)</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Apr 2008 £	Cash flows £	At 31 Mar 2009 £
Cash in hand and at bank	542,697	435,802	978,499
Debt due within 1 year	(8,517)	4,470	(4,047)
Debt due after 1 year	(7,100,920)	17,194	(7,083,726)
Hire purchase and finance lease agreements	(8,086)	(5,751)	(13,837)
Net debt	<u>(6,574,826)</u>	<u>451,715</u>	<u>(6,123,111)</u>



**HAZELWOOD CARE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2009**

**26. POST BALANCE SHEET EVENTS**

The home at Devon Lodge was closed after year end, following a change in strategy by the local authority which removed most of the residents. A conditional agreement has been reached to sell the freehold property and no significant profit or loss is expected. The goodwill and care home equipment have been written off, resulting in an exceptional expense of £614,153 (2008 - nil). The director considers that there are no other material closure costs.

**27. ULTIMATE PARENT COMPANY**

The holding company is Hazelwood Invest Limited (incorporated in the British Virgin Islands).