

Alpha Community Homecare Limited
Registered No: 4450395

Directors' Report and Financial Statements
For the Period ended 31 December 2003



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Alpha Community Homecare Limited

Directors' Report and Financial Statements For the Period ended 31 December 2003

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Alpha Community Homecare Limited

Directors' Report

For the Period ended 31 December 2003

The directors present their report and the financial statements for the period from 1 July 2003 to 31 December 2003.

Principal activities

The principal activity of the company for the period from 1 July 2003 to 26 September 2003 was the provision of domiciliary care services. The company did not trade after 26 September 2003.

Financial results

The results of the company for the period are set out in the profit and loss account on page 5. A dividend of £32,339 was paid in the period (year ended 30 June 2003: £55,706).

Change of Control

On 26 September 2003 the whole of the issued share capital of the company was acquired by Nestor Primecare Services Limited, a wholly owned subsidiary of Nestor Healthcare Group plc which became the ultimate parent undertaking from that date.

The company changed its accounting reference date to 31 December on 29 September 2003.

The company's trade and net assets were sold to Nestor Primecare Services Limited on 26 September 2003 at book value. The company ceased trading on this date and the directors do not expect any activity to occur in the foreseeable future.

Directors

The directors of the company who served during the period and subsequently were:

S M Booty	(appointed 26 September 2003)
M A Ellis	(appointed 26 September 2003)
C E R Thomas	(appointed 26 September 2003) (resigned 11 March 2005)
J A S Jewitt	(appointed 26 September 2003) (resigned 27 May 2004)
S C Billson	(resigned 26 September 2003)
S M Smith	(resigned 26 September 2003)

Directors' interests

	Ordinary shares	
	31 December 2003	30 June 2003
S C Billson	-	2

No other directors had any interests in the issued share capital of the company.

Alpha Community Homecare Limited

Directors' Report

For the Period ended 31 December 2003 (Continued)

Directors' interests (Continued)

The interests of S M Booty, M A Ellis and J A S Jewitt in the shares of group undertakings are disclosed in the financial statements of Nestor Healthcare Group plc.

The interests of the other director serving at the end of the period who was not a director of the ultimate holding company, Nestor Healthcare Group plc, in the share capital of that company were as follows :

Ordinary Shares				
	31 December 2003	30 June 2003		
CER Thomas	5,865	5,865		
SAYE Scheme				
	31 December 2003	Granted	Exercised	30 June 2003
CER Thomas	2,088	-	-	2,088
Employee Share Option Scheme 1996				
	31 Dec 2003	Granted	Exercised	30 June 2003
CER Thomas	29,760	-	-	29,760
Share Option Plan 2002				
	31 December 2003	Granted	Exercised	30 June 2003
CER Thomas	53,121	12,000	-	41,121

Alpha Community Homecare Limited

Directors' Report

For the Period ended 31 December 2003 (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 year. In preparing those 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 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.

Auditors

Kay ACA resigned as auditors on 26 September 2003, following the acquisition of the business by Nestor Primecare Services Limited.

The directors appointed PricewaterhouseCoopers LLP, Chartered Accountants, as auditors to the company, who will hold office until the Annual General Meeting, at which a resolution will be put to shareholders to reappoint PricewaterhouseCoopers LLP, Chartered Accountants.

Change of registered office

The registered office was changed on 26 September 2003 to The Colonnades, Beaconsfield Close, Hatfield, Hertfordshire AL10 8YD.

Secretary

C E R Thomas was appointed Secretary on 26 September 2003, replacing S M Smith who resigned as of the same date. C E R Thomas resigned on 11 March 2005 and D Collison was appointed Secretary on 11 March 2005.

Approved by the Board on



D Collison

Company Secretary

9th May

2005, and signed on its behalf by

Alpha Community Homecare Limited

Independent Auditors' Report to the Members of Alpha Community Homecare Limited

We have audited the financial statements on pages 5 to 11 which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members in accordance with section 235 of the Companies acts 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you on 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

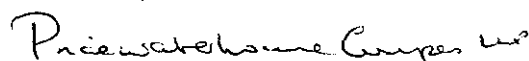
Basis of audit opinion

We conducted our audit in accordance with 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 irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
One Embankment Place
London
WC2N 6RH

9 June 2005

Alpha Community Homecare Limited

Profit and Loss Account

For the Period ended 31 December 2003

		Period ended 31 December 2003 £	Year ended 30 June 2003 £
	Notes		
Turnover	2	222,643	784,322
Cost of sales		(138,712)	(563,838)
Gross profit		83,931	220,484
Administrative expenses		(43,780)	(142,334)
Operating profit		40,151	78,150
Interest receivable and similar income		116	432
Profit on ordinary activities before taxation	4	40,267	78,582
Tax on profit on ordinary activities	6	(7,651)	(15,111)
Profit for the financial period/year after tax		32,616	63,471
Dividend proposed and paid	7	(32,339)	(55,706)
Profit for the financial period/year		277	7,765

All the company's activities were discontinued on 26 September 2003 following the sale of its trade and net assets to Nestor Primecare Services Limited.

The company has no recognised gains and losses other than the above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

The notes on pages 7 to 11 form an integral part of these financial statements.

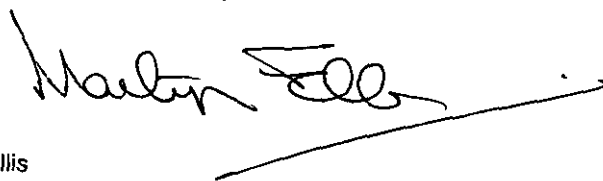
Alpha Community Homecare Limited

Balance Sheet At 31 December 2003

	Notes	31 December 2003 £	30 June 2003 £
Fixed assets			
Tangible assets	8	-	2,360
Current assets			
Debtors due within one year	9	8,046	66,190
Cash at bank and in hand		-	57,605
		<u>8,046</u>	<u>123,795</u>
Creditors : Amounts falling due within one year	10	-	(118,386)
Net current assets/(liabilities)		<u>8,046</u>	<u>5,409</u>
Total assets less current liabilities		<u>8,046</u>	<u>7,769</u>
Net assets		<u>8,046</u>	<u>7,769</u>
Capital and reserves			
Called up share capital	11	4	4
Profit and loss account		8,042	7,765
Equity shareholders' funds		<u>8,046</u>	<u>7,769</u>

The notes on pages 7 to 11 form an integral part of these financial statements

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



M A Ellis
Director

Alpha Community Homecare Limited

Notes to the Financial Statements

For the Period ended 31 December 2003

1 Accounting policies

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom under the historical cost convention.

Turnover

Revenue is recognised in the profit and loss account when goods or services are supplied to external customers against orders received.

Cash flow statement

In accordance with the provisions of Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking and is included in the consolidated financial statements of Nestor Healthcare Group plc.

Related party transactions

The company is exempt under FRS 8 from the disclosure of transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of Nestor Healthcare Group plc, and its results are included in Nestor Healthcare Group plc consolidated financial statements.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation of fixed assets is provided where it is necessary to reflect a reduction from book value to estimated residual value over the useful life of the assets to the company.

Fixtures & Fittings

20% reducing balance

Deferred taxation

The company has adopted FRS 19 'Deferred taxation'. Under FRS 19, 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 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, or gains on disposal of fixed 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.
- Provision is made for gains which have been rolled over into replacement assets only to the extent that, at the balance sheet date, there is a commitment to dispose of the replacement assets.
- 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 underlying timing differences can be deducted.

Alpha Community Homecare Limited
Notes to the Financial Statements
For the Period ended 31 December 2003

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.

Funded debtors

Where debtors are subject to a funding agreement, separate presentation is used as the company retains significant benefits and risks relating to those debtors.

2 Turnover

Turnover is the total amount receivable from the provision of domiciliary care services, net of value added tax.

3 Employee information

	Period ended 31 December 2003	Year ended 30 June 2003
Average number of employees employed during the period/year:	4	4
The aggregate cost of employed personnel was as follows:	£	£
Wages and salaries	22,936	58,224

4 Profit on ordinary activities before taxation

	Period ended 31 December 2003 £	Year ended 30 June 2003 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation – owned assets	118	590

Auditors' remuneration for the period is borne by the ultimate parent company.

5 Directors' Emoluments

	Period ended 31 December 2003 £	Year ended 30 June 2003 £
Directors' emoluments and other benefits	1,044	4,786

All the directors, except C.E.R. Thomas, S. C. Billson and S. M. Smith also served as directors of the ultimate holding company, Nestor Healthcare Group plc, and were also directors of other group companies. The emoluments of those directors who were also directors of the ultimate parent company have been borne by another group company and are disclosed in the accounts of Nestor Healthcare Group plc.

Alpha Community Homecare Limited
Notes to the Financial Statements
For the Period ended 31 December 2003

CER Thomas was a director of other group companies and her emoluments have been borne by another group company.

6 Tax on profit on ordinary activities

	Period ended 31 December 2003 £	Year ended 30 June 2003 £
Domestic current period/year tax charge		
UK Corporation Tax	7,651	15,111
Current tax charge	7,651	15,111
UK Corporation tax at 19.00% (2002: 19.23%)	7,651	15,111

The effective tax rate for the period is less than the standard rate of corporation tax for the UK. The differences are explained below:

	Period ended 31 December 2003 £	Year ended 30 June 2003 £
Profit on ordinary activities at the standard rate of Corporation Tax @ 30%	12,080	23,575
Adjustments to small company rate of 19%	(4,429)	(8,644)
Items not deductible	-	180
Current tax charge	(7,651)	(15,111)

No deferred tax for the period has been recognised or accounted for.

7 Dividends

	Period ended 31 December 2003 £	Year ended 30 June 2003 £
Dividends on equity shares:		
Ordinary dividend paid:	32,339	55,706

Alpha Community Homecare Limited
Notes to the Financial Statements
For the Period ended 31 December 2003

8 Tangible Fixed Assets

	Fixtures and fittings £
COST	
At 1 July 2003	2,950
Disposals	(2,950)
At 31 December 2003	-
DEPRECIATION	
At 1 July 2003	590
Charge for period	118
Disposals	(708)
At 31 December 2003	-
NET BOOK VALUE	
At 31 December 2003	-
At 30 June 2003	2,360

9 Debtors

	31 December 2003 £	30 June 2003 £
Amounts falling due within one year:		
Trade debtors	-	64,488
Other debtors	-	725
Shareholders loan account	-	977
Amounts due from Group companies	8,046	-
	8,046	66,190

Included within trade debtors at 30 June 2003 is an amount of £63,152 which has been purchased by a funding company. (Note 10)

Alpha Community Homecare Limited
Notes to the Financial Statements
For the Period ended 31 December 2003

10 Creditors : Amounts falling due within one year

	31 December 2003 £	30 June 2003 £
Trade creditors	-	1,495
Directors loan account	-	331
Corporation tax	-	15,111
Taxation and social security cost	-	34,129
Other creditors	-	67,320
	-	118,386

Included within other creditors at 30 June 2003 is an amount of £43,808 received in respect of sales invoices purchased by the funding company. (Note 9)

11 Called up share capital

	31 December 2003 £	30 June 2003 £
Authorised:		
1,000 Ordinary A shares of £1 each	1,000	1,000
100 Ordinary B shares of £1 each	100	100
100 Ordinary C shares of £1 each	100	100
Allotted, issued and fully paid :		
2 Ordinary A shares of £1 each	2	2
1 Ordinary B share of £1 each	1	1
1 Ordinary C share of £1 each	1	1
	4	4

12 Ultimate parent undertaking

From 26 September 2003 the company's ultimate parent undertaking is Nestor Healthcare Group plc which is registered in England and Wales. It is the smallest and largest group in which these financial statements are consolidated. Copies of the ultimate parent company's consolidated financial statements may be obtained from its registered offices, The Colonnades, Beaconsfield Close, Hatfield, Hertfordshire, AL10 8YD.