

**Company Registration No. 4778674 (England and Wales)**

**KIRKSTALL LODGE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

**COMPANIES HOUSE COPY**

THURSDAY



\*LG3GB4ED\*

LD8

30/10/2008

431

COMPANIES HOUSE

5840 A0

## **KIRKSTALL LODGE LIMITED**

### **COMPANY INFORMATION**

---

<b>Directors</b>	D Spink	(Appointed 28 April 2008)
	S Wallace	(Appointed 28 April 2008)
	F R Sheikh	(Appointed 28 April 2008)

<b>Secretary</b>	D Spink
------------------	---------

<b>Company number</b>	4778674
-----------------------	---------

<b>Registered office</b>	Leighton House 33-37 Darkes Lane Potters Bar Hertfordshire EN6 1BB
--------------------------	--

<b>Auditors</b>	UHY Hacker Young LLP Quadrant House 17 Thomas More Street Thomas More Square London E1W 1YW
-----------------	--

---

# **KIRKSTALL LODGE LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

---

# **KIRKSTALL LODGE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2007**

---

The directors present their report and financial statements for the year ended 31 December 2007

#### **Principal activities and review of the business**

The principal activity of the company is that of operating a residential care home

#### **Results and dividends**

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

#### **Directors**

The following directors have held office since 1 January 2007

J A Sheikh	(Resigned 28 April 2008)
D Spink	(Appointed 28 April 2008)
S Wallace	(Appointed 28 April 2008)
F R Sheikh	(Appointed 28 April 2008)

#### **Auditors**

UHY Hacker Young LLP are auditors of the company and will resign as auditors due to the disposal of the company to Caretech Holdings PLC

## **KIRKSTALL LODGE LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

---

#### **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 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,
- 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.

#### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D Spink

Director

23/10/2008

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KIRKSTALL LODGE LIMITED**

---

We have audited the financial statements of Kirkstall Lodge Limited for the year ended 31 December 2007 set out on pages 5 to 12. 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 the 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 in the Statement of Directors' Responsibilities.

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 directors' report 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 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 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.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE SHAREHOLDERS OF KIRKSTALL LODGE 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 December 2007 and of its loss 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 directors' report is consistent with the financial statements

*UHY Hacker Young LLP*  
UHY Hacker Young LLP

*23/10/2008*

Chartered Accountants  
**Registered Auditor**

**KIRKSTALL LODGE LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2007**

		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	314,185	270,435
<b>Cost of sales</b>		(206,381)	(174,773)
<b>Gross profit</b>		107,804	95,662
<b>Administrative expenses</b>		(131,857)	(135,211)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	(24,053)	(39,549)
<b>Tax on loss on ordinary activities</b>	<b>4</b>	1,970	(210)
<b>Loss for the year</b>	<b>9</b>	(22,083)	(39,759)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# KIRKSTALL LODGE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	5		14,563		15,122
<b>Current assets</b>					
Debtors	6	8,161		12,752	
Cash at bank and in hand		461		136	
		<u>8,622</u>		<u>12,888</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(128,968)</u>		<u>(109,740)</u>	
<b>Net current liabilities</b>			<u>(120,346)</u>		<u>(96,852)</u>
<b>Total assets less current liabilities</b>			<u>(105,783)</u>		<u>(81,730)</u>
<b>Provisions for liabilities</b>			-		(1,970)
			<u>(105,783)</u>		<u>(83,700)</u>
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Profit and loss account	9		<u>(105,785)</u>		<u>(83,702)</u>
<b>Shareholders' funds</b>	10		<u>(105,783)</u>		<u>(83,700)</u>

Approved by the Board and authorised for issue on 23/10/2008

  
D Spink  
Director

# KIRKSTALL LODGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

At 31 December 2007, the company's current liabilities exceeded its current assets by £120,346 (2006 £96,852) and it had net deficiency of assets of £105,783 (2006 £83,700) at that date. Beacon Care Holdings Limited, the parent company, has confirmed that it will continue to support the company during the forthcoming year. It has also confirmed that the sum of £91,708 payable to it as at 31 December 2007 (2006 £83,236), will not have to be repaid unless the company is in a position to repay such amount.

The company commenced its operations during 2003 and the director believes that it will be able to generate profit in the foreseeable future. Accordingly, the director is satisfied that the company may be regarded as a going concern and has therefore prepared the accounts on a going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services exclusive of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

# KIRKSTALL LODGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

### 3 Operating loss

	2007 £	2006 £
Operating loss is stated after charging		
Depreciation of tangible assets	2,410	2,487
Operating lease rentals		
- Plant and machinery	4,766	4,766
- Other assets	90,000	90,000
Auditors' remuneration	1,740	1,234

### 4 Taxation

	2007 £	2006 £
Current tax charge	-	-
Deferred tax		
Deferred tax charge/credit current year	(1,970)	210

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

Loss on ordinary activities before taxation	(24,053)	(39,549)
---	----------	----------

Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)

	(7,216)	(11,865)
--	---------	----------

Effects of:

Depreciation add back	723	747
Capital allowances	(864)	(956)
Tax losses utilised	7,357	12,074

	7,216	11,865
--	-------	--------

#### Current tax charge

	-	-
--	---	---

# KIRKSTALL LODGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 5 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2007	745	22,969	23,714
Additions	85	1,765	1,850
At 31 December 2007	830	24,734	25,564
<b>Depreciation</b>			
At 1 January 2007	268	8,324	8,592
Charge for the year	75	2,334	2,409
At 31 December 2007	343	10,658	11,001
<b>Net book value</b>			
At 31 December 2007	487	14,076	14,563
At 31 December 2006	477	14,645	15,122

### 6 Debtors

	2007 £	2006 £
Trade debtors	3,737	3,378
Other debtors	2,580	5,961
Prepayments and accrued income	1,844	3,413
	8,161	12,752

**KIRKSTALL LODGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2007**

<b>7</b>	<b>Creditors: amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	16,431	1,552
	Trade creditors	2,781	1,504
	Amounts owed to parent and fellow subsidiary undertakings	91,708	83,229
	Taxes and social security costs	3,504	4,292
	Other creditors	1,750	434
	Accruals and deferred income	12,794	18,729
		<u>128,968</u>	<u>109,740</u>
<b>8</b>	<b>Share capital</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<b>Allotted, called up and fully paid</b>		
	2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>9</b>	<b>Statement of movements on profit and loss account</b>		<b>Profit and loss account £</b>
	Balance at 1 January 2007		(83,702)
	Loss for the year		<u>(22,083)</u>
	Balance at 31 December 2007		<u>(105,785)</u>
<b>10</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Loss for the financial year	(22,083)	(39,759)
	Opening shareholders' funds	<u>(83,700)</u>	<u>(43,941)</u>
	Closing shareholders' funds	<u>(105,783)</u>	<u>(83,700)</u>

## KIRKSTALL LODGE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

#### 11 Contingent liabilities

The company and certain of its fellow subsidiaries gave unlimited cross guarantees to its banker which were supported by legal charges over the assets of the group

#### 12 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire				
Between two and five years	-	-	4,766	4,766
In over five years	90,000	90,000	-	-
	<u>90,000</u>	<u>90,000</u>	<u>4,766</u>	<u>4,766</u>

#### 13 Director's emoluments

The director during the year, J A Sheikh, was also a director of the holding company, Beacon Care Holdings Limited. For the total remuneration during the year of this director please see that company's financial statements, it is not practicable to allocate this remuneration between his services as director of the holding company and his services as director of other group companies, and therefore no charge for his remuneration is included in these accounts

## KIRKSTALL LODGE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

#### 14 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Direct Labour	11	10

##### Employment costs

	2007 £	2006 £
Wages and salaries	175,068	144,526
Social security costs	13,250	9,621
	188,318	154,147

#### 15 Control

The immediate parent company was Beacon Care Holdings Limited, a company registered in England and Wales. On 28 April 2008 all of the issued shares of Beacon Care Holdings Limited were acquired by Caretech Holdings Plc.

Beacon Care Holdings Limited prepares group financial statements and copies can be obtained from its registered office.

#### 16 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties as it is a subsidiary company of which 100% of the voting rights are held within the group.