

Company Registration No 05073070 (England and Wales)

**EALING CARE ALLIANCE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**



# **EALING CARE ALLIANCE LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

Matthew Fox  
Lee Simmons  
William Mackintosh  
David Wyn Davies (Appointed 19 December 2011)  
Sally Brooks (Appointed 19 December 2011)  
Matthew Campion (Appointed 26 April 2012)

### **Secretary**

Bridgehouse Company Secretaries Limited

### **Company number**

05073070

### **Registered office**

2 Bridge Avenue  
Hammersmith  
London  
W6 9JP

### **Auditors**

Rouse Audit LLP  
55 Station Road  
Beaconsfield  
Buckinghamshire  
HP9 1QL

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# **EALING CARE ALLIANCE LIMITED**

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# EALING CARE ALLIANCE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2012

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The directors present their report and financial statements for the year ended 31 March 2012

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

The principal activity of the company continued to be that of redevelopment and management of four care homes for older people transferred to the company by London Borough of Ealing under a long term (35 years) PFI agreement

The company's activities comprise the management of the four newly developed care homes transferred to the company by the London Borough of Ealing under a long term PFI lease agreement and the provision of care services to the London Borough of Ealing

All four care homes were in full operation through out the financial year. The care homes provide accommodation to elderly people and payment for the beds is linked to the availability of the facility rather than demand or level of usage. Also, the payment to the operator by the company is fixed in the subcontract. This means that the net cash inflow from operations can be forecast accurately.

All of the homes are in the operational phase and are running smoothly. The four care homes had Health & Safety and Fire Risk Assessment audits during the year. Also some of the homes received unannounced CQC (Care Quality Commission) inspections during the year and full compliance was achieved.

There has been a change in control of the company during the year ended 31 March 2012. Barclays European Infrastructure Fund Partnership Limited, which has been the majority shareholder from the commencement of the project, transferred their interest in the holding company (Ealing Care Alliance Holdings Limited) to HICL Infrastructure Company Limited. By virtue of their shareholding, HICL Infrastructure Company Limited is now the majority shareholder and thereby controls the company.

The main risk associated with the company relates to interest rate movements, such as the movement in the bank base rates. The company benefits on cash holdings if the interest rate increases, although higher interest rates have to be paid on senior debt. The situation is reversed when interest rates decrease.

In order to mitigate interest rate risk with regards to its bank funding, the company entered into derivative transactions (interest rate swaps).

Negative inflation is another risk to which the company is potentially exposed. Negative inflation would affect both the unitary charges income from the Council and the unitary charge payment to the subcontractor. However, the amount of unitary charge which is subject to indexation closely follows the amount of indexed costs which the company has, thus resulting in a substantially "naturally hedged" position. Furthermore, despite economic conditions being the worst in living memory, negative inflation has yet to actually happen in recent times.

The other risk associated with the company is non availability of a committed facility to draw on in case of emergencies. However, the company does have access to designated cash reserves in the form of maintenance and debt service reserves, plus an element of unallocated cash, together with a comprehensive insurance programme, including revenue protection cover. The company also has access to a change in law loan facility, which can be utilised in specific circumstances. Lastly, the company is subjected to typical ongoing monitoring by its senior funders, Lloyds Banking Group plc, which gives comfort to the directors that the business is prepared for any foreseeable eventualities.

# **EALING CARE ALLIANCE LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2012**

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The company continues to perform better than predicted in the business plan. The company reported a loss for the year of £0.360m and the accumulated losses carried forward are £5.054m. The corresponding figures in the business plan are £0.369m and £5.612m respectively. As at 31 March 2012, the tangible fixed assets before depreciation increased to £27.3m from £27.2m in the prior year. The movement is due to the capitalised lifecycle costs.

As at 31 March 2012 the company continues not to depend on the bank facility, and as far as its day to day activities are concerned all the company operating costs and overheads, including bank interest and loan repayments are funded by the monthly unitary charge income from London Borough of Ealing.

As at 31 March 2012 the company continues not to have committed facilities to draw on in place. The current debts of the company are the subordinated debt held by the shareholders and the senior debt held by the bank. As at 31 March 2012, the company has a net debt of £29.3m.

Turnover - £12.508m (last year £12.172m), a percentage increase of 2.8%. The increase is mainly due to the indexation factor.

Cost of sales - £9.872m (last year £9.613m), a percentage increase of 2.7%. Gross profit - £2.635 (last year £2.558m), a percentage increase of 3%. These are for the same reasons as above.

Loss for the year - £360k (last year £331k). The slight increase is due to tax on loss on ordinary activities.

Availability and occupancy - All the zones of the care homes are available 100% throughout the year and occupancy, on average, was above 90% across the homes in the year ended 31 March 2012.

#### **Results and dividends**

The results for the year are set out on page 6.

#### **Future developments**

The board of directors has a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. A newly developed operational model is now in operation. The model is updated every six months with actual results and forwarded to the bank for review and approval.

#### **Directors**

The following directors have held office since 1 April 2011.

Matthew Fox	
Tim Coppard	(Resigned 5 April 2012)
Lee Simmons	
Victoria Bradley	(Resigned 19 December 2011)
BEIF II Corporate Services Limited	(Resigned 19 December 2011)
William Mackintosh	
David Wyn Davies	(Appointed 19 December 2011)
Sally Brooks	(Appointed 19 December 2011)
Matthew Campion	(Appointed 26 April 2012)

# **EALING CARE ALLIANCE LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2012**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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



Matthew Campion

Director

26th July 2012

# **EALING CARE ALLIANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF EALING CARE ALLIANCE LIMITED**

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We have audited the financial statements of Ealing Care Alliance Limited for the year ended 31 March 2012 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **EALING CARE ALLIANCE LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

#### **TO THE MEMBERS OF EALING CARE ALLIANCE LIMITED**

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##### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Rouse Audit LLP*

**Susan Drummond (Senior Statutory Auditor)**  
for and on behalf of Rouse Audit LLP

*19th September 2012*

**Chartered Accountants**  
**Statutory Auditor**

55 Station Road  
Beaconsfield  
Buckinghamshire  
HP9 1QL



# EALING CARE ALLIANCE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 £
Turnover	2	12,507,734	12,172,320
Cost of sales		(9,872,197)	(9,613,658)
<b>Gross profit</b>		2,635,537	2,558,662
Administrative expenses		(757,425)	(793,847)
Other operating income		53,608	53,276
<b>Operating profit</b>	3	1,931,720	1,818,091
Other interest receivable and similar income	4	1,225	-
Interest payable and similar charges	5	(2,076,974)	(2,101,252)
<b>Loss on ordinary activities before taxation</b>		(144,029)	(283,161)
Tax on loss on ordinary activities	6	(216,326)	(48,135)
<b>Loss for the year</b>	14	(360,355)	(331,296)

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

# EALING CARE ALLIANCE LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	7	23,235,034		24,118,725	
<b>Current assets</b>					
Debtors	8	19,708		59,291	
Deferred tax asset	8	875,463		1,091,789	
Cash at bank and in hand		2,652,213		2,557,406	
		3,547,384		3,708,486	
<b>Creditors: amounts falling due within one year</b>	9	(1,698,421)		(1,788,739)	
<b>Net current assets</b>		1,848,963		1,919,747	
<b>Total assets less current liabilities</b>		25,083,997		26,038,472	
<b>Creditors amounts falling due after more than one year</b>	10	(28,814,284)		(29,354,796)	
<b>Provisions for liabilities</b>	11				
<b>Accruals and deferred income</b>	12	(1,313,569)		(1,367,177)	
		(5,043,856)		(4,683,501)	
<b>Capital and reserves</b>					
Called up share capital	13	10,000		10,000	
Profit and loss account	14	(5,053,856)		(4,693,501)	
<b>Shareholders' funds</b>	15	(5,043,856)		(4,683,501)	

Approved by the Board and authorised for issue on

26th July 2012



Matthew Campion  
Director

Company Registration No. 05073070

# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2012**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on the going concern basis and the directors confirm the Company's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements

The deficiency of net assets is fully funded by long term bank debt, including debt in the form of an equity bridge facility, which is standard procedure for this type of long term project as part of the borrowing arrangements. The Company operates within the facility arrangements and the directors have no reason to believe that this will change throughout the term of the project nor have they any reason to believe that the bank funding will not continue

#### **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 comprises contractual unitary charges net of VAT to The London Borough of Ealing in respect of the design, building, financing and running of four care homes

Unitary charges are recognised on a monthly cycle and the charges being made at the beginning of each month represent services and facilities provided within that month. The unitary charges include life cycle charges which are contributions to maintenance expenditure. Where life cycle income received in the period to date has not been applied against expenditure in the period, the income is treated as deferred and carried forward to future periods for matching against corresponding expenditure

#### **1.4 Tangible fixed assets and depreciation**

All property costs relating to the design, building and initial financing of the care homes facilities are capitalised until the facilities become operational, these costs include finance charges, borrowing costs and relevant development expenditure

Properties are stated at cost less depreciation. They are designated as "Properties in the Course of Development" or "Properties in Management Pending Re-development". When completed and ready for use they are transferred to "Completed Properties"

Depreciation is not provided on "Properties in the Course of Development" or "Properties in Management Pending Re-development". The capital costs of "Completed Properties" are depreciated on a straight line basis over the useful economic life of the asset, which is the period between the asset being brought into use and the completion of the project agreement in September 2036

Capital contributions paid by the London Borough of Ealing are accounted for in accordance with SSAP4 Accounting for government grants

The last of the care homes became fully operational during the year ended 31 March 2010 and any further capital expenditure since the properties were completed is classified as capitalised lifecycle costs. These amounts have a shorter useful economic life and therefore are depreciated evenly over either a 10 or 15 year life period

# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

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### 1 Accounting policies (continued)

#### 1.5 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.6 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### 1.7 Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

### 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 profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	963,883	956,238
Auditors' remuneration (including expenses and benefits in kind)	18,046	14,809
and after crediting		
Government grants	<u>53,608</u>	<u>53,276</u>

4 Investment income	2012 £	2011 £
Bank interest	<u>1,225</u>	-
	<u>1,225</u>	-

5 Interest payable	2012 £	2011 £
On loans repayable after five years	<u>2,076,974</u>	<u>2,101,252</u>

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# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

6	Taxation	2012 £	2011 £
	Total current tax	-	-
	Deferred tax		
	Origination and reversal of timing differences	216,326	48,135
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(144,029)	(283,161)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 21.00%)	(28,806)	(59,464)
	Effects of		
	Tax losses carried forward	28,806	59,464
		28,806	59,464
	Current tax charge for the year	-	-

The company has estimated losses of £ 7,140,895 (2011 - £ 7,773,868) available for carry forward against future trading profits which have been included within the deferred tax calculation at note 11

# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

#### 7 Tangible fixed assets

	Land and buildings Freehold £
<b>Cost</b>	
At 1 April 2011	27,221,372
Additions	80,192
	<hr/>
At 31 March 2012	27,301,564
	<hr/>
<b>Depreciation</b>	
At 1 April 2011	3,102,647
Charge for the year	963,883
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At 31 March 2012	4,066,530
	<hr/>
<b>Net book value</b>	
At 31 March 2012	23,235,034
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At 31 March 2011	24,118,725
	<hr/>

Completed properties include capitalised interest of £1,464,280 (2011 £1,464,280), construction costs of £21,971,803 (2011 £21,971,803), other on costs of £1,362,638 (2011 £1,282,446) and a share of set up costs of £2,502,843 (2011 £2,502,843)

8 Debtors	2012 £	2011 £
Trade debtors	-	2,110
Prepayments and accrued income	19,708	57,181
Deferred tax asset (see note 11)	875,463	1,091,789
	<hr/>	<hr/>
	895,171	1,151,080
	<hr/>	<hr/>

Amounts falling due after more than one year and included in the debtors above are

	2012 £	2011 £
Deferred tax asset (see note 11)	875,463	1,091,789
	<hr/>	<hr/>

# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

9	Creditors' amounts falling due within one year	2012 £	2011 £
	Bank loans and overdrafts	540,512	592,396
	Trade creditors	809,866	797,706
	Taxes and social security costs	293,318	283,668
	Other creditors	1,920	1,500
	Accruals and deferred income	52,805	113,469
		<u>1,698,421</u>	<u>1,788,739</u>
10	Creditors' amounts falling due after more than one year	2012 £	2011 £
	Bank loans	25,034,284	25,574,796
	Amounts owed to group undertakings	<u>3,780,000</u>	<u>3,780,000</u>
		<u>28,814,284</u>	<u>29,354,796</u>
	<b>Analysis of loans</b>		
	Amounts due after five years	<u>22,238,764</u>	<u>23,179,592</u>

The bank loan is secured by way of a fixed and floating charge over the company's property and fixed assets. The interest rate on the bank loan is LIBOR plus 0.96% and the loan is repayable over a term of 25 years commencing from September 2009. The company has entered into an interest rate swap to fix the interest rate.

# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 11 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows

	2012 £
Balance at 1 April 2011	(1,091,789)
Profit and loss account	216,326
	<u>          </u>
Balance at 31 March 2012	<u>(875,463)</u>

	2012 £	2011 £
Accelerated capital allowances	838,352	763,335
Tax losses available	(1,713,815)	(1,855,124)
	<u>          </u>	<u>          </u>
	<u>(875,463)</u>	<u>(1,091,789)</u>

### 12 Accruals and deferred income

	Government grants £
Balance at 1 April 2011	1,367,177
Amortisation in the year	(53,608)
	<u>          </u>
Balance at 31 March 2012	<u>1,313,569</u>

### 13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>



# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2011	(4,693,501)
Loss for the year	(360,355)
Balance at 31 March 2012	<u>(5,053,856)</u>

### 15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Loss for the financial year	(360,355)	(331,296)
Opening shareholders' funds	<u>(4,683,501)</u>	<u>(4,352,205)</u>
Closing shareholders' funds	<u>(5,043,856)</u>	<u>(4,683,501)</u>

### 16 Directors' emoluments

	2012 £	2011 £
Amounts paid to third parties for directors' services	<u>50,820</u>	<u>49,230</u>

### 17 Employees

#### Number of employees

There were no employees during the year apart from the directors

### 18 Control

In the current and preceding year, the company's ultimate parent company was Ealing Care Alliance (Holdings) Limited, a company registered in England and Wales. The ultimate controlling entity is HICL Infrastructure Company Limited, by virtue of their majority shareholding. There have been changes in the control during the year. Barclays European Infrastructure Fund Partnership Limited transferred their interests in the company to HICL Infrastructure Company Limited in December 2011.

The largest and smallest group for which group accounts are prepared is that headed up by Ealing Care Alliance (Holdings) Limited. A copy of the group accounts is publicly available from the 2 Bridge Avenue, Hammersmith, London W6 9JP.

# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2012**

### 19 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

The company's transactions during the year under review with all other related parties included the following

Name of Related Party	Nature of Related Party	Transaction Type	Transaction Value £	Debtor/(Creditor) balance as at 31 Mar 2012 £
(i) Galliford Try	Shareholders	Directors' fees	16,410	-
(ii) Viridian Housing (formerly Servite Houses)	Shareholders	Provision of care services and other operational costs	9,567,746	(809,866)
		Directors' fees	16,410	-
(iii) HICL Infrastructure Company Ltd	Shareholders	Directors' fees	16,410	(16,410)

# EALING CARE ALLIANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

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#### 20 Derivatives not included at fair value

At the balance sheet date the company had the following open derivatives that were not included in the accounts at fair value

	2012 £	2011 £
Fair value of derivative		
Loss on interest rate swaps	<u>6,535,914</u>	<u>2,940,812</u>

The company uses derivatives to manage its exposure to interest rate movements on its bank loans. The fair values are based on the market values of equivalent instruments at the balance sheet date.

The term loan has an interest rate swap contract with a principal amount of £28m and fixed interest payments at a rate of 5.058% for periods up to 2034 and has floating interest receipts at LIBOR.

**EALING CARE ALLIANCE LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2012**

# EALING CARE ALLIANCE LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

		2012		2011
	£	£	£	£
<b>Turnover</b>				
Availability charge		12,507,734		12,172,320
<b>Cost of sales</b>				
Residential	7,670,113		7,447,848	
Maintenance	734,667		707,671	
Supplementary	51,972		63,045	
Risk margin	451,562		438,856	
Depreciation	963,883		956,238	
		(9,872,197)		(9,613,658)
<b>Gross profit</b>	21 07%	2,635,537	21 02%	2,558,662
<b>Administrative expenses</b>		(757,425)		(793,847)
		1,878,112		1,764,815
<b>Other operating income</b>				
Government grant income		53,608		53,276
<b>Operating profit</b>		1,931,720		1,818,091
<b>Other interest receivable and similar income</b>				
Bank interest received		1,225		-
<b>Interest payable</b>				
Interest paid on loans >5yrs		(2,076,974)		(2,101,252)
<b>Loss before taxation</b>	1 15%	(144,029)	2 33%	(283,161)

# EALING CARE ALLIANCE LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

***FOR THE YEAR ENDED 31 MARCH 2012***

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	2012	2011
	£	£
<b>Administrative expenses</b>		
Directors fees	50,820	49,230
Other agency & management fees	126,493	137,886
Insurance	83,458	87,398
Pension bond premium	2,535	2,535
Actual maintenance expensed (life cycle)	34,368	31,717
Viridian (formerly Servite Houses) costs & risk capital	411,732	399,831
Legal and professional fees	16,806	54,116
Bank agency fees	12,594	15,549
Audit fees	18,046	14,809
Bank charges	573	776
	<hr/>	<hr/>
	757,425	793,847
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