

**ZEST CARE HOMES LIMITED**  
**(formerly NEWGATE CONSULTANTS**  
**LIMITED)**

**Report and Financial Statements**

**Year ended 30 September 2011**



**ZEST CARE HOMES LIMITED**  
**(formerly NEWGATE CONSULTANTS LIMITED)**

**REPORT AND FINANCIAL STATEMENTS 2011**

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**ZEST CARE HOMES LIMITED**  
**(formerly NEWGATE CONSULTANTS LIMITED)**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

E J Coyle  
G Sizer

**REGISTERED OFFICE**

Park Hall  
Middleton St George Hospital  
Darlington  
County Durham  
DL2 1TS

**SOLICITORS**

DLA Piper UK LLP  
Princes Exchange  
Princes Square  
Leeds  
LS1 4BY

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Newcastle upon Tyne

**ZEST CARE HOMES LIMITED**  
**(formerly NEWGATE CONSULTANTS LIMITED)**

**DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 30 September 2011.

**ACTIVITIES**

The company did not trade during the year or the prior year. There have been no transactions within the profit and loss account during the year therefore no profit and loss account has been presented. On 12 August 2011, the Company changed its name to Zest Care Homes Limited. See note 9 for details of post balance sheet events

**DIRECTORS**

The directors who served throughout the year and since were as follows:

G Sizer  
E J Coyle

**GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 7, of the financial statements

**AUDITOR**

Each of the persons who are directors of the company at the date of this report confirms that:

- 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 the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of this information.

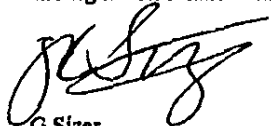
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

**SPECIAL EXEMPTIONS**

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Directors  
and signed on behalf of the Board



G Sizer  
Director

Date: 29 June 2012

**ZEST CARE HOMES LIMITED**  
**(formerly NEWGATE CONSULTANTS LIMITED)**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEST CARE HOMES LIMITED**

We have audited the financial statements of Zest Care Homes Limited (formerly Newgate Consultants Limited) for the year ended 30 September 2011 which comprise the Balance Sheet, Profit and Loss Account, and the related notes 1 to 9. 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 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 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 (APB'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 annual 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 30 September 2011 and of its result 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.

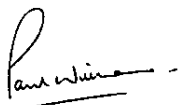
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Paul Williamson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Newcastle Upon Tyne, United Kingdom  
29 June 2012

**ZEST CARE HOMES LIMITED**  
(formerly NEWGATE CONSULTANTS LIMITED)

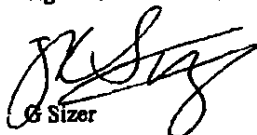
**BALANCE SHEET**  
**30 September 2011**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Tangible assets			-		-
<b>CURRENT ASSETS</b>					
Cash		-	-	-	-
Debtors		-	-	-	-
<b>CREDITORS: Amounts falling due within one year</b>	5	(4,773)	(4,773)	(4,773)	(4,773)
<b>NET CURRENT LIABILITIES</b>			(4,773)		(4,773)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(4,773)		(4,773)
<b>CAPITAL AND RESERVES</b>					
Called up share capital			999		999
Profit and loss account			(5,772)		(5,772)
<b>SHAREHOLDERS' DEFICIT</b>	6		(4,773)		(4,773)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements of Zest Care Homes Limited (formerly Newgate Consultants Limited) registered number 06315771 were approved by the Board of Directors on 29 June 2012

Signed on behalf of the Board of Directors



G Sizer  
Director

**ZEST CARE HOMES LIMITED**  
**(formerly NEWGATE CONSULTANTS LIMITED)**

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2011**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current year and preceding period.

**Accounting convention**

The financial statements have been prepared in accordance with the historical cost convention.

**Going concern**

The company's principal activity is described in the directors' report. The financial position of the company is set out on page 6 and details of the company's future activities are explained in note 9 to the financial statements.

The current economic conditions create uncertainty over the liquidity position of the company.

As highlighted in note 5 to the financial statements, the company meets its day-to-day working capital requirements through intergroup borrowing. The directors have assurances that the shareholders will continue to support the company.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the terms of its group facility. However, its directors have sought a letter of support from its parent company.

The group's bank loan facilities are subject to a standstill agreement dated 14 June 2012 which extends until 30 September 2012, at which point, all bank loans within the group fall due for repayment on demand. The directors are working closely with their bankers to agree the restructure of the debt of the group on a term facility basis during the period of the standstill agreement, sufficient to support the business in the future. The directors have been advised by the bank that they expect to agree facilities for a period of at least 12 months from the end of the standstill agreement, subject to the normal bank approval process, on the basis that the company is continuing to meet current repayment terms on the existing facilities in place.

Thus the directors have a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

**Cash flow statement**

The company is not presenting a cash flow statement in accordance with the exemption in FRS 1 - Cash Flow Statements. The company qualifies as a small company in companies legislation.



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**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2011**

**2. EMPLOYEES**

The average number of employees (including directors) was

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No</b>
Directors	<u>2</u>	<u>2</u>

The directors received no emoluments during the current financial year or the previous financial period for their services to the company

**3. OPERATING PROFIT BEFORE TAXATION**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit is shown after charging/(crediting)		
<b>Auditor's remuneration:</b>		
- fees payable to company's auditor for the audit of the company's annual accounts	<u>1,000</u>	<u>1,000</u>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

i) Analysis of tax charge on ordinary activities

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax on the profit for the period	-	-
Deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

**ZEST CARE HOMES LIMITED**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2011**

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)–**

**ii) Factors affecting tax charge for the current period**

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 27% (2010 28%)

The differences are explained below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	-	-
	<u>          </u>	<u>          </u>
Tax at 27% (2010 28%) thereon	-	-
	<u>          </u>	<u>          </u>
Capital allowances in excess of depreciation	-	-
Tax losses utilised	-	-
	<u>          </u>	<u>          </u>
Current tax charge for the year	-	-
	<u>          </u>	<u>          </u>

**5. CREDITORS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	4,773	4,773
Other creditors	-	-
	<u>          </u>	<u>          </u>
	<u>4,773</u>	<u>4,773</u>

**6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the financial year/period	-	-
Opening shareholders' funds	<u>(4,773)</u>	<u>(4,773)</u>
Closing shareholders' deficit	<u>(4,773)</u>	<u>(4,773)</u>

**ZEST CARE HOMES LIMITED**  
**(formerly NEWGATE CONSULTANTS LIMITED)**

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2011**

**7. RELATED PARTY TRANSACTIONS**

The company is a wholly owned subsidiary of Zest Investment Group Limited and is exempt from the requirements of FRS 8 'Related Party Disclosures' to disclose transactions with other members of the group headed by Zest Investment Group Limited. There have been no transactions with the directors of the company (refer to note 2), or of the group in the year.

**8. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The directors regard Zest Investment Group Limited, a company incorporated in England and Wales, as being the company's immediate and ultimate parent company. The only group in which the results of Zest Care Homes Limited (formerly Newgate Consultants Limited) will be consolidated is that headed by Zest Investment Group Limited.

Zest Investment Group Limited is jointly controlled by the directors who both individually hold 31.67 per cent of the issued share capital of the company.

**9. POST BALANCE SHEET EVENT**

On 1 October 2011, the Company acquired the trade and assets of 3 care homes from Southern Cross Healthcare Group Plc. These homes were previously leased to Southern Cross Healthcare Group Plc subsidiaries from group companies within Zest Investment Group Limited.

On 14 October 2011, the trade and assets of a further 2 care homes were acquired by the Company under identical arrangements.