

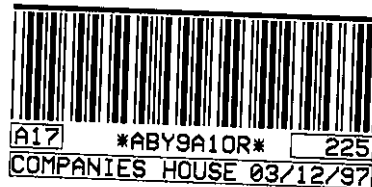
**BRENDONCARE ENTERPRISES LIMITED**

**A wholly owned subsidiary of  
The Brendoncare Foundation**

**FINANCIAL STATEMENTS**

**31 MARCH 1997**

**Registered Number : 3263756**



**ROTHMAN PANTALL AND COMPANY**

**CHARTERED ACCOUNTANTS**

**Winchester**

# **BRENDONCARE ENTERPRISES LIMITED**

A wholly owned subsidiary of  
The Brendoncare Foundation

## **FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 1997**

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**Registered Company Number (England) - 3263756**

## **BRENDONCARE ENTERPRISES LIMITED**

A wholly owned subsidiary of  
The Brendoncare Foundation

### **COMPANY INFORMATION**

31 MARCH 1997

DATE OF INCORPORATION	15 October 1996
NUMBER	3263756
DIRECTORS	Mr R M Alexander MA Chairman Mr R A Staker
SECRETARY	Mrs M A Cresswell
REGISTERED OFFICE	The Old Malthouse Victoria Road Winchester
BANKERS	Barclays Bank PLC
SOLICITORS	Bond, Pearce Godwin, Bremridge and Clifton
AUDITORS	Rothman Pantall & Company Chartered Accountants

# **BRENDONCARE ENTERPRISES LIMITED**

A wholly owned subsidiary of  
The Brendoncare Foundation

## **DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 31 MARCH 1997**

The Directors present their report and the financial statements for the period ended 31 March 1997.

### **Principal activities**

The company was incorporated on the 15 October 1996 as a wholly owned trading subsidiary of The Brendoncare Foundation, which is a registered charity No 326508.

The principal activity of the company throughout the period was that of property development and lease rental of equipment.

### **Directors and Directors' interests**

The Directors of the company during the period and their interests in the shares of the company as recorded in the register of Directors' interests were as follows:

	31 March 1997 Ordinary shares of £1 each
Mr R M Alexander MA Chairman (appointed 15 October 1996)	-
Mr R A Staker (appointed 15 October 1996)	-

The issued share capital of the company is owned by The Brendoncare Foundation. Mr Alexander is a Trustee of The Brendoncare Foundation. Mr Staker is the Executive Director of The Brendoncare Foundation.


### **Auditors**

Rothman Pantall & Company have agreed to offer themselves for re-appointment as auditors of the company.

### **Small company exemptions**

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**By order of the board**



Mrs M A Cresswell  
Company Secretary

dated 3 October 1997

## **BRENDONCARE ENTERPRISES LIMITED**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

We are required under company law to prepare financial statements for each financial period 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 period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgments and estimates;
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

**On behalf of the board**



**Mr R A Staker**  
**Director**

3 October 1997

## **BRENDONCARE ENTERPRISES LIMITED**

A wholly owned subsidiary of  
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### **AUDITORS' REPORT**

**Auditors' Report to the shareholders of**

**Brendoncare Enterprises Limited**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 3, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **BASIS OF 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 disclosure in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and 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 error or other irregularity. 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 the company's affairs as at 31 March 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



ROTHMAN PANTALL & CO.  
Chartered Accountants  
and Registered Auditors  
Avebury House  
6 St. Peter Street  
Winchester  
SO23 8BN

3 October 1997

# **BRENDONCARE ENTERPRISES LIMITED**

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## **PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD ENDED 31 MARCH 1997**

	Notes	1997 £
<b>Turnover</b>		11,859
<b>Net operating expenses</b>		
Administrative expenses		(12,006)
<b>Operating loss</b>	2	<u>(147)</u>
Interest payable	4	(2,368)
<b>Loss on ordinary activities before taxation</b>		<u>(2,515)</u>
Taxation	5	-
<b>Loss on ordinary activities after taxation for the period</b>	11	<u><u>(2,515)</u></u>

Movements in reserves are shown in note 11.

All of the Company's activities were commenced during the above financial period.

There are no recognised gains or losses in 1997 other than the loss for the period

## BRENDONCARE ENTERPRISES LIMITED

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### BALANCE SHEET

AS AT 31 MARCH 1997

	Notes	£	1997 £
<b>Fixed assets</b>			
Tangible Assets	6		319,257
<b>Current assets</b>			
Development Stock	7	981,213	
Debtors	8	65,577	
Cash at Bank and In hand		95,438	
		<u>1,142,228</u>	
<b>Creditors: amounts falling due within one year</b>	9	(1,463,999)	
		<u></u>	
<b>Net current liabilities</b>			(321,771)
<b>Total assets less current liabilities</b>			<u>(2,514)</u>
<b>Capital and reserves</b>			
Called Up Share capital			1
Profit and loss account	11		(2,515)
<b>Total shareholders funds</b>	10		<u>(2,514)</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 12 were approved by the Board of Directors on 3 October 1997 and signed on its behalf by:



Mr R A Staker  
Director



## BRENDONCARE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1997

#### 1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost accounting rules. The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1, on the grounds that it qualifies as a small company under the Companies Act 1985.

b) Turnover

Turnover comprises operating lease rentals falling within the company's ordinary activities excluding VAT. The lease rentals are recognised within the financial statements of the company as they become payable by the lessee.

c) Depreciation

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The estimated useful lives for this purpose are:

Plant and machinery	8 years
Furniture fittings and equipment	8 years
Computer equipment	3 years

d) Development Stock

Development stock is valued at the lower of cost and net realisable value. Cost comprises land and construction costs together with directly attributable fees.

## BRENDONCARE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 1997

#### 2. OPERATING LOSS

	1997 £
Operating loss is stated after crediting:	
Equipment leasing rentals	11,859
and after charging:	
Auditors' remuneration	<u>500</u>
Depreciation of tangible fixed assets (note 6)	
Owned assets	<u>6,908</u>

#### 3. DIRECTORS EMOLUMENTS

	1997 £
Directors emoluments	<u>Nil</u>

#### 4. INTEREST PAYABLE

	1997 £
Development loan interest	<u>2,368</u>

#### 5. TAXATION

The company has no liability to corporation tax for the period.

# BRENDONCARE ENTERPRISES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 1997

### 6. TANGIBLE FIXED ASSETS

	Freehold Land	Plant and machinery	Furniture Fittings and Equipment	Computer Equipment	TOTAL
	£	£	£	£	£
<b>COST</b>					
Additions	376,959	79,079	189,112	7,974	653,124
Transfer to development stock	(326,959)	-	-	-	(326,959)
As at 31 March 1997	<u>50,000</u>	<u>79,079</u>	<u>189,112</u>	<u>7,974</u>	<u>326,165</u>
<b>DEPRECIATION</b>					
Charge for the year	-	2,472	3,771	665	6,908
As at 31 March 1997	<u>-</u>	<u>2,472</u>	<u>3,771</u>	<u>665</u>	<u>6,908</u>
<b>NET BOOK VALUE</b>					
As at 31 March 1997	<u>50,000</u>	<u>76,607</u>	<u>185,341</u>	<u>7,309</u>	<u>319,257</u>

During the period land was acquired from The Brendoncare Foundation at a cost of £376,959. £326,959 of this cost has been transferred to Development Stock with the balance of £50,000 considered to be a reasonable value of the land in relation to the ground rent to be received from the leaseholders when the Close Care apartments being built on this land have been sold. It is considered that depreciation is not appropriate in these circumstances.

Tangible fixed assets include, in respect of assets held for use in operating leases, gross cost of £276,165, with cumulative depreciation of £6,908.

### 7. DEVELOPMENT STOCK

	1997 £
Transfer of development land	326,959
Building costs and fees	654,254
	<u>981,213</u>

A development of 46 Close Care apartments is being built on land at Alton. Phases 1 & 2, totalling 28 apartments, were completed by July 1997. At the time of preparation of these financial statements all apartments, except the show apartment, have been leased and the construction of phase 3 has started.

## BRENDONCARE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 1997

8. **DEBTORS**

	1997 £
Amounts owed by holding company	13,935
Customs and Excise	51,642
	<u>65,577</u>

9. **CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR**

	1997 £
Development loan	541,475
Trade creditors	524,407
Amounts owed to group undertakings	395,092
Accruals and deferred income	3,025
	<u>1,463,999</u>

The Development Loan is secured on the assets of the company and the future proceeds from the sale of the Close Care apartments. The Brendoncare Foundation has guaranteed the bank loans of Brendoncare Enterprises Limited to the extent of £1.5 million plus interest and fees.

10. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	1997 £
<b>Loss for the financial period</b>	(2,515)
representing a	
<b>Net subtraction from shareholders funds</b>	
Issue of share capital	1
Opening shareholders' funds	-
<b>Closing shareholders' funds</b>	<u>(2,514)</u>

## BRENDONCARE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1997

11. **PROFIT AND LOSS ACCOUNT**

	1997 £
Loss for the period	<u>(2,515)</u>

12. **ULTIMATE PARENT COMPANY**

The company's ultimate parent is The Brendoncare Foundation, a company registered in England and Wales, which is also a registered charity No 326508. The financial statements of Brendoncare Enterprises Limited have been included in the consolidated financial statements of The Brendoncare Foundation.

13. **ULTIMATE CONTROLLING PARTY**

The company is controlled by the ultimate parent company, The Brendoncare Foundation.

14. **RELATED PARTY TRANSACTIONS**

During the period the company made sales to The Brendoncare Foundation, its ultimate parent undertaking, to the value of £11,859. This balance is shown within debtors.

There is a balance of £395,092 owing to The Brendoncare Foundation at 31 March 1997. The balance is shown within creditors.

During the period The Brendoncare Foundation provided administration services to the company free of charge.

15. **SHARE CAPITAL**

	1997	
	No of shares	£
<b>Authorised</b>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

## **BRENDONCARE ENTERPRISES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

31 MARCH 1997

16. **FINANCIAL AND CAPITAL COMMITMENTS**

The company has contracted for the development of 46 Close Care apartments on the Alton site. The amount outstanding at 31 March 1997, including contracted fees to the Project Agent, is £1,319,000.

17. **CONTINGENT LIABILITIES**

Brendoncare Enterprises Limited has guaranteed the bank loans of The Brendoncare Foundation to the extent of £1.5 million plus interest and fees.

18. **POST BALANCE SHEET EVENTS**

The Close Care apartments in phases 1 and 2 were completed by early July 1997 and leases on the apartments have all been sold except for the show apartment. The Company has now contracted for the construction of the final phase, consisting of 18 apartments.