

**BRENDONCARE ENTERPRISES LIMITED**

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

**FINANCIAL STATEMENTS**

**31 MARCH 1998**

**Registered Company Number : 3263756**



# **BRENDONCARE ENTERPRISES LIMITED**

A wholly owned subsidiary of  
The Brendoncare Foundation

## **FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31 MARCH 1998

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

# **BRENDONCARE ENTERPRISES LIMITED**

A wholly owned subsidiary of  
The Brendoncare Foundation

## **COMPANY INFORMATION**

31 MARCH 1998

DATE OF INCORPORATION	15 October 1996
REGISTERED 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 SO23 7DU
AUDITORS	Rothman Pantall & Company Chartered Accountants
BANKERS	Barclays Bank plc
SOLICITORS	Bond, Pearce  Godwin, Bremridge and Clifton

# **BRENDONCARE ENTERPRISES LIMITED**

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## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998**

The Directors present their report and financial statements for the year ended 31 March 1998.

### **Principal activities**

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

### **Review of the year**

The development of Close Care apartments at the Alton home of The Brendoncare Foundation was completed early in March 1998. At the year end there remained nine apartments to sell on leasehold. The profit for the year ended 31 March 1998 was £394,694 (1997 £2,515 loss) Taxable profits from trading have been covenanted to The Brendoncare Foundation.

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

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

	31 March 1998	31 March 1997
	Ordinary share of £1 each	
Mr R M Alexander MA Chairman	-	-
Mr R A Staker	-	-

The 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.

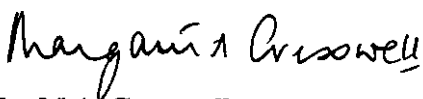
### **Auditors**

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 12 June 1998

## **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 and 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**

dated 12 June 1998

# **BRENDONCARE ENTERPRISES LIMITED**

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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 11 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 the 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 1998 and of its profit for the year 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

dated 29 June 1998

# BRENDONCARE ENTERPRISES LIMITED

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## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £'000	1997 £'000
Turnover		2,569	12
Cost of sales		(1,994)	-
Gross profit		<u>575</u>	<u>12</u>
Net operating expenses		(120)	(12)
Operating profit	2.	<u>455</u>	<u>-</u>
Interest receivable	4.	3	-
Interest payable	4.	(63)	(3)
Profit before covenant		<u>395</u>	<u>(3)</u>
Deed of covenant	1.	(250)	-
Profit before taxation		<u>145</u>	<u>(3)</u>
Taxation	5.	-	-
Profit on ordinary activities after taxation for the year		<u><u>145</u></u>	<u><u>(3)</u></u>

All the Company's activities commenced during the period to 31 March 1997.

There were no recognised gains or losses in 1998 or 1997 other than profit on ordinary activities.

# BRENDONCARE ENTERPRISES LIMITED

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## BALANCE SHEET

AS AT 31 MARCH 1998

	Notes	1998 £'000	1997 £'000
<b>Fixed Assets</b>			
Tangible Assets	6.	404	319
<b>Current Assets</b>			
Development Stock	7.	496	981
Debtors	8.	11	66
Cash at Bank and in Hand		-	95
		<u>507</u>	<u>1,142</u>
<b>Creditors:</b>			
Amounts falling due within one year	9.	(419)	(1,464)
		<u>88</u>	<u>(322)</u>
Creditors falling due after one year	10.	(350)	-
		<u>142</u>	<u>(3)</u>
<b>Capital and reserves</b>			
Called Up Share capital	15.	-	-
Retained profit	11.	142	(3)
		<u>142</u>	<u>(3)</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 11 were approved by the Board of Directors on 12 June 1998 and signed on its behalf by:



Mr R A Staker  
Director

12 June 1998

# **BRENDONCARE ENTERPRISES LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 1998**

### **1. ACCOUNTING POLICIES**

- a) **Basic 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 the sale of leases on Close Care apartments and operating lease rentals falling within the company's ordinary activities, excluding VAT. The Close Care leasehold sales are recognised within the financial statements of the company upon completion of contracts and the lease rentals are recognised 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) **Interest**  
Interest is included in the period for which it is receivable or payable.
- e) **Deed of covenant**  
The taxable profits of the company are covenanted to The Brendoncare Foundation. The Foundation is the parent company and a registered charity.
- f) **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 1998

	1998 £'000	1997 £'000
<b>2. OPERATING PROFIT</b>		
Operating profit is stated after crediting:		
Equipment leasing rental income	58	12
and after charging:		
Auditors remuneration	1	1
Depreciation of tangible fixed assets (note 6)		
Owned assets	52	7
	<u>          </u>	<u>          </u>
<b>3. DIRECTORS EMOLUMENTS</b>		
Directors emoluments	Nil	Nil
	<u>          </u>	<u>          </u>
<b>4. INTEREST</b>		
<b>Interest receivable</b>		
Interest income comprises:		
Bank interest	2	-
Interest on sales proceeds	1	-
	<u>      3      </u>	<u>      -      </u>
<b>Interest payable</b>		
Interest payable comprises:		
Bank interest	-	-
Development loan interest	32	3
Parent company loan interest	31	-
	<u>     63      </u>	<u>      3      </u>
<b>5. TAXATION</b>		
The Company has covenanted to pay all its taxable profits to The Brendoncare Foundation (a registered charity).		

# BRENDONCARE ENTERPRISES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 1998

### 6. TANGIBLE FIXED ASSETS

	Freehold land £'000	Plant and machinery £'000	Furniture and equipment £'000	Computer equipment £'000	TOTAL £'000
<b>COST</b>					
At beginning of the year	50	79	189	8	326
Additions	-	30	104	3	137
Disposals					
As at 31 March 1998	50	109	293	11	463
<b>DEPRECIATION</b>					
At beginning of the year	-	2	4	1	7
Charge for the year	-	13	36	3	52
As at 31 March 1998	-	15	40	4	59
<b>NET BOOK VALUE</b>					
As at 31 March 1998	50	94	253	7	404
As at 31 March 1997	50	77	185	7	319

Tangible fixed assets include, in respect of assets held for use in operating leases, gross cost of £407,418 with cumulative depreciation of £59,004.

	1998 £'000	1997 £'000
<b>7. DEVELOPMENT STOCK</b>		
Land, building costs and fees	496	981

A development of 46 Close Care apartments has been built on land at Alton.  
At 31 March 1998 nine apartments remain to be sold on leasehold.

# BRENDONCARE ENTERPRISES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 1998

	1998 £'000	1997 £'000
8. <b>DEBTORS</b>		
Trade debtors	6	-
Amounts owed by holding company	-	14
Customs and Excise	5	52
	<u>11</u>	<u>66</u>
9. <b>CREDITORS</b>		
<b>Amounts falling due within one year</b>		
Development bank loan	-	542
Bank overdraft	2	-
Trade creditors	145	524
Amounts owed to group undertakings	271	395
Accruals and deferred income	1	3
	<u>419</u>	<u>1,464</u>
10. <b>CREDITORS</b>		
<b>Amounts falling due after one year</b>		
Amounts owed to group undertakings	<u>350</u>	<u>-</u>
Bank borrowings are secured by a legal charge over specific property and any other security held by the Company's Bankers.		
11. <b>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
Profit/(loss) for the financial year	145	(3)
representing a net increase in shareholders funds		
Issue of share capital - £1 only (1997)		-
Opening shareholders' funds	(3)	-
	<u>142</u>	<u>(3)</u>

# BRENDONCARE ENTERPRISES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

31 MARCH 1998

### 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 number 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 its ultimate parent company, The Brendoncare Foundation.

### 14. RELATED PARTY TRANSACTIONS

During the year the company made sales to The Brendoncare Foundation, its ultimate parent undertaking, to the value of £58,013 (1997 - £11,859). The outstanding balance is shown within debtors. Management charges were levied by The Brendoncare Foundation on Brendoncare Enterprises Limited of £20,000 to cover the increased administrative work involved during the year. This amount is outstanding within creditors.

### 15. SHARE CAPITAL

	1998		1997	
	No. of shares	£	No. of shares	£
Authorised				
Ordinary shares of £1 each	100	100	100	100
<hr/>				
Allotted, called up and fully paid				
Ordinary shares of £1 each	1	1	1	1
<hr/>				