

REGISTERED NUMBER: 05904432 (England and Wales)

Abbreviated Audited Accounts
for the Year Ended 31 January 2010
for
PSP Healthcare Ltd



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- PSP Healthcare Ltd (Registered number 05904432)

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for the Year Ended 31 January 2010

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• PSP Healthcare Ltd

Company Information
for the Year Ended 31 January 2010

DIRECTORS:

P Dewan
S Dewan
W Shermon

SECRETARY:

S Dewan

REGISTERED OFFICE:

PSP House
Hung Road
Shirehampton
Bristol
BS11 9XJ

REGISTERED NUMBER:

05904432 (England and Wales)

AUDITORS:

Dunkley's
Statutory Auditor
Chartered Accountants
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

- PSP Healthcare Ltd (Registered number 05904432)

Report of the Directors
for the Year Ended 31 January 2010

The directors present their report with the accounts of the company for the year ended 31 January 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the specialist provision of quality long term care for the elderly through the leasehold management and operation of care homes offering residential and nursing care

REVIEW OF BUSINESS

The Company has a clear corporate strategy to operate good quality Care Centres and purpose built Care Villages on a leasehold basis

The Directors are confident about the continuing financial performance of the business and continue to review opportunities provided through PK Holdings Limited and others

The principal performance indicators used by the board are as follows

	2010	2009
Gross profit/(loss) margin	33.3 %	35.8 %
Pre-tax profit/(loss) margin	(9.2)%	(13.2) %

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2009 to the date of this report

P Dewani
S Dewani
W Shermon

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and finance lease agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available

In respect of loans these comprise loans from the directors and loans from financial institutions. The interest rate on the loans from financial institutions is variable but the monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments. The loans from the directors are interest free and payable on demand. The directors are aware of the company's required finance and have determined that these will only be repaid, in whole or in part, when finance is available

The company is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed in the same way as loans above

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

PSP Healthcare Ltd (Registered number 05904432)

Report of the Directors
for the Year Ended 31 January 2010

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made the following charitable contributions

£500 - Care Professionals Benevolent Fund

£580 - Donations each under £250 to various charities

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Dunkley's, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



S Dewani - Secretary

Date 30 October 2010

Report of the Independent Auditors to
PSP Healthcare Ltd
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of PSP Healthcare Ltd for the year ended 31 January 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

MICHAEL DUNKLEY (Senior Statutory Auditor)
for and on behalf of Dunkley's
Statutory Auditor
Chartered Accountants
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date October 2010

PSP Healthcare Ltd (Registered number 05904432)

Abbreviated Profit and Loss Account
for the Year Ended 31 January 2010

	Notes	31 1 10 £	31 1 09 £
TURNOVER		8,092,768	6,208,413
Cost of sales and other operating income		(5,400,230)	(3,980,789)
		<u>2,692,538</u>	<u>2,227,624</u>
Administrative expenses		<u>3,268,566</u>	<u>2,881,636</u>
OPERATING LOSS	3	(576,028)	(654,012)
Interest receivable and similar income		<u>187</u>	<u>3,671</u>
		(575,841)	(650,341)
Interest payable and similar charges	4	<u>168,163</u>	<u>171,939</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(744,004)	(822,280)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(744,004)</u>	<u>(822,280)</u>

CONTINUING OPERATIONS

All the companies activities were acquired in the period

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these abbreviated accounts

PSP Healthcare Ltd (Registered number 05904432)

Abbreviated Balance Sheet

31 January 2010

	Notes	31 1 10 £	£	31 1 09 £	£
FIXED ASSETS					
Intangible assets	6		1,169,819		1,697,364
Tangible assets	7		354,411		275,765
Investments	8		<u>100</u>		<u>100</u>
			1,524,330		1,973,229
CURRENT ASSETS					
Debtors	9	3,096,192		2,753,280	
Cash at bank and in hand		<u>2,356,432</u>		<u>268,990</u>	
		5,452,624		3,022,270	
CREDITORS					
Amounts falling due within one year	10	<u>5,032,572</u>		<u>2,254,394</u>	
NET CURRENT ASSETS			<u>420,052</u>		<u>767,876</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,944,382		2,741,105
CREDITORS					
Amounts falling due after more than one year	11		(3,944,064)		(3,996,783)
PROVISIONS FOR LIABILITIES	15		<u>(8,526)</u>		<u>(8,526)</u>
NET LIABILITIES			<u>(2,008,208)</u>		<u>(1,264,204)</u>
CAPITAL AND RESERVES					
Called up share capital	16		100		100
Profit and loss account	17		<u>(2,008,308)</u>		<u>(1,264,304)</u>
SHAREHOLDERS' FUNDS	20		<u>(2,008,208)</u>		<u>(1,264,204)</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 30 October 2010 and were signed on its behalf by



S Dewan - Director

The notes form part of these abbreviated accounts

PSP Healthcare Ltd (Registered number 05904432)

Cash Flow Statement
for the Year Ended 31 January 2010

	Notes	31 1 10 £	£	31 1 09 £	£
Net cash inflow/(outflow) from operating activities	1		844,980		(22,824)
Returns on investments and servicing of finance	2		(176,608)		(148,873)
Capital expenditure	2		<u>(238,888)</u>		<u>(1,200,381)</u>
			429,484		(1,372,078)
Financing	2		<u>1,669,575</u>		<u>1,584,578</u>
Increase in cash in the period			<u>2,099,059</u>		<u>212,500</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		2,099,059		212,500	
Cash inflow from increase in debt		<u>(193,217)</u>		<u>(1,690,002)</u>	
Change in net debt resulting from cash flows			<u>1,905,842</u>		<u>(1,477,502)</u>
Movement in net debt in the period			1,905,842		(1,477,502)
Net debt at 1 February			<u>(3,739,410)</u>		<u>(2,261,908)</u>
Net debt at 31 January			<u>(1,833,568)</u>		<u>(3,739,410)</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 January 2010

1 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31 1 10	31 1 09
	£	£
Operating loss	(576,028)	(654,012)
Depreciation charges	687,787	625,263
Increase in debtors	(88,860)	(595,300)
Increase in creditors	<u>822,081</u>	<u>601,225</u>
Net cash inflow/(outflow) from operating activities	<u>844,980</u>	<u>(22,824)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 1 10	31 1 09
	£	£
Returns on investments and servicing of finance		
Interest received	187	3,671
Interest paid	<u>(176,795)</u>	<u>(152,544)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(176,608)</u>	<u>(148,873)</u>
Capital expenditure		
Purchase of intangible fixed assets	-	(1,006,860)
Purchase of tangible fixed assets	<u>(238,888)</u>	<u>(193,521)</u>
Net cash outflow for capital expenditure	<u>(238,888)</u>	<u>(1,200,381)</u>
Financing		
New loans in year	193,217	3,316,783
Loan repayments in year	-	(1,673,791)
Movement in group balances	<u>1,476,358</u>	<u>(58,414)</u>
Net cash inflow from financing	<u>1,669,575</u>	<u>1,584,578</u>

The notes form part of these abbreviated accounts

PSP Healthcare Ltd (Registered number 05904432)

Notes to the Cash Flow Statement
for the Year Ended 31 January 2010

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 2 09 £	Cash flow £	At 31 1 10 £
Net cash			
Cash at bank and in hand	268,990	2,087,442	2,356,432
Bank overdraft	<u>(11,617)</u>	<u>11,617</u>	<u>-</u>
	<u>257,373</u>	<u>2,099,059</u>	<u>2,356,432</u>
 Debt			
Debts falling due within one year	-	(245,936)	(245,936)
Debts falling due after one year	<u>(3,996,783)</u>	<u>52,719</u>	<u>(3,944,064)</u>
	<u>(3,996,783)</u>	<u>(193,217)</u>	<u>(4,190,000)</u>
 Total	<u>(3,739,410)</u>	<u>1,905,842</u>	<u>(1,833,568)</u>

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 January 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents the net invoiced value for the provision of care services, agency fees and ad-hoc commissions

Goodwill

Goodwill being the amount paid in connection with the acquisition of a business is being amortised evenly over its estimated useful life of five years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Improvements to property	- 15% on cost
Plant and machinery	- 20% on cost and 15% on cost
Motor vehicles	- 25% on cost and 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Fixed Asset Investments

Fixed asset investments are shown at cost less provision for impairment

2 STAFF COSTS

	31 1 10	31 1 09
	£	£
Wages and salaries	4,984,821	3,669,605
Social security costs	361,948	278,073
Other pension costs	-	404
	<u>5,346,769</u>	<u>3,948,082</u>

The average monthly number of employees during the year was as follows

	31 1 10	31 1 09
Directors	3	3
Head office	27	20
Nursing and residential care staff	<u>303</u>	<u>336</u>
	<u>333</u>	<u>359</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2010

3 OPERATING LOSS

The operating loss is stated after charging

	31 1 10	31 1 09
	£	£
Depreciation - owned assets	160,242	97,718
Goodwill amortisation	527,545	527,545
Auditors' remuneration	22,187	24,546
Auditors' remuneration for non audit work	<u>558</u>	<u>1,219</u>
Directors' remuneration	<u>186,284</u>	<u>169,190</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 1 10	31 1 09
	£	£
Bank loan interest	<u>168,163</u>	<u>171,939</u>

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 January 2010 nor for the year ended 31 January 2009

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 1 10	31 1 09
	£	£
Loss on ordinary activities before tax	<u>(744,004)</u>	<u>(822,280)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(208,321)	(230,238)
Effects of		
Depreciation for period in excess of capital allowances	3,630	367
Expenses not deductible for tax purposes	1,952	2,236
Losses carried forward	<u>202,739</u>	<u>227,635</u>
Current tax charge	<u>-</u>	<u>-</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2010

6 INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 February 2009
and 31 January 2010

2,593,531

AMORTISATION

At 1 February 2009
Amortisation for year

896,167
527,545

At 31 January 2010

1,423,712

NET BOOK VALUE

At 31 January 2010

1,169,819

At 31 January 2009

1,697,364

7 TANGIBLE FIXED ASSETS

Improvements
to
property
£

Plant and
machinery
£

Motor
vehicles
£

Totals
£

COST

At 1 February 2009
Additions

58,756
13,592

361,705
225,296

13,665
-

434,126
238,888

At 31 January 2010

72,348

587,001

13,665

673,014

DEPRECIATION

At 1 February 2009
Charge for year

15,011
13,593

137,921
144,590

5,429
2,059

158,361
160,242

At 31 January 2010

28,604

282,511

7,488

318,603

NET BOOK VALUE

At 31 January 2010

43,744

304,490

6,177

354,411

At 31 January 2009

43,745

223,784

8,236

275,765

8 FIXED ASSET INVESTMENTS

Shares in
group
undertakings
£

COST

At 1 February 2009
and 31 January 2010

100

NET BOOK VALUE

At 31 January 2010

100

At 31 January 2009

100

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2010

8 FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following

PSP Care Villages Ltd

Country of incorporation England

Nature of business Investments

Class of shares	% holding		
Ordinary	100 00	31 1 10	31 1 09
		£	£
Aggregate capital and reserves		(242,190)	(72,012)
Loss for the year		<u>(170,178)</u>	<u>-</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 1 10	31 1 09
	£	£
Trade debtors	481,131	436,138
Amounts owed by group undertakings	2,074,458	1,820,406
Other debtors	279,798	246,117
Prepayments and accrued income	<u>260,805</u>	<u>250,619</u>
	<u>3,096,192</u>	<u>2,753,280</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 1 10	31 1 09
	£	£
Bank loans and overdrafts (see note 12)	245,936	11,617
Trade creditors	425,026	139,266
Amounts owed to group undertakings	2,858,071	1,127,661
Social security and other taxes	280,104	100,101
Other creditors	914,356	754,894
Accrued expenses	<u>309,079</u>	<u>120,855</u>
	<u>5,032,572</u>	<u>2,254,394</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 1 10	31 1 09
	£	£
Bank loans (see note 12)	<u>3,944,064</u>	<u>3,996,783</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2010

12 LOANS

An analysis of the maturity of loans is given below

	31 1 10 £	31 1 09 £
Amounts falling due within one year or on demand		
Bank overdrafts	-	11,617
Bank loans	<u>245,936</u>	<u>-</u>
	<u>245,936</u>	<u>11,617</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>319,645</u>	<u>250,337</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>1,002,366</u>	<u>994,299</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>2,622,053</u>	<u>2,752,147</u>

13 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Land and buildings
	31 1 10 £	31 1 09 £
Expiring		
Between one and five years	-	622,500
In more than five years	<u>724,000</u>	<u>360,000</u>
	<u>724,000</u>	<u>982,500</u>

- PSP Healthcare Ltd (Registered number 05904432)

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2010

14 SECURED DEBTS

The following secured debts are included within creditors

	31 1 10	31 1 09
	£	£
Bank overdraft	-	11,617
Bank loans	4,190,000	3,996,783
	<u>4,190,000</u>	<u>4,008,400</u>

The loans are secured by a limited fixed and floating debenture over the current and future trading assets of the company in relation to Angela Court, Aalen House, Riverview and Heanton care homes together with a cross guarantee between PSP Investments Ltd, PSP Group Limited, PSP Holdco Limited and Heanton Holdings Ltd, a company incorporated in Guernsey, together with a 1st legal charge over the following freehold properties

Angela Court owned by a Group company, PSP Investments Ltd,
Aalen House owned by a Group company, PSP Holdco Limited,
Riverview and Heanton Care Homes owned by a Group company Heanton Holdings Ltd a company registered in Guernsey,

15 PROVISIONS FOR LIABILITIES

	31 1 10	31 1 09
	£	£
Deferred tax	<u>8,526</u>	<u>8,526</u>
		Deferred tax
		£
Balance at 1 February 2009		8,526
Accelerated capital allowances		<u> </u>
Balance at 31 January 2010		<u>8,526</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 1 10	31 1 09
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

17 RESERVES

	Profit and loss account
	£
At 1 February 2009	(1,264,304)
Deficit for the year	<u>(744,004)</u>
At 31 January 2010	<u>(2,008,308)</u>

• PSP Healthcare Ltd (Registered number 05904432)

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2010

18 RELATED PARTY DISCLOSURES

During the period PSP Healthcare Ltd provided a Cross-guarantee for PSP Holdco Ltd. The directors do not expect the guarantee to be called in.

During the period PSP Healthcare Ltd paid rents to the following group companies:
£nil (2009 - £160,002) to PSP Holdco Ltd, a company registered in the UK,
£200,000 (2009 - £200,000) to PSP Investments Ltd, a company registered in the UK,
£737,499 (2009 - £568,268) to Heanton Holdings Ltd, a company registered in Guernsey,
£443,999 (2009 - £355,000) to Gibraltar Holdings Ltd, a company registered in Guernsey.

During the period PSP Healthcare Ltd borrowed £1,451,365 from Heanton Holdings Ltd, a company registered in Guernsey. At the year end date the company owed Heanton Holdings Ltd £1,451,365 (2009 - £nil). This loan was interest free, repayable on demand and was not secured against any assets.

19 ULTIMATE CONTROLLING PARTY

The ultimate parent company and controlling party is the P K Holdings Ltd, a company registered in Guernsey.

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 1 10 £	31 1 09 £
Loss for the financial year	(744,004)	(822,280)
Share capital issue		
Net reduction of shareholders' funds	(744,004)	(822,280)
Opening shareholders' funds	<u>(1,264,204)</u>	<u>(441,924)</u>
Closing shareholders' funds	<u>(2,008,208)</u>	<u>(1,264,204)</u>