

# Healthline Individual Care Limited

## REPORT AND FINANCIAL STATEMENTS

31 March 2009



Company Registration No. 01440442

# Healthline Individual Care Limited

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# Healthline Individual Care Limited

## DIRECTORS AND ADVISORS

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### DIRECTORS

DJ Cole  
GH Blackoe  
TZ Gowers

### SECRETARY

TZ Gowers

### REGISTERED OFFICE

2<sup>nd</sup> Floor Bezant House  
Bradgate Park View  
Chellaston  
Derbyshire  
DE73 5UH

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

# Healthline Individual Care Limited

## DIRECTORS' REPORT

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The directors present their report and the audited financial statements for the period ended 31 March 2009.

### PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of nursing care.

### RESULTS AND DIVIDENDS

The results for the period are shown in the profit and loss account on page 7. The directors consider the performance of the company to be satisfactory.

No dividend has been paid in the period (2008: £nil).

### BUSINESS REVIEW

The company has continued to operate profitably during the period.

### KEY PERFORMANCE INDICATORS

- a) Financial; The company monitors occupancy levels in order to manage profitability.
- b) Non-Financial; Staff turnover is monitored to ensure that a high level of care is provided to our patients. Staff turnover continues to be low through the investment in training and development of our staff.

### RISKS AND UNCERTAINTIES

The main risk faced by the company is the ability to fill spare capacity in a timely manner together with pressure from NHS purchasers to reduce prices which could affect profitability.

### FUTURE DEVELOPMENTS

The directors expect future performance of the company to be satisfactory.

### FINANCIAL INSTRUMENTS

The company operates its business using bank and cash balances, and continues to be supported by its parent company, Lighthouse Healthcare Limited. As such all financial matters are dealt with at a Group level. The company does not hold any financial derivative instruments.

### MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the directors, the market value of the land and buildings of the company exceeds book values of those assets at 31 March 2009. However, as the company does not adopt a policy of valuation, the excess of market value over book value has not been quantified.

# Healthline Individual Care Limited

## DIRECTORS' REPORT (continued)

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### EMPLOYEE INVOLVEMENT AND DISABLED PERSONS

The company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the regular and frequent financial and economic factors affecting the company's performance.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made wherever possible for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes.

### DIRECTORS

The directors who held office during the period were as follows:

D Whittaker (resigned 26 May 2009)  
MA Cork (appointed 2 June 2008, resigned 21 May 2009)  
EAD Haddon (resigned 11 June 2008)  
DJ Cole (appointed 19 January 2009)

After the period end the following appointments were made:

TZ Gowers (appointed 26 May 2009)  
GH Blackoe (appointed 1 June 2009)

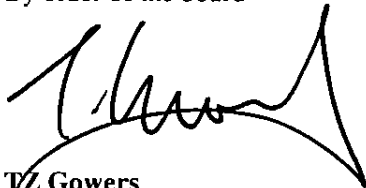
### AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of Baker Tilly UK Audit LLP as auditors of the company is to be proposed at the annual general meeting.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



TZ Gowers  
Company Secretary

26 January 2010

# Healthline Individual Care Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 period. 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). The financial statements are required by law to 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, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF HEALTHLINC INDIVIDUAL CARE LIMITED

We have audited the financial statements on pages 7 to 19.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

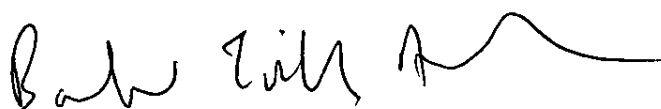
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHLINC  
INDIVIDUAL CARE LIMITED (continued)

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2009 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**BAKER TILLY UK AUDIT LLP**

Registered Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

28 January 2010



# Healthline Individual Care Limited

## PROFIT AND LOSS ACCOUNT

for the period ended 31 March 2009

	Note	12 month period ended 31 March 2009 £'000	17 month period ended 31 March 2008 £'000
TURNOVER	1	9,798	13,356
Cost of sales		(5,294)	(6,891)
<b>GROSS PROFIT</b>		<b>4,504</b>	<b>6,465</b>
Administrative expenses		(2,224)	(4,257)
Other operating income	3	-	15
<b>OPERATING PROFIT</b>		<b>2,280</b>	<b>2,223</b>
Interest receivable and similar income	4	61	83
Interest payable and similar charges	5	(3)	(23)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2-6	<b>2,338</b>	<b>2,283</b>
Taxation	7	(669)	(506)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	15	<b>1,669</b>	<b>1,777</b>

The operating profit for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# Healthline Individual Care Limited

## BALANCE SHEET

At 31 March 2009

	Note	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	7,428	7,131
<b>CURRENT ASSETS</b>			
Stocks	9	-	5
Property held for resale		-	97
Debtors: Amounts falling due within one year	10	517	908
Cash at bank and in hand		224	3,364
		<u>741</u>	<u>4,374</u>
CREDITORS: Amounts falling due within one year	11	(574)	(6,736)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>167</u>	<u>(2,362)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,595</u>	<u>4,769</u>
CREDITORS: Amounts falling due after more than one year	12	(1,160)	-
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	(245)	(248)
<b>NET ASSETS</b>		<u>6,190</u>	<u>4,521</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	15	15
Profit and loss account	15	6,175	4,506
<b>SHAREHOLDERS' FUNDS</b>		<u>6,190</u>	<u>4,521</u>

The financial statements on pages 7 to 19 were approved by the board and authorised for issue on 26 January 2010 and are signed on its behalf by:



**DJ Cole**  
Director

Company Registration No. 01440442

# Healthline Individual Care Limited

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the period ended 31 March 2009

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	12 month period ended 31 March 2009 £'000	17 month period ended 31 March 2008 £'000
PROFIT FOR THE FINANCIAL PERIOD	1,669	1,777
Net addition to shareholders' funds	1,669	1,777
Opening shareholders' funds	4,521	2,744
CLOSING SHAREHOLDERS' FUNDS	6,190	4,521

# Healthline Individual Care Limited

## ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The group has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the Lighthouse Healthcare Limited group.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	-	50 years
Plant and machinery	-	3 to 10 years
Motor vehicles	-	4 to 5 years

During the period revised lives have been established for plant and equipment and motor vehicles having considered the related cost benefit economics that are generated from these assets. The effect of this revision is an increase in the depreciation charge for the year of £46,000.

### LEASED ASSETS AND OBLIGATIONS

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

### RETIREMENT BENEFITS

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

# Healthline Individual Care Limited

## ACCOUNTING POLICIES (continued)

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### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### TURNOVER

Turnover represents the amounts derived from the provision of nursing care services to customers during the period.

Turnover relating to the supply of nursing care is recognised at the beginning of the month to which it relates.

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

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### 1 TURNOVER

In the opinion of the directors there is only one class of business, being the provision of nursing care services. All turnover is derived in the UK.

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	12 month period ended 31 March 2009 £'000	17 month period ended 31 March 2008 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Baker Tilly UK Audit LLP:		
Auditors' remuneration		
- Audit services	8	8
- Tax services	1	1
Depreciation and other amounts written off tangible fixed assets:		
Charge for the period:		
- Owned assets	244	261
- Leased assets	7	-
Loss/(profit) on disposal of fixed assets	1	(6)
Hire of other assets	-	225
	<hr/>	<hr/>

### 3 OTHER OPERATING INCOME

	12 month period ended 31 March 2009 £'000	17 month period ended 31 March 2008 £'000
Unlisted investment income	-	6
Rent receivable	-	9
	<hr/>	<hr/>
	-	15
	<hr/>	<hr/>

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	12 month period ended 31 March 2009 £'000	17 month period ended 31 March 2008 £'000
Bank interest receivable	61	83
	<hr/>	<hr/>

# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	<b>12 month period ended 31 March 2009 £'000</b>	<b>17 month period ended 31 March 2008 £'000</b>
Other interest payable	2	23
Finance charges payable in respect of finance leases	1	-
	<u>3</u>	<u>23</u>

### 6 EMPLOYEES

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	<b>12 month period ended 31 March 2009 Number</b>	<b>17 month period ended 31 March 2008 Number</b>
Nursing and residential	236	233
Management and administration	17	20
	<u>253</u>	<u>253</u>

The aggregate payroll costs of these persons were as follows:

	<b>12 month period ended 31 March 2009 £'000</b>	<b>17 month period ended 31 March 2008 £'000</b>
Wages and salaries	4,882	6,902
Social security costs	451	404
Pension costs	27	50
Directors' pension costs	-	200
	<u>5,360</u>	<u>7,556</u>

# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

### 6 EMPLOYEES (continued)

#### DIRECTORS' REMUNERATION

	<b>12 month period ended 31 March 2009 £'000</b>	<b>17 month period ended 31 March 2008 £'000</b>
Directors' emoluments	-	1,371
Company contributions to money purchase pension scheme	-	200
	<hr/>	<hr/>
Emoluments of highest paid director:		
Total emoluments (excluding pension contributions)	-	504
	<hr/>	<hr/>

The directors received no emoluments for services to the company during the period. The directors received remuneration for services to Lighthouse Healthcare Limited of which Healthline Individual Care Limited is a subsidiary undertaking, however, the proportion attributable to their services to Healthline Individual Care Limited is not separately identifiable.

### 7 TAXATION

#### a) Analysis of charge in the period:

	<b>12 month period ended 31 March 2009 £'000</b>	<b>17 month period ended 31 March 2008 £'000</b>
UK corporation tax on income for period	-	466
Payment for group relief	675	-
Adjustment in respect of prior years	(3)	(2)
	<hr/>	<hr/>
Total current tax	672	464
Deferred taxation:		
Origination and reversal of timing differences	12	42
Adjustments in respect of previous periods	(15)	-
	<hr/>	<hr/>
	(3)	42
	<hr/>	<hr/>
Tax on profit on ordinary activities	669	506
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# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

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### 7 TAXATION (continued)

#### b) Factors affecting tax charge for the period

The tax assessed for the period is higher (2008: lower) than the standard rate of corporation tax in the UK being 28% (2008: 30%). The differences are explained below:

	<b>12 month period ended 31 March 2009 £'000</b>	<b>17 month period ended 31 March 2008 £'000</b>
Profit on ordinary activities before taxation	<b>2,338</b>	2,283
Corporation tax at standard rate 28% (2008: 30%)	<b>655</b>	685
Expenses not deductible for tax purposes	<b>32</b>	44
Capital allowances in excess of depreciation	<b>(12)</b>	(42)
Profit on ineligible assets	<b>-</b>	(8)
Adjustment in respect of prior years	<b>(3)</b>	(2)
Group relief not charged	<b>-</b>	(213)
Current period tax charge	<b>672</b>	464

# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

### 8 TANGIBLE FIXED ASSETS

	Freehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At beginning of period	7,074	563	167	7,804
Additions	367	100	87	554
Disposals	-	-	(17)	(17)
At end of period	7,441	663	237	8,341
Depreciation				
At beginning of period	278	283	112	673
Charge for the period	121	88	42	251
Disposals	-	-	(11)	(11)
At end of period	399	371	143	913
Net book value <b>At 31 March 2009</b>	<b>7,042</b>	<b>292</b>	<b>94</b>	<b>7,428</b>
At 31 March 2008	6,796	280	55	7,131

The net book value of motor vehicles includes £69,000 (2008: £nil) in respect of fixed assets held under finance leases and hire purchase contracts. Depreciation charged for the period on these assets was £7,000 (2008: £nil).

Included in freehold land and buildings is land with a value of £1,050,000 (2008: £1,050,000) which is not depreciated.

### 9 STOCKS

	2009 £'000	2008 £'000
Raw materials and consumables	-	5

# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

### 10 DEBTORS

	2009 £'000	2008 £'000
Due within one year:		
Trade debtors	461	364
Amounts owed by group undertakings	-	200
Corporation tax	23	-
Other debtors	1	3
Prepayments and accrued income	32	341
	<u>517</u>	<u>908</u>

### 11 CREDITORS: Amounts falling due within one year

	2009 £'000	2008 £'000
Obligations under finance leases	28	-
Trade creditors	107	126
Amounts owed to group undertakings	-	4,871
Corporation tax	-	466
Other taxation and social security costs	218	113
Other creditors	4	107
Accruals and deferred income	217	1,053
	<u>574</u>	<u>6,736</u>

### 12 CREDITORS: Amounts falling due after more than one year

	2009 £'000	2008 £'000
Obligations under finance leases	36	-
Amounts owed to group undertakings	1,124	-
	<u>1,160</u>	<u>-</u>

The maturity of obligations under finance leases is as follows:

	2009 £'000	2008 £'000
Within one year	28	-
Within two to five years	36	-
	<u>64</u>	<u>-</u>

Obligations under finance leases are secured against the underlying assets.

# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

### 13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £'000
At beginning of period	248
Charge for the period	(3)
<b>At end of period</b>	<b>245</b>

Deferred taxation

	12 month period ended 31 March 2009 £'000	17 month period ended 31 March 2008 £'000
The amounts provided for deferred taxation are set out below:		
Accelerated capital allowances	245	248

### 14 CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised: 30,000 Ordinary shares of £1 each	30	30
Allotted, called up and fully paid: 15,000 Ordinary shares of £1 each	15	15

### 15 PROFIT AND LOSS ACCOUNT

	£'000
At beginning of period	4,506
Profit for the financial period	1,669
<b>At end of period</b>	<b>6,175</b>

# Healthline Individual Care Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

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### 16 PENSION SCHEME

The company operates a defined contribution pension scheme that is administered independently to the company. The contributions for the period were £26,000 (2008: £50,000). There was £nil (2008: £5,000) of outstanding contributions at the end of the period which are included in other creditors.

### 17 CONTINGENT LIABILITIES

The company, along with other members of the Lighthouse Healthcare Limited Group, is a guarantor in respect of the parent company loans with the Bank of Scotland. At the balance sheet date the loans outstanding amounted to £65,043,000 (2008: £65,154,000).

The company is also a guarantor, along with other members of the Lighthouse Healthcare Limited Group, in respect of the parent company loans with Alcentra Limited. At the balance sheet date the loans outstanding amounted to £10,755,000 (2008: £9,500,000).

The loans are also secured by a legal charge dated 26 October 2007 securing the debt against all of the company's freehold property by way of legal mortgage. In terms of security, the Alcentra debt ranks secondary to the Bank of Scotland senior debt.

### 18 ULTIMATE PARENT COMPANY

The ultimate parent company of Healthline Individual Care Limited is Lighthouse Healthcare Limited, a company incorporated and registered in the United Kingdom.

Copies of the group financial statements may be obtained from:

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF4 3UZ