

Yorkshire Parkcare Company Limited

Annual report

for the year ended 31 December 2004

Registered number: 1915148



# Yorkshire Parkcare Company Limited

## Annual report for the year ended 31 December 2004

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# **Yorkshire Parkcare Company Limited**

## **Directors and advisors**

### **Executive directors**

M Hill

A E Smith (appointed on 19 April 2004)

### **Secretary**

BLG (Professional Services) Limited

Beaufort House

15 St. Botolph Street

London

EC3A 7NJ

### **Auditors**

PricewaterhouseCoopers LLP

Cornwall Court

19 Cornwall Street

Birmingham

B3 2DT

### **Solicitors**

Pinsent Masons

3 Colmore Circus

Birmingham

B4 6BH

### **Registered office**

Craegmoor House

Perdiswell Park

Worcester

WR3 7NW

### **Bankers**

Barclays Bank Plc

PO Box 544

54 Lombard Street

London

EC3V 9EX

# **Yorkshire Parkcare Company Limited**

## **Directors' report for the year ended 31 December 2004**

The directors present their report and the audited financial statements for the year ended 31 December 2004.

### **Principal activities**

The principal activity of the Company continues to be the provision of care.

### **Review of business and future developments**

Both the level of business and the year end position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

On 31 December 2004 the Company's current assets, current liabilities and employees were transferred to Craegmoor Facilities Company Limited, a fellow group company, at no gain or loss.

### **Audit opinion qualification**

As described fully in note 1 to the financial statements, the accounting problems experienced by the Craegmoor Group during the year, and subsequently, have given rise to a qualification in the auditors' report concerning the keeping of proper books and records as required by the Companies Act 1985.

### **Results and dividends**

The profit and loss account shows a profit after tax for the year of £148,000 (2003: £126,000). The directors do not recommend the payment of a dividend for the year ended 31 December 2004 (2003: £Nil).

### **Directors and their interests**

The directors who held office up to the date of this report are listed on page 1. In addition M A Stratford resigned on 20 May 2004 and C Artis resigned on 6 August 2004.

M A Stratford was a director of the ultimate parent company in the United Kingdom, Craegmoor Limited, and his share interests are shown in the directors' report of that company. A E Smith is a director of the ultimate parent company in the United Kingdom, Craegmoor Limited, and his share interests are shown in the directors' report of that company.

C Artis held no interest in the share capital of Yorkshire Parkcare Company Limited during the year ended 31 December 2004. C Artis held 5,000 shares in the ultimate parent company, Craegmoor Limited, as at 6 August 2004 (31 December 2003: 5,000).

No other director at 31 December 2004 or 31 December 2003 had any interests in the share capital of Yorkshire Parkcare Company Limited or Craegmoor Limited.

M Hill held 4,000 share options over the ordinary shares of Craegmoor Limited as at 31 December 2004 (31 December 2003: 2,000). C Artis held 2,500 share options over the ordinary shares of Craegmoor Limited as at 6 August 2004 (31 December 2003: 2,500). These options have an exercise price of £1 each and may be exercised on the sale of Craegmoor Limited by its current shareholders. No other directors of Yorkshire Parkcare Company Limited held any share options in Craegmoor Limited at 31 December 2004 or 31 December 2003.

### **Changes in fixed assets**

Movements in tangible fixed assets during the year are set out in note 10 to the financial statements.

# **Yorkshire Parkcare Company Limited**

## **Directors' report for the year ended 31 December 2004 (continued)**

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

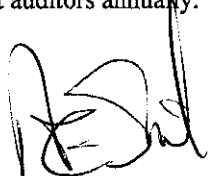
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

### **Auditors**

The Company has elected, in accordance with section 386 of the Companies Act UK 1985, to dispense with the obligation to appoint auditors annually.

By order of the Board

A handwritten signature in black ink, appearing to read 'A E Smith', is written over the text 'By order of the Board'.

**A E Smith**  
Director  
23 February 2006

## **Independent auditors' report to the members of Yorkshire Parkcare Company Limited**

We have audited the financial statements, which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### **Basis of audit 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 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.

### **Going concern**

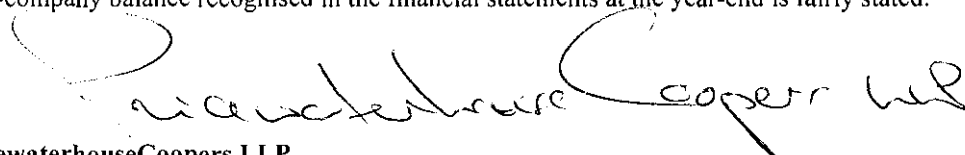
In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 to the financial statements (*Going Concern*) concerning the ongoing negotiations of the directors of the ultimate holding company, Craegmoor Limited, with lenders to the group for renewal of existing overdraft facilities, restructuring of loan facilities and renegotiation of lending obligations and covenants. The financial statements of the Company have been prepared on a going concern basis, the validity of which depends on the successful conclusion of these negotiations with the group's lenders. The financial statements do not include any adjustments that would result from a failure of the group to obtain this funding. Our opinion is not qualified in this respect.

## **Independent auditors' report to the members of Yorkshire Parkcare Company Limited (continued)**

### **Qualified opinion arising on the keeping of proper accounting records**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

As set out in Note 1 (*Problems arising from closure of the Regional Accounting Centres*), the company encountered difficulties with the transfer of the accounting processes from the former regional accounting centres to a newly established Shared Service Centre which led to serious accounting issues. Consequently, the company did not maintain complete records relating to the allocation of sales transactions and cash receipts during the year. In this respect alone in our opinion proper accounting records, as required by Section 221 of the Companies Act 1985, have not been kept throughout the year. However, by virtue of the transfer of trade debtor balances to another group company before the year end we have satisfied ourselves that the resultant inter-company balance recognised in the financial statements at the year-end is fairly stated.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers LLP', is written over the printed name of the firm.

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Birmingham

23 February 2006

# Yorkshire Parkcare Company Limited

## Profit and loss account for the year ended 31 December 2004

		2004	2003
	Note	£'000	£'000
<b>Turnover</b>	2	<b>2,383</b>	2,207
Cost of sales		(1,987)	(1,545)
<b>Gross profit</b>		<b>396</b>	662
Administrative expenses		(96)	(440)
<b>Operating profit</b>	6	<b>300</b>	222
Interest payable	7	(98)	(36)
<b>Profit on ordinary activities before taxation</b>		<b>202</b>	186
Tax on profit on ordinary activities	8	(54)	(60)
<b>Retained profit for the financial year</b>	17	<b>148</b>	126

All activities relate to continuing operations.

There were no other recognised gains or losses other than the gains included in the profit and loss account and therefore no separate statement of recognised gains and losses has been presented.



## **Yorkshire Parkcare Company Limited**

### **Note of historical cost profits and losses for the year ended 31 December 2004**

	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
Reported profit on ordinary activities before taxation	<b>202</b>	186
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	<b>32</b>	32
<b>Historical cost profit on ordinary activities before taxation</b>	<b>234</b>	218
<b>Retained historical cost profit for the year</b>	<b>180</b>	158

# Yorkshire Parkcare Company Limited

## Balance sheet as at 31 December 2004

		2004	2003
	Note	£'000	£'000
<b>Fixed assets</b>			
Investments	9	-	-
Tangible assets	10	2,594	2,678
		2,594	2,678
<b>Current assets</b>			
Stock	11	-	12
Debtors	12	4,329	3,708
Cash at bank and in hand		-	3
		4,329	3,723
<b>Creditors: amounts falling due within one year</b>	13	(566)	(168)
<b>Net current assets</b>		3,763	3,555
<b>Total assets less current liabilities</b>		6,357	6,233
<b>Creditors: amounts falling due after more than one year</b>	14	(4,358)	(4,382)
<b>Net assets</b>		1,999	1,851
<b>Capital and reserves</b>			
Called up share capital	16	91	91
Share premium account	17	10	10
Revaluation reserve	17	1,419	1,439
Profit and loss account	17	403	235
Other reserves	17	76	76
<b>Total equity shareholders' funds</b>	18	1,999	1,851

The financial statements on pages 6 to 18 were approved by the board of directors on 23 February 2006 and signed on its behalf by:



A E Smith  
Director

# **Yorkshire Parkcare Company Limited**

## **Notes to the financial statements for the year ended 31 December 2004**

### **1 Principal accounting policies**

#### **Basis of accounting**

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below:

#### **Problems arising from closure of the Regional Accounting Centres**

In 2004, as part of a process of streamlining the financial operations of the Craegmoor group, the decision was taken to close 11 regional accounting centres, transfer the processes to a newly established Shared Service Centre in Worcester and at the same time migrate the accounting systems to a new computer software system. Difficulties were encountered with the transfer process that led to a number of serious accounting issues within the Shared Service Centre including, most significantly, difficulties in allocating cash received from debtors against their accounts, the lack of timely completion of key accounting reconciliations and some inaccuracies in the customer invoicing process resulting in the need to subsequently issue credit notes and make provision for doubtful debts. This led to delays for many months in determining the exact recoverability or otherwise of the trade debtor amounts as at 31 December 2004 and consequently to the production of the 2004 statutory accounts while investigations were completed.

For the consolidated accounts of Craegmoor Limited, the ultimate parent company, the directors have taken extensive actions to assess the full recoverability of trade debtors, and full provision has been made where amounts are determined not to be collectible. Nonetheless, some uncertainty does remain that will not be fully eliminated until the 2005 accounting reconciliations are themselves completed and provide evidence regarding the position presented. Any adjustments identified have been allocated, as appropriate, to the relevant subsidiary company.

On 31 December 2004, these adjusted trade debtor balances of the company were transferred at book value via inter-company account to a fellow subsidiary undertaking, Craegmoor Facilities Company Limited, as part of a group reorganisation. As such, the risk and rewards related to these trade debtor amounts have been transferred to that company. Any future adjustment to these amounts that may prove to be necessary will be borne by Craegmoor Facilities Company Limited.

Consequently, the report of the auditors makes reference to the failure of the company to maintain proper books and records in respect of sales ledger transactions and associated cash receipt allocations during the year, although, for the reason referred to above, the valuation of the year-end inter-company balance with Craegmoor Facilities Company Limited is not qualified.

#### **Going Concern**

By not delivering audited financial statements within 6 months of the year end, the ultimate parent company, Craegmoor Limited, and certain of its subsidiaries, including Yorkshire Parkcare Company Ltd, have not complied with obligations relating to certain borrowings included in the group's consolidated financial statements. Under the terms of the relevant agreements, these failures potentially give rise to events of default which require remediation. The directors have kept the lenders and, where relevant, the lenders' guarantor fully informed of the group's financial position and the progress on resolving the accounting difficulties described above. As a result, the directors are currently in advanced, constructive discussions with lenders to the group and their guarantor for a continuation of current facilities and agreement of revised lending covenants and obligations. The financial statements have been prepared on the going concern basis which assumes that Craegmoor Limited and its subsidiaries will successfully conclude these discussions and thus continue to operate normally for the foreseeable future.

Whilst the directors are confident that facilities will be renewed, and the covenants and obligations renegotiated, and believe that it is therefore appropriate for the financial statements to be prepared on the going concern basis, a conclusion to these negotiations has not been reached as the date of approval of this report.

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 1 Principal accounting policies (continued)

#### Tangible fixed assets

The cost of fixed assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Freehold land and buildings are revalued by independent, professionally qualified valuers on a five year rolling basis, the first such valuation being five years after acquisition. These valuations are carried out on an existing use, open market value basis, and in the intervening years are updated by the directors with the assistance of independent professional advice as required.

Increases in the revalued amounts of land and buildings are credited to revaluation reserves.

Freehold land is not depreciated. Subsequent to a revaluation depreciation on freehold properties is based on revalued amounts. Depreciation on other tangible fixed assets is calculated to write off their cost, less estimated residual values, by equal annual instalments on the following bases:

Freehold buildings	-over 50 years
Building improvements	-over 20 years
Equipment	-over 7 years
Furniture and fittings	-over 3, 5 or 10 years
Motor vehicles	-over 4 years
Computer equipment	-over 4 years

During the year, a review was performed of the appropriateness of asset lives resulting in the revised lives shown above. The effect of this change on the depreciation charge for the year was not deemed to be material to the financial statements.

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS 11, "Impairment of fixed assets and goodwill". The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk adjusted weighted cost of capital of 8.5% (2003: 8.5%). Realisable value is determined by independent, professional valuers on an existing use, open market value basis.

Provisions for impairment in the carrying value of land and buildings are charged against revaluation reserves in the balance sheet to the extent that they relate to a reversal of prior increases. Impairments to below historical cost are charged to the profit and loss account.

#### Corporation tax

UK corporation tax is provided at amounts expecting to be paid (or recovered) using the tax rates and bases that have been enacted or substantially enacted by the balance sheet date. Corporation tax payable is reduced wholly or in part by the surrender of losses by fellow group companies. Payments made, if any, to surrendering companies for losses are reflected in the tax charge.

#### Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is only recognised to the extent that the transfer of economic benefits in the future is deemed to be more likely than not. Deferred tax assets and liabilities recognised are not discounted.

#### Investments

The carrying value of fixed asset investments is based on cost less provisions for impairment where necessary in accordance with FRS 11.

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 1 Principal accounting policies (continued)

#### Cash flow statement

The Company is a wholly owned subsidiary of Craegmoor Limited, and the cash flows of the Company are included in the consolidated group cash flow statement of that company. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cash flow statement.

#### Consolidation

The Company has taken advantage of the exemption under section 228(i) of the Companies Act, not to prepare and file consolidated accounts. The results of the Company are included within the group accounts of Craegmoor Investments Limited, an intermediate parent undertaking, which is incorporated in the United Kingdom. In accordance with section 228(ii), the Company will deliver to the registrar, copies of these group accounts.

### 2 Turnover

Turnover, which excludes Value Added Tax, consists entirely of fee income for care services provided in the year in the United Kingdom.

### 3 Related party transactions

The Company has taken advantage of the exemption granted under paragraph 3 (c) of FRS 8 and not disclosed any transactions with other group companies where they are more than 90% owned by a common parent.

### 4 Directors' emoluments

The emoluments of the directors were paid by Craegmoor Healthcare Company Limited, a fellow subsidiary of Craegmoor Limited. The directors were also directors of a number of other fellow subsidiaries during the year ended 31 December 2004 and 31 December 2003 and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the emoluments of the directors are disclosed within the accounts of Craegmoor Healthcare Company Limited.

### 5 Employee information

The average monthly number of persons (including executive directors) employed by the Company during the year was:

Analysis by function	2004	2003
	Number	Number
Nursing	122	125
Ancillary	47	48
Administration	10	10
	179	183

Comparative figures have been reanalysed to show employees by function as the directors consider this gives a more meaningful disclosure. The numbers disclosed include both full time and part time staff.

Staff costs (for the above persons)	2004	2003
	£'000	£'000
Wages and salaries	1,681	1,297
Social security costs	115	94
	1,796	1,391

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 6 Operating profit

	2004	2003
	£'000	£'000
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets	91	178
Hire of plant and machinery	1	1
Auditors' remuneration:		
Audit	10	11
Non-audit	-	2

### 7 Interest payable

	2004	2003
	£'000	£'000
Interest payable on amounts owed to group undertakings	98	36

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 8 Tax on profit on ordinary activities

	2004 £'000	2003 £'000
<b>Current taxation</b>		
UK corporation tax at 30% (2003: 30%)	49	96
Adjustment in respect of previous periods	-	(8)
<b>Total current taxation</b>	<b>49</b>	<b>88</b>
<b>Deferred taxation</b>		
Current year – origination and reversal of timing differences	5	(21)
Adjustment in respect of previous periods	-	(7)
<b>Total deferred taxation</b>	<b>5</b>	<b>(28)</b>
<b>Tax charge</b>	<b>54</b>	<b>60</b>

The tax for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £'000	2003 £'000
<b>Profit on ordinary activities</b>	<b>202</b>	<b>186</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	61	56
Effects of:		
Expenses not deductible for tax purposes	19	19
Capital allowances for the year (in excess of) / less than depreciation	(5)	21
Transfer pricing adjustments	(26)	-
Adjustment to tax charge in respect of previous periods	-	(8)
<b>Current tax charge</b>	<b>49</b>	<b>88</b>

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold without it being possible to claim rollover relief. The total amount unprovided for is £431,700 (2003: £532,000).

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 9 Fixed asset investments

	Investments in subsidiaries 2004 £'000
<b>Cost and net book value</b>	
<b>At 1 January 2004 and 31 December 2004</b>	-

At 31 December 2004 the Company owned 100% of the ordinary share capital of Yorkshire Care Homes Limited, a dormant subsidiary undertaking, incorporated in England and Wales.

The value of the investment is £1.

### 10 Tangible fixed assets

	Freehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2004	3,605	753	4,358
Additions	20	33	53
Acquired from other group companies	-	4	4
Disposals	(50)	-	(50)
<b>At 31 December 2004</b>	<b>3,575</b>	<b>790</b>	<b>4,365</b>
<b>Accumulated depreciation</b>			
At 1 January 2004	1,006	674	1,680
Charge for the year	65	26	91
<b>At 31 December 2004</b>	<b>1,071</b>	<b>700</b>	<b>1,771</b>
<b>Net book value</b>			
<b>At 31 December 2004</b>	<b>2,504</b>	<b>90</b>	<b>2,594</b>
At 31 December 2003	2,599	79	2,678

In accordance with the Company's accounting policy, the land and buildings occupied by the Company were revalued during 2000, by independent external valuers, Matthews and Goodman, Chartered Surveyors and Valuers. This was on the basis of existing use value in accordance with procedures approved by Royal Institution of Chartered Surveyors. This resulted in an increase in carrying value of £1,439,000, credited to the revaluation reserve.

The cost of disposal relates to land sold at nil gain or loss that, in accordance with the Company's accounting policy, had not been depreciated.



# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 10 Tangible fixed assets (continued)

Included in the cost or valuation of freehold land and buildings is £105,000 (2003: £105,000) of interest on capital borrowed to finance the construction of Bolton Hall. The net book value of capitalised interest at 31 December 2004 was £87,000 (2003: £89,000).

If freehold land and buildings had not been re-valued they would have been included at the following amounts:

	2004	2003
	£'000	£'000
Cost	1,823	1,853
Aggregate depreciation based on cost	(326)	(293)
<b>Net book value based on cost</b>	<b>1,497</b>	<b>1,560</b>

The directors consider that there has been no material change in value since 2000 and therefore the valuation has not been amended.

### 11 Stocks

	2004	2003
	£'000	£'000
Consumables	-	12

### 12 Debtors

	2004	2003
	£'000	£'000
<b>Amounts falling due within one year</b>		
Trade debtors	-	210
Amounts owed by group undertakings	4,319	3,441
Corporation tax recoverable	-	3
Other debtors	-	11
Prepayments and accrued income	-	28
	<b>4,319</b>	<b>3,693</b>
<b>Amounts falling due after more than one year</b>		
Deferred taxation (Note 15)	10	15
	<b>4,329</b>	<b>3,708</b>

As at 31 December 2004 current assets were transferred to Craegmoor Facilities Company Limited, a Craegmoor group company, at no gain or loss. These balances are included in amounts owed by group undertakings. They are interest free and are payable on demand.

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 13 Creditors: amounts falling due within one year

	2004	2003
	£'000	£'000
Trade creditors	-	19
Amounts owed to group undertakings	566	-
Other creditors	-	26
Accruals and deferred income	-	123
	566	168

As at 31 December 2004 current liabilities were transferred to Craegmoor Facilities Company Limited, a Craegmoor group company, at no gain or loss. These balances are included in amounts owed by group undertakings. They are interest free and are payable on demand.

### 14 Creditors: amounts falling due after more than one year

	2004	2003
	£'000	£'000
Amounts owed to group undertakings	4,358	4,382

Amounts owed to group undertakings include a loan payable to Craegmoor Funding (No.2) Limited under the Issuer/Borrower Facility Agreement dated 13 August 2003. The amount of interest paid each year is equal to the total debt service cost incurred by Craegmoor Funding (No.2) Limited in relation to this loan. Craegmoor Funding (No.2) Limited is a fellow subsidiary of Craegmoor Limited. There are no defined repayment terms but the immediate parent has confirmed to the directors of the Company that it will not seek any repayments of this loan within 12 months after the year-end.

### 15 Deferred taxation

Deferred tax assets	£'000
At 1 January 2004	15
Charged in profit and loss account	(5)
At 31 December 2004 (Note 12)	10

	2004	2003
	£'000	£'000
The amount recognised for deferred taxation comprises:		
Timing differences relating to accelerated capital allowances	10	15

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2004 (continued)

### 16 Called up share capital

	2004	2003
	£'000	£'000
<b>Authorised</b>		
5,000,000 (2003: 5,000,000) ordinary shares of 10p each	500	500
<b>Allotted called up and fully paid</b>		
911,755 (2003: 911,755) ordinary shares of 10p each	91	91

### 17 Reserves

	Share premium account	Profit and loss account	Revaluation reserve	Other reserves
	£'000	£'000	£'000	£'000
At 1 January 2004	10	235	1,439	76
Profit for the financial year	-	148	-	-
Transfer relating to disposal of revalued asset	-	20	(20)	-
<b>At 31 December 2004</b>	<b>10</b>	<b>403</b>	<b>1,419</b>	<b>76</b>

### 18 Reconciliation of movement in shareholders' funds

	2004	2003
	£'000	£'000
Profit for the financial year	148	126
Net increase in shareholders' funds	148	126
Opening equity shareholders' funds	1,851	1,725
<b>Closing equity shareholders' funds</b>	<b>1,999</b>	<b>1,851</b>

### 19 Contingent liabilities

There is a charge over the assets of the Company and a cross guarantee in respect of the external loan undertaken by Craegmoor Funding (No. 2) Limited amounting to £1,332,000 (2003: £1,355,000).

## **Yorkshire Parkcare Company Limited**

### **Notes to the financial statements for the year ended 31 December 2004 (continued)**

#### **20 Capital commitments**

As at 31 December 2004 the Company had no capital commitments (2003: £Nil).

#### **21 Immediate and ultimate parent companies**

The directors regard Craegmoor Holdings Limited, a company registered in England and Wales, as the immediate parent company of Yorkshire Parkcare Company Limited and Craegmoor Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom. The parent companies of the largest and smallest groups in which Yorkshire Parkcare Company Limited is consolidated are Craegmoor Limited and Craegmoor Investments Limited respectively. Copies of Craegmoor Limited's consolidated financial statements may be obtained from its registered office, Craegmoor House, Perdiswell Park, Worcester, WR3 7NW.