

Yorkshire Parkcare Company Limited  
Annual report  
for the year ended 31 December 2001

Registered no: 1915148



# **Yorkshire Parkcare Company Limited**

## **Annual report for the year ended 31 December 2001**

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# **Yorkshire Parkcare Company Limited**

## **Directors and Advisors for the year ended 31 December 2001**

### **Executive Directors**

M A Stratford

C Artis

### **Secretary**

BLG (Professional Services) Limited

Beaufort House

15 St. Botolph Street

London

EC3A 7NS

### **Auditors**

PricewaterhouseCoopers

Temple Court

35 Bull Street

Birmingham

B4 6JT

### **Solicitors**

Simon Bishop & Partners

"Hillcairie"

St. Andrew's Road

Droitwich

Worcestershire

WR9 8DJ

### **Registered Office**

"Hillcairie"

St. Andrew's Road

Droitwich

Worcestershire

WR9 8DJ

### **Bankers**

National Westminster Bank plc

Cheltenham & Gloucester Business Centre

68-70 Suffolk Road

Cheltenham

Gloucestershire

GL50 2ED

# **Yorkshire Parkcare Company Limited**

## **Directors' report for the year ended 31 December 2001**

The directors present their report and the audited financial statements for the year ended 31 December 2001.

### **Principal activities**

The principal activity of the company continues to be the operation of nursing homes.

### **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.

### **Results and dividends**

The profit and loss account shows a loss for the year of £309,000 (2000: £74,000 profit). The directors paid interim dividends of £1,000,000 on 6 March 2001 and £450,000 on 6 April 2001 (2000: £nil). No final dividend has been proposed for the year ended 31 December 2001 (2000: £Nil).

### **Directors and their interests**

The directors who held office during the year are listed on page 1.

M A Stratford is a director of the ultimate parent company in the United Kingdom, Craegmoor Limited and his share interests are shown in the director's report of that company. No other directors at 31 December 2001 had any interests in the share capital of Yorkshire Parkcare Company Limited or Craegmoor Limited.

### **Changes in fixed assets**

Movements in tangible fixed assets during the year are set out in note 8 to the financial statements.

# **Yorkshire Parkcare Company Limited**

## **Directors' report for the year ended 31 December 2001 (continued)**

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

At the end of each financial year the Directors are required by the Companies Act 1985 to prepare accounts which 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 year. In preparing the accounts for the year ended 31 December 2001, appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been consistently used and UK applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985. In addition, the Directors are responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the Company are properly safeguarded and to ensure that reasonable steps are taken to prevent or detect fraud and other irregularities.

The auditors' responsibilities in relation to the accounts are set out in their report on page 4.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

### **By order of the Board**



**BLG (Professional Services) Limited**

**Company Secretary**

21 August 2002

# **Yorkshire Parkcare Company Limited**

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

We have audited the financial statements on pages 5 to 17.

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

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards as issued by the Auditing Practices Board.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 accounts.

### **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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Birmingham**

21 August 2002

# Yorkshire Parkcare Company Limited

## Profit and loss account for the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Turnover	2	1,966	2,123
Cost of sales		(1,584)	(1,634)
<b>Gross profit</b>		<b>382</b>	<b>489</b>
Administrative expenses		( 366)	(352)
<b>Operating profit</b>	6	<b>16</b>	<b>137</b>
Exceptional item: provision for loss on sale of property	7	( 278)	-
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>( 262)</b>	<b>137</b>
Tax on (loss)/profit on ordinary activities	8	( 47)	(63)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>( 309)</b>	<b>74</b>
Dividends paid		(1,450)	-
<b>(Loss)/profit for the financial year</b>	17	<b>(1,759)</b>	<b>74</b>

All activities relate to continuing operations.

# Yorkshire Parkcare Company Limited

## Statement of total recognised gains and losses

	2001	2000
	£'000	£'000
<b>For the year ended 31 December 2001</b>		
(Loss) / Profit for the financial year	( 309)	74
Unrealised gain on revaluation of properties	-	49
Reversal of unrealised revaluation surplus	-	(583)
<b>Total recognised losses for the year</b>	<b>(309)</b>	<b>(460)</b>



# Yorkshire Parkcare Company Limited

## Note of historical cost profits and losses

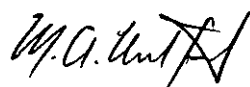
	2001	2000
For the year ended 31 December 2001	£'000	£'000
Reported profit on ordinary activities before taxation	( 262)	137
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	36	31
<b>Historical cost (loss)/profit on ordinary activities before taxation</b>	<b>(226)</b>	<b>168</b>
<b>Historical cost (loss)/profit for the year retained after taxation and dividends</b>	<b>(1,723)</b>	<b>105</b>

# Yorkshire Parkcare Company Limited

## Balance sheet as at 31 December 2001

	Note	2001 £'000	2000 £'000
<b>Fixed Assets</b>			
Tangible assets	9	4,240	4,180
Investments	10	-	-
		<b>4,240</b>	<b>4,180</b>
<b>Current assets</b>			
Stock	11	12	12
Debtors	12	1,619	3,026
Cash at bank and in hand		20	41
		<b>1,651</b>	<b>3,079</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>( 144)</b>	<b>(153)</b>
<b>Net current assets</b>		<b>1,507</b>	<b>2,926</b>
<b>Total assets less current liabilities</b>		<b>5,747</b>	<b>7,106</b>
<b>Creditors : amounts falling due after more than one year</b>	14	<b>(4,148)</b>	<b>(3,748)</b>
<b>Net assets</b>		<b>1,599</b>	<b>3,358</b>
<b>Capital and reserves</b>			
Called up share capital	16	91	91
Share premium account	17	10	10
Revaluation reserve	17	1,488	1,488
Profit and loss account	17	( 66)	1,693
Other reserves	17	76	76
<b>Total equity shareholders' funds</b>	18	<b>1,599</b>	<b>3,358</b>

The financial statements on page 5 to 17 were approved by the board of directors and signed on its behalf by:



**M A Stratford**  
**Director**  
 21 August 2002

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2001

### 1. Principal accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, in accordance with applicable Accounting Standards in the United Kingdom. During the period, the Company has implemented Financial Reporting Standards ("FRS") 18, "Accounting Policies". Other than the item referred to below under the heading "Tangible fixed assets" this has not resulted in any change to the accounting policies of the company. A summary of the more important accounting policies, which have been consistently applied, is set out below:

#### 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. Land and buildings are stated at valuations made by directors based on valuations made by independent professionally qualified valuers on an existing use open market value basis. Land and buildings are revalued by professionally qualified valuers every five years and in the intervening years these valuations are updated by the directors with the assistance of independent professional advice as required.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on the following bases:

Freehold land	- nil
Freehold buildings	- 2% straight line
Equipment	- 10% to 25% straight line (previously 15% reducing balance)
Furniture and fittings	- 10% to 25% straight line (previously 15% reducing balance)
Motor vehicles	- 25% straight line
Computer equipment	- 25% straight line

The change in the basis for depreciating equipment, furniture and fittings did not have a material impact on the results for the year.

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 FRS11, '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.

Provisions for impairment in the carrying value of fixed assets to below historical cost are charged to the profit and loss account.

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Finance and operating leases

Costs in respect of operating leases are charged as incurred.

Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on

# **Yorkshire Parkcare Company Limited**

## **Notes to the financial statements for the year ended 31 December 2001 (continued)**

### **1. Principal accounting policies (continued)**

the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms, generally 25 years and the useful lives of equivalent owned assets.

#### **Deferred taxation**

Deferred tax is provided using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

#### **Pension costs**

The company does not operate a pension scheme. Pension costs represent amounts paid to employees' private pension schemes.

#### **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 Limited its ultimate parent undertaking that is incorporated in the United Kingdom. In accordance with section 228(ii), the company will deliver to the registrar, copies of these group accounts.

#### **Investments**

The carrying value of fixed asset investments is based on cost less provision for impairment.

### **2. Turnover**

Turnover which excludes value added tax consists entirely of fee income charged for 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.

### **4. Directors' emoluments**

Directors' emoluments for the year ended 31 December 2001 were £Nil (2000: £Nil).

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2001 (continued)

### 5. Employee information

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

Nursing, ancillary and administrative	2001 Number	2000 Number
Full time	91	103
Part time	117	102
	208	205

Staff costs (for the above persons)	2001 £'000	2000 £'000
Wages and salaries	1,264	1,288
Social security costs	72	69
	1,336	1,357

### 6. Operating profit

	2001 £'000	2000 £'000
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	134	129
Auditors' remuneration - audit	11	12

### 7. Exceptional item

	2001 £'000	2000 £'000
Exceptional provision for loss on sale of properties	278	-

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2001 (continued)

### 7. Exceptional item (continued)

In accordance with the company's accounting policy the carrying value of freehold land and buildings was reassessed by the directors during the year. The exercise did not result in a change in carrying value. However, the closure and subsequent marketing of Greno Nursing Home has resulted in the requirement to recognise a provision for loss on disposal of £278,000.

### 8. Tax on (loss)/profit on ordinary activities

	2001 £'000	2000 £'000
<b>Taxation on the (loss)/ profit for the year</b>		
UK corporation tax at 30% (2000: 30%) – current	47	66
Prior year adjustment for over provision	-	(3)
	<b>47</b>	<b>63</b>

### 9. Tangible fixed assets

	Freehold Land and Buildings £'000	Fixtures and Fittings £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2001	4,794	807	5,601
Additions	419	53	472
<b>At 31 December 2001</b>	<b>5,213</b>	<b>860</b>	<b>6,073</b>
<b>Accumulated Depreciation</b>			
At 1 January 2001	877	544	1,421
Charge for the year	90	44	134
Provision for loss on sale (note 7)	278	-	278
<b>At 31 December 2001</b>	<b>1,245</b>	<b>588</b>	<b>1,833</b>
<b>Net book value</b>			
<b>At 31 December 2001</b>	<b>3,968</b>	<b>272</b>	<b>4,240</b>
At 31 December 2000	3,917	263	4,180

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2001 (continued)

### 9. Tangible Fixed Assets (continued)

Cost or valuation at 31 December 2001 is represented as follows:	£'000	£'000	£'000
Valuation in 2000	4,794	-	4,794
Cost	419	860	1,279
<b>At 31 December 2001</b>	<b>5,213</b>	<b>860</b>	<b>6,073</b>

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 the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

Included in the cost/valuation of freehold land and buildings is £105,000 of interest on capital borrowed to finance the construction of Bolton Hall. The net book value of capitalised interest at 31 December 2001 was £94,000 (2000: £97,000).

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

	2001 £'000	2000 £'000
Cost	3,422	3,003
Aggregate depreciation based on cost	(335)	(281)
<b>Net book value based on cost</b>	<b>3,087</b>	<b>2,722</b>

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2001 (continued)

### 10. Fixed asset investments

	2001	2000
	£'000	£'000
<b>Cost and net book value</b>		
At 1 January 2001 and 31 December 2001	-	-

At 31 December 2001 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.

### 11. Stocks

	2001	2000
	£'000	£'000
Consumables	12	12

### 12. Debtors

	2001	2000
	£'000	£'000
<b>Amounts falling due within one year</b>		
Trade debtors	218	91
Amounts owed by group undertakings	1,378	2,875
Other debtors	-	41
Prepayments and accrued income	23	19
	<b>1,619</b>	<b>3,026</b>



# **Yorkshire Parkcare Company Limited**

## **Notes to the financial statements for the year ended 31 December 2001 (continued)**

### **13. Creditors – Amounts falling due within one year**

	<b>2001</b>	<b>2000</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>21</b>	<b>25</b>
Corporation tax	<b>3</b>	<b>38</b>
Accruals and deferred income	<b>120</b>	<b>90</b>
	<b>144</b>	<b>153</b>

### **14. Creditors – Amounts falling due after more than one year**

	<b>2001</b>	<b>2000</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to immediate parent company	<b>4,148</b>	<b>3,748</b>

Amounts owed to the immediate parent company comprises an interest free loan. There are no defined repayment terms but the immediate parent company has confirmed to the directors that it will not seek any repayments of this loan within the next 12 months.

Included in amounts owed to group companies due after more than one year is £10,000 loaned to the company by Craegmoor Funding PLC, a fellow subsidiary of Craegmoor Limited, under the Issuer/Borrowers Facility Agreement dated 23 November 2000.

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2001 (continued)

### 15. Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amount of unprovided total potential liability at a tax rate of 30% (2000: 30%), are as follows:

	Amounts provided		Amounts unprovided	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Tax effect of timing differences because of:				
Excess capital allowances over depreciation	-	-	29	26
Revaluation surplus	-	-	532	532
<b>Deferred tax provision</b>	<b>-</b>	<b>-</b>	<b>561</b>	<b>558</b>

### 16. Called up share capital

	2001	2000
	£'000	£'000
<b>Authorised</b>		
5,000,000 ordinary shares of 10p each	500	500
<b>Allotted called up and fully paid</b>		
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 2001	10	1,693	1,488	76
Loss for the financial year	-	(1,759)	-	-
<b>At 31 December 2001</b>	<b>10</b>	<b>(66)</b>	<b>1,488</b>	<b>76</b>

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 2001 (continued)

### 18. Reconciliation of movement in shareholders' funds

	2001 £'000	2000 £'000
(Loss)/profit for the financial year	(1,759)	74
Net reversal of surplus on the revaluation of properties	-	(534)
<b>Net reduction in shareholders funds</b>	<b>(1,759)</b>	<b>(460)</b>
Opening equity shareholders' funds	3,358	3,818
<b>Closing equity shareholders' funds</b>	<b>1,599</b>	<b>3,358</b>

### 19. Capital commitments

The company had no capital commitments at 31 December 2001 (2000: £Nil).

### 20. Contingent liability

There is a fixed and floating charge over the property, undertakings and assets of the company in respect of a loan from Craegmoor Funding PLC to the company and its fellow subsidiaries under the Issuer/Borrowers Facility Agreement dated 23 November 2000. Craegmoor Funding PLC is a fellow subsidiary of Craegmoor Limited.

### 21. Immediate and ultimate parent companies

The directors regard Craegmoor Holdings Limited, a company registered in England and Wales, as the immediate parent company and Craegmoor Limited as the ultimate parent company in the United Kingdom of Yorkshire Parkcare Company Limited. Copies of Craegmoor Limited's consolidated financial statements may be obtained from it's registered office, "Hillcairnie", St. Andrew's Road, Droitwich, Worcester WR9 8DJ.

At 31 December 2001, Legal & General Group Plc owned 62.85% of the issued share capital of Craegmoor Limited via an intermediate subsidiary and a limited partnership. Legal & General Group Plc has excluded Craegmoor Limited from consolidation in its 2001 report and accounts because the limited partnership agreement imposes severe long term restrictions over its ability to exercise control.

Subsequent to the period end Legal & General Group Plc's holding in the issued share capital of Craegmoor Limited has been reduced to 47.22%.