

Yorkshire Parkcare Company Limited

Annual report

for the year ended 31 December 1999

Registered Number 1915148





# **Yorkshire Parkcare Company Limited**

## **Annual report for the year ended 31 December 1999**

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# **Yorkshire Parkcare Company Limited**

## **Directors and Advisors for the year ended 31 December 1999**

### **Executive Directors**

J B McAllister (resigned 31 March 1999)

M A Stratford

C Artis (appointed 31 March 1999)

### **Non-executive directors**

E J McKinley

J S Young

### **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

"Hillcainie"

St. Andrew's Road

Droitwich

Worcestershire

WR9 8DJ

### **Registered Office**

Simon Bishop & Partners

"Hillcainie"

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 1999**

The directors present their report and the audited financial statements for the year ended 31 December 1999.

### **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 directors do not recommend the payment of a dividend for the year ending 31 December 1999 (1998: nil). The profit for the year of £230,398 (1998: £177,681) will be transferred to reserves.

### **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 parent company, Craegmoor Healthcare Company Limited and his share interests are shown in the directors report of that company. No other directors at 31 December 1999 had any interests in the share capital of Yorkshire Parkcare Company Limited or Craegmoor Healthcare Limited.

### **Year 2000**

Many computer systems express dates using only the last two digits to indicate the year. Such systems require testing and may require modification to ensure that they produce valid data in the year 2000 and beyond.

The company's principle computer applications software were year 2000 ready in 1999. Other programs that may have required testing and/or replacing were upgraded during the course of 1999.

The directors are aware that the risks related to the year 2000 issue are not only internal but that disruption may be caused by the failure of its customers and suppliers systems. There is therefore a risk associated with the failure of other parties to remedy their own year 2000 issues. No issues have arisen to date.

The company audited its systems including equipment which may have embedded computer chips during 1999, reporting to the group's executive committee which has ultimate responsibility for this exercise.

The total cost of upgrades and modifications to the company's systems and hardware was not material and since the company only uses packaged software there were no significant charges to the profit and loss account during 1999. Similarly, none are expected in 2000.

### **Changes in fixed assets**

Movements in tangible fixed assets during the year are set out in note 9 to the financial statements.

# Yorkshire Parkcare Company Limited

## Introduction of the Euro

The company neither imports goods and services nor exports goods and services to the Euro zone.

The company has confirmed that the software upgrades are available for its packaged accounting system to cater for the Euro, which can be installed if confirmation of entry is announced.

New computer hardware purchased from 1 January 2000 will be validated to ensure that it is Euro compliant and that the appropriate currency symbol is available.

Upon announcement that the country is to enter the Euro system, the company will form an appropriate project team to deal with this matter.

## 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. In preparing those financial statements, the directors are required to:

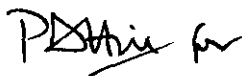
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare 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 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

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  
12 May 2000

# **Yorkshire Parkcare Company Limited**

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

We have audited the financial statements on pages 5 to 16.

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

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

### **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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Birmingham  
12 May 2000



# Yorkshire Parkcare Company Limited

## Profit and loss account for the year ended 31 December 1999

	Note	1999 £	1998 £
Turnover	2	2,330,451	2,433,757
Cost of sales		(1,699,146)	(1,654,761)
Gross profit		631,305	778,996
Administration expenses		(392,234)	(423,040)
Operating profit	7	239,071	355,956
Dividend receivable from subsidiary undertaking		54,972	-
Interest payable	6	(8,645)	-
<b>Profit on ordinary activities before taxation</b>		<b>285,398</b>	<b>355,956</b>
Tax on profit on ordinary activities	8	(55,000)	(178,275)
<b>Retained profit for the financial year</b>	17	<b>230,398</b>	<b>177,681</b>

All activities relate to continuing operations.

# **Yorkshire Parkcare Company Limited**

## **Statement of total recognised gains and losses**

	<b>1999</b>	<b>1998</b>
<b>For the year ended 31 December 1999</b>	<b>£</b>	<b>£</b>
Profit attributable to shareholders for the financial year	<b>230,398</b>	177,682
Unrealised (deficit)/gain on revaluation of properties (see note 9)	<b>(80,000)</b>	14,237
<b>Total recognised gains for the year</b>	<b>150,398</b>	191,919

# Yorkshire Parkcare Company Limited

## Note of historical cost profit and losses

	1999	1998
For the year ended 31 December 1999	£	£
Reported profit on ordinary activities before taxation	285,398	355,956
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	(32,025)	(35,723)
<b>Historical cost profit on ordinary activities before taxation</b>	<b>253,373</b>	<b>320,233</b>
<b>Historical cost profit for the year retained after taxation and dividends</b>	<b>198,373</b>	<b>141,958</b>

# Yorkshire Parkcare Company Limited

## Balance sheet as at 31 December 1999

	Note	1999 £	1998 £
<b>Fixed Assets</b>			
Tangible assets	9	4,818,976	4,992,960
Investments	10	1	1
<b>Current assets</b>			
Stock	11	12,483	12,483
Debtors	12	2,904,291	2,928,587
Cash at bank and in hand		44,857	60,275
		2,961,631	3,001,345
<b>Creditors: amounts falling due within one year</b>	13	(224,660)	(588,756)
<b>Net current assets</b>		<b>2,736,971</b>	<b>2,412,589</b>
<b>Total assets less current liabilities</b>		<b>7,555,948</b>	<b>7,405,550</b>
<b>Creditors : amounts falling due after more than one year</b>	14	<b>(3,738,190)</b>	<b>(3,738,190)</b>
<b>Net assets</b>		<b>3,817,758</b>	<b>3,667,360</b>
<b>Capital and reserves</b>			
Called up share capital	16	91,175	91,175
Share premium account	17	9,924	9,924
Revaluation reserve	17	2,022,259	2,102,259
Profit and loss account	17	1,618,123	1,387,725
Other reserves	17	76,277	76,277
<b>Total equity shareholders' funds</b>		<b>3,817,758</b>	<b>3,667,360</b>

The financial statements on page 5 to 16 were approved by the board of directors and signed on its behalf by:



M A Stratford  
Director  
12 May 2000

# Yorkshire Parkcare Company Limited

## Notes to the financial statements for the year ended 31 December 1999

### 1. Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting modified by the revaluation of certain fixed assets.

#### Consolidated financial information

The financial statements contain information about Yorkshire Parkcare Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its immediate parent, Craegmoor Healthcare Company Limited.

#### Fixed Assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. 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, or valuation, of tangible fixed assets less their estimated residual values, on the following bases:

Freehold Land	Nil
Freehold Buildings – straight line basis	2%
Motor Vehicles – straight line basis	25%
Furniture, fittings, tools and equipment – reducing balance method	15%

Provision is made for any impairment in the year in which it arises.

#### Operating leases

Costs in respect of operating leases are charge as incurred.

#### Stocks

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

#### Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable a liability will crystallise.

# Yorkshire Parkcare Company Limited

## Cash Flow Statement

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

## 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 1999 were £Nil (1998: £Nil).

## 5. Employee information

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

Nursing, ancillary and administrative	1999	1998
Full time	177	155
Part time	55	90
	232	245

Staff costs (for the above persons)	1999	1998
	£	£
Wages and salaries	1,456,701	1,394,453
Social security costs	77,075	80,632
	1,533,776	1,475,085

# Yorkshire Parkcare Company Limited

## 6. Interest payable

	1999	1998
	£	£
Other interest payable	(8,645)	-

## 7. Operating profit

	1999	1998
	£	£
Operating profit is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	119,616	123,948
Operating leases – land and buildings	4,262	9,792
Other hire of assets	134	1,061
Auditors' fees – Audit	11,260	12,764
– Non audit services	1,660	-

## 8. Tax on profit on ordinary activities

	1999	1998
	£	£
<b>Taxation on the profit for the year</b>		
UK corporation tax at 3130.25% (1998: 31%) – current	94,158	180,863
Prior year adjustment for under/(over) provision	(39,158)	(2,588)
	<b>55,000</b>	<b>178,275</b>

# Yorkshire Parkcare Company Limited

## 9. Tangible fixed assets

	Freehold Land and Buildings	Fixtures and Fittings	Motor Vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 1999	4,788,711	751,067	9,005	5,548,783
Additions	2,328	23,304	-	25,632
<b>At 31 December 1999</b>	<b>4,791,039</b>	<b>774,371</b>	<b>9,005</b>	<b>5,574,415</b>
<b>Accumulated Depreciation</b>				
At 1 January 1999	89,208	457,843	8,772	555,823
Charge for the year	86,010	33,606	-	119,616
Impairment in carrying value	80,000	-	-	80,000
<b>At 31 December 1999</b>	<b>255,218</b>	<b>491,449</b>	<b>8,772</b>	<b>755,439</b>
<b>Net book value</b>				
<b>At 31 December 1999</b>	<b>4,535,821</b>	<b>282,922</b>	<b>233</b>	<b>4,818,976</b>
At 31 December 1998	4,699,503	293,224	233	4,992,960

The carrying value of the remaining freehold land and buildings was reassessed by the directors during the year, based on the recoverable amount. The recoverable amount was based on an assessment by the directors, utilising independent advice from Matthews & Goodman, Chartered Surveyor and Valuers, of the recoverable value on an existing use open market value basis. This resulted in the recognition of a reduction in the carrying value of land and buildings of £80,000 which has been charged to the revaluation reserve.

<b>Cost or valuation at 31 December 1999 is represented as follows:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Valuation in 1999	4,791,039	-	-	4,791,039
Cost	-	774,371	9,005	783,376
<b>At 31 December 1999</b>	<b>4,791,039</b>	<b>774,371</b>	<b>9,005</b>	<b>5,574,415</b>

Included in the cost/valuation of freehold land and buildings is £104,790 of interest on capital borrowed to finance the construction of Bolton Hall. The land and buildings were, independently valued in 1995. This valuation was re-assessed by the directors in 1998.



# Yorkshire Parkcare Company Limited

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

	1999	1998
Cost	3,001,496	2,999,168
Aggregate depreciation based on cost	(227,142)	(173,157)
<b>Net book value based on cost</b>	<b>2,774,354</b>	<b>2,826,011</b>

## 10. Fixed asset investments

	1999	1998
	£	£
At 1 January 1999 and 31 December 1999	1	1

At 31 December 1998 the company had the following 100% owned, dormant subsidiary undertaking, incorporated in England and Wales:

Yorkshire Care Homes Limited

## 11. Stocks

	1999	1998
	£	£
Consumables	12,483	12,483

## 12. Debtors

Amounts falling due within one year:	1999	1998
	£	£
Trade debtors	100,877	96,002
Amounts owed by immediate parent company	2,789,709	2,784,112
Other debtor	-	29,999
Prepayments and accrued income	13,705	18,474
	<b>2,904,291</b>	<b>2,928,587</b>

# Yorkshire Parkcare Company Limited

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

	1999 £	1998 £
Trade creditors	43,995	33,341
Corporation tax	54,742	406,937
Other creditors	8,839	51,346
Accruals and deferred income	117,084	97,132
	<b>224,660</b>	<b>588,756</b>

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

	1999 £	1998 £
Amounts owed to immediate parent company	3,738,190	3,738,190

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.

## 15. Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amount of unprovided total potential liability, are as follows:

	Amounts provided		Amounts unprovided	
	1999 £	1998 £	1999 £	1998 £
<i>Tax effect of timing differences because of:</i>				
Excess capital allowances over depreciation	-	-	25,946	18,383
Revaluation surplus	-	-	532,258	532,258
	-	-	<b>558,204</b>	<b>550,641</b>

# Yorkshire Parkcare Company Limited

## 16. Called up share capital

	1999 £	1998 £
<b>Authorised</b>		
5,000,000 ordinary shares of 10p each	500,000	500,000
<b>Allotted and fully paid</b>		
911,755 ordinary shares of 10p each	91,175	91,175

## 17. Reserves

	Share premium account £	Profit and loss account £	Revaluation reserve £	Other reserves £
At 1 January 1999	9,924	1,387,725	2,102,259	76,277
Retained profit for the financial year	-	230,398	-	-
Unrealised deficit on revaluation (see note 9)	-	-	(80,000)	-
<b>At 31 December 1999</b>	<b>9,924</b>	<b>1,618,123</b>	<b>2,022,259</b>	<b>76,277</b>

## 18. Reconciliation of movement in shareholders' funds

	1999 £	1998 £
Profit attributable to shareholders	230,398	177,681
Other recognised (losses)/gains relating to the year	(80,000)	14,237
Net addition to shareholders funds	150,398	191,918
Opening equity shareholders' funds	3,667,360	3,475,442
<b>Closing equity shareholders' funds</b>	<b>3,817,758</b>	<b>3,667,360</b>

## 19. Capital commitments

The company had no capital commitments at 31 December 1999 (1998: £Nil).

# Yorkshire Parkcare Company Limited

## 20. Commitments under operating leases

At 31 December 1999 the company had commitments under non-cancellable operating leases as follows:

	1999		1998	
	Land and buildings	Other assets	Land and buildings	Other assets
	£	£	£	£
<i>Expiring between one and five years inclusive</i>	-	-	-	-

## 21. Contingent liability

There is a fixed and floating charge over the property, undertaking and assets of the company in respect of a loan from Craegmoor Finance PLC to Parkcare Homes Limited under the Parkcare/Issuer Loan Agreement dated 20 December 1997. Craegmoor Finance PLC and Parkcare Homes Limited are fellow subsidiaries of the company.

## 22. Ultimate Controlling Party

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

The directors regard Warburg Pincus LP, a company partnership incorporated in the United States of America, as the ultimate parent company. Copies of the ultimate parent company's financial statements are not available to the public.