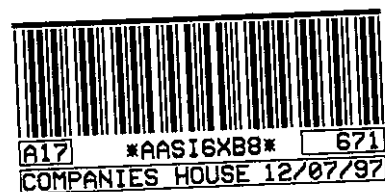


# **Newfield Care Limited**

## **Directors' report and financial statements**

**30 April 1997**

**Registered number 2090431**



# Newfield Care Limited

## Directors' report and financial statements

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# Newfield Care Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 1997.

### Principal activities

The company's principal activity is the provision of residential accommodation, nursing and related services to the elderly and infirm as a registered nursing home.

### Business review

The company has still produced profits, despite facing difficult trading conditions.

### Proposed dividend and transfer to reserves

The profit for the year retained in the company is £43,406. The directors do not recommend the payment of a dividend.

### Market value of land and buildings

In the opinion of the directors, the market value of land and buildings of the company is not significantly different from the book value.

### Directors and directors' interests

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

JA Hayfield  
BW Newman  
J Harrison  
PE Jones  
J Smith

The directors who held office at the end of the financial year had the following interests in the shares of the company, as recorded in the register of directors' share interests:

		Interest at beginning and end of year
JA Hayfield	£1 ordinary shares	15
BW Newman	£1 ordinary shares	5
J Harrison	£1 ordinary shares	5

None of the other directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

# Newfield Care Limited

## Directors' report

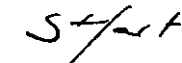
### Political and charitable contributions

The company made no political contributions during the year. Charitable contributions did not exceed £200 in total.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**SR Hart**  
*Secretary*

Newfield House  
5 Fleet Street  
Lytham St Annes  
Lancashire  
FY8 2DQ

20 June 1997

# Newfield Care Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. 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;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Edward VII Quay  
Navigation Way  
Ashton-on-Ribble  
Preston  
Lancashire PR2 2YF

## Auditors' report to the members of Newfield Care Limited

We have audited the financial statements on pages 5 to 13.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of 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 as at 30 April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
Chartered Accountants  
Registered Auditors

20 June . 1997

# Newfield Care Limited

## Profit and loss account for the year ended 30 April 1997

	Note	1997 £	1996 £
Turnover	1	341,466	353,089
Cost of sales		-	-
<b>Gross profit</b>		<b>341,466</b>	<b>353,089</b>
Administrative expenses		(281,018)	(311,258)
<b>Profit on ordinary activities before taxation</b>	2,3	<b>60,448</b>	<b>41,831</b>
Tax on profit on ordinary activities	4	(17,042)	(12,761)
<b>Retained profit for the financial year</b>		<b>43,406</b>	<b>29,070</b>
Retained profit brought forward		334,678	304,706
Transfer from revaluation reserve	12	884	902
<b>Retained profit carried forward</b>		<b>378,968</b>	<b>334,678</b>

## Statement of total recognised gains or losses for the year ended 30 April 1997

	1997 £	1996 £
Profit for the financial year	43,406	29,070
Unrealised deficit on revaluation of properties	-	(109,890)
<b>Total recognised gains and losses relating to the financial year</b>	<b>43,406</b>	<b>(80,820)</b>

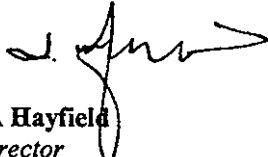
# Newfield Care Limited

## Balance sheet

at 30 April 1997

	Note	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	5	509,917	520,086
<b>Current assets</b>			
Stocks	6	352	342
Debtors	7	12,341	13,116
Cash at bank and in hand		13,580	1,409
		<u>26,273</u>	<u>14,867</u>
Creditors: amounts falling due within one year	8	(44,428)	(38,718)
<b>Net current liabilities</b>		<u>(18,155)</u>	<u>(23,851)</u>
<b>Total assets less current liabilities</b>		<u>491,762</u>	<u>496,235</u>
Creditors: amounts falling due after more than one year	9	(69,401)	(117,280)
<b>Net assets</b>		<u>422,361</u>	<u>378,955</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Revaluation reserve	12	43,293	44,177
Profit and loss account	12	378,968	334,678
<b>Equity shareholders funds</b>		<u>422,361</u>	<u>378,955</u>

These financial statements were approved by the board of directors on 20 June 1997 and were signed on its behalf by:

  
**JA Hayfield**  
 Director



# Newfield Care Limited

## Note of historical cost profits and losses *for the year ended 30 April 1997*

	1997 £	1996 £
<b>Reported profit on ordinary activities before taxation</b>	<b>60,448</b>	<b>41,831</b>
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount.	884	902
<b>Historical cost profit on ordinary activities before taxation</b>	<b>61,332</b>	<b>42,733</b>
<b>Historical cost profit for the year retained after taxation</b>	<b>44,290</b>	<b>29,972</b>

# Newfield Care Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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 in accordance with applicable accounting standards and under historical cost accounting rules modified to include the revaluation of land and buildings.

#### *Cash flow statement*

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Long leasehold land and buildings	-	2% per annum reducing balance
Equipment, fixtures and fittings	-	25% per annum straight line

#### *Leases*

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 or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with 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.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover, which is wholly derived within the United Kingdom, represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

# Newfield Care Limited

## Notes (continued)

### 2 Profit on ordinary activities before taxation

1997	1996
£	£

*Profit on ordinary activities before taxation is stated*

*after charging*

Auditors' remuneration:

Audit	500	500
Other services	100	100

Depreciation and other amounts written off tangible fixed assets:

Owned	16,217	18,612
-------	--------	--------

Directors emoluments

-	-
<hr/>	<hr/>

### 3 Staff numbers and costs

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

	Number of employees
	1997
	1996

Nursing and care staff	31	30
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

1997	1996
£	£

Wages and salaries	199,160	212,937
Social security costs	11,141	12,911

<hr/>	<hr/>
210,301	225,848
<hr/>	<hr/>

# Newfield Care Limited

## Notes (continued)

### 4 Taxation

	1997 £	1996 £
UK corporation tax 24% (1996: 25%) on the profit for the year on ordinary activities	17,087	13,681
Overprovision in prior year	(45)	(920)
	<u>17,042</u>	<u>12,761</u>

### 5 Tangible fixed assets

	Long leasehold land and buildings £	Fixtures fittings and equipment £	Total £
<i>Cost or valuation</i>			
At beginning of year	500,000	124,550	624,550
Additions	2,775	3,273	6,048
Revaluation	-	-	-
At end of year	<u>502,775</u>	<u>127,823</u>	<u>630,598</u>
<i>Depreciation</i>			
At beginning of year	-	104,464	104,464
Charge for year	10,050	6,167	16,217
Revaluation	-	-	-
At end of year	<u>10,050</u>	<u>110,631</u>	<u>120,681</u>
<i>Net book value</i>			
At 30 April 1997	<u>492,725</u>	<u>17,192</u>	<u>509,917</u>
At 30 April 1996	<u>500,000</u>	<u>20,086</u>	<u>520,086</u>

# Newfield Care Limited

## Notes (continued)

### 5 Tangible fixed assets (continued)

Particulars relating to revalued assets are given below:

	1997 £	1996 £
<i>Long Leasehold Land and buildings</i>		
At 1996 open market value	500,000	500,000
Aggregate depreciation thereon	(10,000)	-
Net book value	<u>490,000</u>	<u>500,000</u>
Historical cost of revalued assets	533,067	533,067
Aggregate depreciation based on historical cost	(84,406)	(75,250)
Historical cost net book value	<u>448,661</u>	<u>457,817</u>

### 6 Stocks

	1997 £	1996 £
Food and medicine	<u>352</u>	<u>342</u>

### 7 Debtors

	1997 Due within one year £	1996 Due within one year £
Trade debtors	4,787	5,690
Other debtors	887	887
Prepayments and accrued income	6,667	6,539
	<u>12,341</u>	<u>13,116</u>

# Newfield Care Limited

## Notes (continued)

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

	1997		1996	
	£	£	£	£
Trade creditors		4,645		3,054
Other creditors including taxation and social security:				
Corporation tax	17,087		13,681	
Other taxes and social security	3,444		3,526	
Taxation and social security	<u>20,531</u>		<u>17,207</u>	
Other creditors	<u>14,441</u>		<u>12,523</u>	
		34,972		29,730
Accruals and deferred income		4,811		5,934
		<u>44,428</u>		<u>38,718</u>

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

	1997	1996
	£	£
Amounts owed to parent undertaking	<u>69,401</u>	<u>117,280</u>

### 10 Provisions for liabilities and charges

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1997		1996	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Difference between accumulated depreciation and capital allowances	-	349	-	614
On revaluation of land and buildings	-	-	-	7,939
	<u>-</u>	<u>349</u>	<u>-</u>	<u>8,553</u>

### 11 Called up share capital

	1997	1996
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

# Newfield Care Limited

## Notes (continued)

### 12 Reconciliation of movement in shareholders funds

	Revaluation reserve £	Profit and loss account £	Share capital £	Total £
At beginning of year	44,177	334,678	100	378,955
Transfer to profit and loss account	(884)	884	-	-
Revaluation	-	-	-	-
Retained profit for the year	-	43,406	-	43,406
At end of year	<u>43,293</u>	<u>378,968</u>	<u>100</u>	<u>422,361</u>

### 13 Commitments

As at 30 April 1997 the company had no outstanding commitments for capital expenditure (1996: £nil).

### 14 Contingencies

The company has unlimited cross guarantees with Newfield Construction Limited. The amount outstanding at 30 April 1997 under this guarantee was £1,849,049 (1996: £2,196,696).

The land and buildings of the company are subject to a fixed charge to secure bank borrowings of the parent company.

### 15 Ultimate holding company

The company is a subsidiary undertaking of Newfield Construction Limited registered in England and Wales, whose financial statements are available from Companies House, Crown Way, Cardiff. Newfield Construction Limited has a participating interest and actually exercises dominant influence over the company.