

Registered number
02571516

Lanemile Limited
Report and Accounts
30 September 2004



Lanemile Limited

Directors' Report

The directors present their report and accounts for the year ended 30 September 2004.

Principal activities and review of the business

The company's principal activity during the year continued to be the development and operation of nursing homes and provision of care for the elderly.

Results and dividends

The profit for the year, after taxation, amounted to £497,000 (2003: £575,000). The directors do not recommend a dividend for the year.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

M R Parish
P J Humphreys

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

The interests of the directors in the shares of Care UK Plc the ultimate holding company are shown in the financial statements of that company.

Political and charitable donations

During the year, the company made political contribution and charitable contributions totalling £nil (2003: £nil).

Directors' responsibilities

Company law requires the directors to prepare accounts 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 period. In preparing those accounts, 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 and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

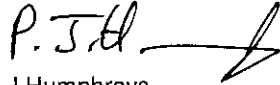
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Lanemile Limited
Directors' Report

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the company will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 7 July 2005.

A handwritten signature in black ink, appearing to read 'P. J. H.' followed by a stylized flourish.

P J Humphreys
Director

Lanemile Limited

Report of the independent auditors to the members of Lanemile Limited

We have audited the accounts on pages 4 to 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Companies Act 1985. 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 with the company is not disclosed.

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 accounts give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Pic

Chartered Accountants, Registered auditor

6 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

7 July 2005

Lanemile Limited
Profit and Loss Account
for the year ended 30 September 2004

	Notes	2004 £000	2003 £000
Turnover	2	2,608	2,449
Cost of sales		(1,936)	(1,876)
Gross profit		<u>672</u>	<u>573</u>
Administrative expenses		-	(4)
Operating profit	3	<u>672</u>	<u>569</u>
Profit on ordinary activities before taxation		<u>672</u>	<u>569</u>
Tax on profit on ordinary activities	6	(175)	6
Profit for the financial year		<u>497</u>	<u>575</u>
Retained profit for the financial year	14	<u>497</u>	<u>575</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

Note of historical cost profits and losses

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year, as stated in the profit and loss account above, and their historical cost equivalents.

Lanemile Limited
Balance Sheet
as at 30 September 2004

	Notes	2004 £000	2003 £000
Fixed assets			
Tangible assets	7	2,313	2,388
Current assets			
Stocks	8	6	6
Debtors	9	4,919	6,143
Cash at bank and in hand		1,371	90
		<u>6,296</u>	<u>6,239</u>
Creditors: amounts falling due within one year	10	(3,817)	(4,327)
Net current assets		<u>2,479</u>	<u>1,912</u>
Total assets less current liabilities		<u>4,792</u>	<u>4,300</u>
Creditors: amounts falling due after more than one year	11	(1,290)	(1,290)
Provisions for liabilities and charges			
Deferred taxation	12	(147)	(152)
Other provisions		-	-
		<u>3,355</u>	<u>2,858</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	3,354	2,857
Shareholders' funds:			
Equity		2,855	2,358
Non-equity		500	500
	15	<u>3,355</u>	<u>2,858</u>



M R Parish
Director
Approved by the board on 7 July 2005

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following accounting policies have been consistently applied.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Care UK plc and its cashflows are included within the consolidated cashflow statement of that company.

As the company is a wholly owned subsidiary of Care UK plc, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group which qualify as related parties). The consolidated financial statements of Care UK plc, within which the company is included, can be obtained from the address given in note 17.

Fixed assets

Freehold and long leasehold land and buildings are carried in the accounts at cost of external professional valuation. The last valuation was 1992 and following the implementation of FRS 15 there have been no further valuations. Assets in the course of construction are carried in the accounts at cost, taken from the most recent valuation certificate received prior to the date of the accounts.

The cost of land and buildings includes both the costs of financing the homes in the course of construction and other costs that are directly attributable to bringing the assets into working condition for its intended use. Capitalisation of finance and other costs ceases at the date of registration of the home.

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

Freehold buildings	2% on cost, less residual value of 30%
Fixtures and fittings	10%
Computer equipment	25%

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held in separately from those of the company in independently administered managed funds. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents sales and services to third party customers in the health and social care sector, stated net of any applicable value added tax. Turnover is recognised when services are provided.

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

3 Operating profit	2004	2003
	£000	£000

This is stated after charging:

Depreciation of owned fixed assets	<u>94</u>	<u>91</u>
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4 Directors' emoluments

The directors received no emoluments during the financial year ended 30 September 2004 for their services to the company (2003: £nil). The emoluments of MR Parish and PJ Humphreys and their share options are disclosed in the accounts of Care UK Plc.

5 Staff costs	2004	2003
	£000	£000

Wages and salaries	1,154	1,166
Social security costs	84	77
Other pension costs	3	3
	<u>1,241</u>	<u>1,246</u>

Average number of employees during the year	Number	Number
Care Staff	118	128
Management and administration	-	4
	<u>118</u>	<u>132</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

6 Taxation	2004 £000	2003 £000
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	214	3
Adjustments in respect of previous periods	(34)	-
	<u>180</u>	<u>3</u>
Deferred tax:		
Origination and reversal of timing differences	(5)	(9)
	<u>175</u>	<u>(6)</u>
Tax on profit/(loss) on ordinary activities		
	<u>175</u>	<u>(6)</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2004 £000	2003 £000
Profit on ordinary activities before tax	<u>672</u>	<u>569</u>
Standard rate of corporation tax in the UK	30%	30%
	£000	£000
Profit on ordinary activities multiplied by the standard rate of corporation tax	202	171
Effects of:		
Capital allowances for period less than depreciation	4	8
Utilisation of tax losses	-	(174)
Adjustments to tax charge in respect of previous periods	(34)	-
Depreciation on ineligible assets	8	-
Tax charged at 20%	-	(2)
Current tax charge for period	<u>180</u>	<u>3</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

7 Tangible fixed assets

	Short leasehold land and buildings £000	Fixtures and fittings £000	Total £000
Cost			
At 1 October 2003	2,363	655	3,018
Additions	-	19	19
At 30 September 2004	<u>2,363</u>	<u>674</u>	<u>3,037</u>
Depreciation			
At 1 October 2003	112	518	630
Charge for the year	28	66	94
At 30 September 2004	<u>140</u>	<u>584</u>	<u>724</u>
Net book value			
At 30 September 2004	<u>2,223</u>	<u>90</u>	<u>2,313</u>
At 30 September 2003	<u>2,251</u>	<u>137</u>	<u>2,388</u>

Freehold land and buildings include depreciable assets of £1,390,000 (2003: £1,390,000). The cost includes capitalised interest of £36,000 (2003: £36,000).

8 Stocks

	2004 £000	2003 £000
Raw materials and consumables	<u>6</u>	<u>6</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

9 Debtors

	2004 £000	2003 £000
Trade debtors	18	332
Amounts owed by group undertakings	4,895	5,781
Other debtors	2	26
Prepayments and accrued income	<u>4</u>	<u>4</u>
	<u>4,919</u>	<u>6,143</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

10 Creditors: amounts falling due within one year	2004	2003
	£000	£000
Trade creditors	58	37
Amounts owed to group undertakings	3,444	3,638
Corporation tax	214	69
Other taxes and social security costs	4	31
Other creditors	6	8
Accruals and deferred income	91	544
	<u>3,817</u>	<u>4,327</u>
 11 Creditors: amounts falling due after one year	 2004	 2003
	£000	£000
Amounts owed to group undertakings	<u>1,290</u>	<u>1,290</u>
 12 Deferred taxation	 2004	 2003
	£000	£000
Accelerated capital allowances	<u>147</u>	<u>152</u>
Undiscounted provision for deferred tax	147	152
	 2004	 2003
	£000	£000
At 1 October	152	161
Deferred tax charge in profit and loss account	(5)	(9)
At 30 September	<u>147</u>	<u>152</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

13 Share capital			2004	2003
			£	£
Authorised:				
Ordinary "A" shares of £1 each			500	500
Ordinary "B" shares of £1 each			500	500
			<u>1,000</u>	<u>1,000</u>
	2004	2003	2004	2003
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary "A" shares of £1 each			500	500
Ordinary "B" shares of £1 each			500	500
			<u>1,000</u>	<u>1,000</u>
14 Profit and loss account			2004	2003
			£000	£000
At 1 October			2,857	2,282
Retained profit			497	575
			<u>3,354</u>	<u>2,857</u>
15 Reconciliation of movement in shareholders' funds			2004	2003
			£000	£000
At 1 October			2,858	2,283
Profit for the financial year			497	575
			<u>3,355</u>	<u>2,858</u>

16 Pension commitments

The group has an Inland Revenue approved defined contributions group pension plan. Contributions to this scheme are charged to the profit and loss account evenly throughout the year. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £3,000 (2003:£3,000).

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2004

17 Controlling party

The company is a wholly owned subsidiary of Care UK Community Partnerships Group Limited, and its ultimate parent company is Care UK plc. Copies of the group financial statements of Care UK plc which is registered in England and Wales are available from its registered office at Connaught House, 850 The Crescent, Colchester Business Park, Essex, CO4 9QB.