

Registered number
2571516

Lanemile Limited
Report and Accounts
30 September 2003



Lanemile Limited

Directors' Report

The directors present their report and accounts for the year ended 30 September 2003.

Principal activities and review of the business

The company's principal activity during the year continued to be that of 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 £575,000 (2002 : £578,000). The directors do not recommend the payment of a dividend this year.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales.

Events since the balance sheet date

There have been no reportable events since the balance sheet date.

Directors

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

R S Clough	(resigned 1 March 2003)
M R Parish	
P J Humphreys	
G C Lomer	(resigned 1 March 2003)
D L Gee	(resigned 1 March 2003)
G D Cochrane	(resigned 1 March 2003)

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

The interests of MR Parish and PJ Humphreys in the shares of the ultimate parent company, Care UK plc, are shown in the financial statements of that company.

Political and charitable donations

During the year, the company made no political or charitable contributions.

Lanemile Limited

Directors' Report

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:

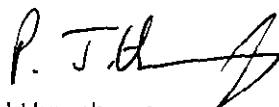
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 9 July 2004.



P J Humphreys
Director

Lanemile Limited

Report of the independent auditors to the shareholders of Lanemile Limited

We have audited the accounts of financial statements on pages 4 to 11.

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 2, 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 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 with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 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 30th September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

9 July 2004

KPMG Audit Plc
Chartered Accountants, Registered Auditor

6 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

Lanemile Limited
Profit and Loss Account
for the year ended 30 September 2003

	Notes	2003 £000	2002 £000
Turnover	2	2,449	2,303
Cost of sales		(1,876)	(1,725)
Gross profit		<u>573</u>	<u>578</u>
Administrative expenses		(4)	(3)
Operating profit	3	<u>569</u>	<u>575</u>
Profit on ordinary activities before taxation		<u>569</u>	<u>575</u>
Tax on profit on ordinary activities	6	6	3
Profit for the financial year		<u>575</u>	<u>578</u>
Retained profit for the financial year	14	<u>575</u>	<u>578</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 equivalent.

Lanemile Limited
Balance Sheet
as at 30 September 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Tangible assets	7	2,388	2,434
Current assets			
Stocks	8	6	7
Debtors	9	6,143	4,718
Cash at bank and in hand		90	315
		<u>6,239</u>	<u>5,040</u>
Creditors: amounts falling due within one year	10	(4,327)	(3,740)
Net current assets		<u>1,912</u>	<u>1,300</u>
Total assets less current liabilities		<u>4,300</u>	<u>3,734</u>
Creditors: amounts falling due after more than one year	11	(1,290)	(1,290)
Provisions for liabilities and charges			
Deferred taxation	12	(152)	(161)
Other provisions		-	-
		<u>2,858</u>	<u>2,283</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	2,857	2,282
Shareholders' funds:			
Equity		<u>2,358</u>	<u>1,783</u>
Non-equity		<u>500</u>	<u>500</u>
	15	<u>2,858</u>	<u>2,283</u>

M R Parish

Director

Approved by the board on 9 July 2004

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2003

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 No. 1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Care UK Community Partnerships Group Limited and its cash flows are included within the consolidated cashflow statement of the ultimate parent company Care UK plc.

As the company is a wholly owned subsidiary of Care UK Community Partnerships Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entries which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Care UK plc, within which this company is included, can be obtained from the address given in Note 17.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of fixed assets by equal instalments over their estimated useful economic lives as follows:-

Freehold and long leasehold land	Nil
Freehold and long leasehold buildings	2% on cost, less residual value 30%
Furniture, fittings and equipment	10% to 33%

Stocks

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

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. Deferred taxation balances are not discounted.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2003

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

3 Operating profit	2003	2002
	£000	£000

This is stated after charging:

Depreciation of owned fixed assets	<u>91</u>	<u>89</u>
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4 Staff costs	2003	2002
	£000	£000

Wages and salaries	1,166	1,052
Social security costs	77	67
Other pension costs	3	3
	<u>1,246</u>	<u>1,122</u>

Average number of employees during the year	Number	Number
Administration	128	125
Development	4	4
	<u>132</u>	<u>129</u>

5 Directors' emoluments

The directors received no emoluments for their services to the company (2002 : £nil). Their remuneration and share options in relation to Care UK plc are disclosed in its financial statements

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2003

6 Taxation	2003	2002
	£000	£000
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	3	3
Deferred tax:		
Origination and reversal of timing differences	(9)	(6)
	<hr/>	<hr/>
Tax on loss on ordinary activities	(6)	(3)

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:

	2003	2002
	£000	£000
Profit on ordinary activities before tax	<hr/> 569	<hr/> 575
Current tax at 30%	171	173
Current tax charge	3	3
Under charge	<hr/> <hr/> 168	<hr/> <hr/> 170
Effects of:		
Capital allowances for period in excess of depreciation	(28)	(21)
Utilisation of tax losses	581	580
	<hr/>	<hr/>
Net total items	553	559
Tax at 30%	166	168
Plus tax charged at 20%	2	2
Under charge	<hr/> <hr/> 168	<hr/> <hr/> 170

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2003

7 Tangible fixed assets

	Short leasehold land and buildings £000	Fixtures and fittings £000	Total £000
Cost			
At 1 October 2002	2,363	610	2,973
Additions	-	45	45
At 30 September 2003	<u>2,363</u>	<u>655</u>	<u>3,018</u>
Depreciation			
At 1 October 2002	84	455	539
Charge for the year	28	63	91
At 30 September 2003	<u>112</u>	<u>518</u>	<u>630</u>
Net book value			
At 30 September 2003	<u>2,251</u>	<u>137</u>	<u>2,388</u>
At 30 September 2002	<u>2,279</u>	<u>155</u>	<u>2,434</u>

Freehold land and buildings include depreciable assets of £1,390,000 (2002 : £1,390,000). The cost includes capitalised interest of £36,000 (2002 : £36,000).

8 Stocks	2003 £000	2002 £000
Raw materials and consumables	<u>6</u>	<u>7</u>

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

9 Debtors	2003 £000	2002 £000
Trade debtors	332	147
Amounts owed by group undertakings	5,781	4,564
Other debtors	26	-
Prepayments and accrued income	4	7
	<u>6,143</u>	<u>4,718</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2003

10 Creditors: amounts falling due within one year	2003	2002
	£000	£000
Trade creditors	37	46
Amounts owed to group undertakings	3,638	3,063
Corporation tax	69	66
Other taxes and social security costs	31	23
Other creditors	8	5
Accruals and deferred income	544	537
	<u>4,327</u>	<u>3,740</u>

11 Creditors: amounts falling due after one year	2003	2002
	£000	£000
Amounts owed to group undertakings	<u>1,290</u>	<u>1,290</u>

12 Deferred taxation	2003	2002
	£000	£000
Accelerated capital allowances	152	161
Undiscounted provision for deferred tax	152	161

	2003	2002
	£000	£000
At 1 October 2002	161	167
Deferred tax charge in profit and loss account	(9)	(6)
At 30 September 2003	<u>152</u>	<u>161</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2003

13 Share capital	2003	2002
	£	£
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>

	2003	2002	2003	2002
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary "A" shares of £1 each	500	500	500	500
Ordinary "B" shares of £1 each	500	500	500	500
			<u>1,000</u>	<u>1,000</u>

14 Profit and loss account	2003	2002
	£000	£000
At 1 October 2002	2,282	1,704
Retained profit	575	578
	<u>2,857</u>	<u>2,282</u>
At 30 September 2003		

15 Reconciliation of movement in shareholders' funds	2003	2002
	£000	£000
At 1 October 2002	2,283	1,705
Profit for the financial year	575	578
	<u>2,858</u>	<u>2,283</u>
At 30 September 2003		

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 (2002 : £3,000).

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 their registered office at Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.