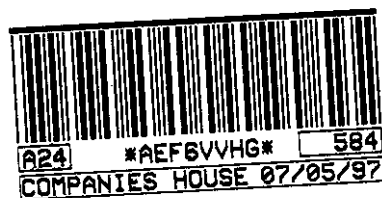


# **Lanemile Limited**

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

**30 September 1996**

Registered number 2571516



# Lanemile Limited

## Directors' report and financial statements

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# Lanemile Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year to 30 September 1996.

### Principal activities

The company's principal activity is that of the development and operation of nursing homes and provision of care for the elderly.

### Business review

Both of the company's nursing homes have traded profitably during the year, and the directors expect this to continue.

### Proposed dividend and transfer to reserves

A dividend was not paid during the year (1995: £770,000).

The amount transferred to reserves during the year is £354,000

### Directors and directors' interests

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

RS Clough  
S Kenney  
GC Lomer  
DL Gee  
JRS Bryant

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

# Lanemile Limited

## Directors' report *(continued)*

The interests of Mr RS Clough and Mr JRS Bryant in the shares of the ultimate parent company, Care UK plc are shown in the financial statements of that company.

The interests of Mr S Kenney, Mr GC Lomer and Mr DL Gee in the shares of the ultimate holding company, Care UK plc are shown in the financial statements of Haven Healthcare Holdings Limited.

### **Employees**

It is company policy to give fair consideration to the employment needs of disabled people and to comply with legislation with regard to disabled persons.

Management regularly visit nursing homes and discuss matters of current interest and concern to the business with members of staff.

### **Political and charitable contributions**

The company made no political or charitable contributions during the year.

By order of the board

  
**GC Lomer**  
*Secretary*

Crown House  
Stephenson Road  
Severalls Park  
Colchester  
CO4 4QR

# Lanemile 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 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;
- 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.



6 Lower Brook Street  
IPSWICH  
Suffolk  
IP4 1AP

## Auditors' report to the members of Lanemile Limited

We have audited the financial statements on pages 5 to 14.

### *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 affairs of the company as at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Wmcc,*

*Chartered Accountants  
Registered Auditors*

*24 April 1997*



# Lanemile Limited

## Profit and loss account

for the year ended 30 September 1996

	<i>Note</i>	<b>1996</b> <b>£000</b>	<b>1995</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>2,006</b>	<b>1,954</b>
Cost of sales		<b>(1,270)</b>	<b>(1,245)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>736</b>	<b>709</b>
Administrative expenses		<b>(144)</b>	<b>(2)</b>
		<hr/>	<hr/>
<b>Trading profit</b>		<b>592</b>	<b>707</b>
Interest receivable		<b>18</b>	<b>35</b>
Interest payable	<b>5</b>	<b>(126)</b>	<b>(116)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities</b>			
<b>before taxation</b>	<b>3</b>	<b>484</b>	<b>626</b>
Tax on profit on ordinary activities	<b>6</b>	<b>(130)</b>	<b>(207)</b>
		<hr/>	<hr/>
Profit on ordinary activities		<b>354</b>	<b>419</b>
Dividends	<b>7</b>	<b>-</b>	<b>(770)</b>
		<hr/>	<hr/>
<b>Retained profit/(loss) for the financial year</b>		<b>354</b>	<b>(351)</b>
Retained profit brought forward		<b>329</b>	<b>680</b>
		<hr/>	<hr/>
<b>Retained profit carried forward</b>		<b>683</b>	<b>329</b>
		<hr/>	<hr/>

All of the company's operations are classed as continuing.

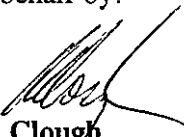
The company had no movements on reserves or recognised gains or losses other than the profit for the year.

# Lanemile Limited

## Balance sheet at 30 September 1996

	Note	1996		1995	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	8		2,640		2,678
<b>Current assets</b>					
Stocks	9	4		3	
Debtors	10	907		498	
Cash at bank and in hand		504		623	
		<u>1,415</u>		<u>1,124</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,136)</u>		<u>(1,169)</u>	
<b>Net current assets/(liabilities)</b>			<u>279</u>		<u>(45)</u>
<b>Total assets less current liabilities</b>			<u>2,919</u>		<u>2,633</u>
<b>Creditors: amounts falling due after more than one year</b>	12		2,076		2,185
<b>Provisions for liabilities and charges</b>	13		159		118
<b>Capital and reserves</b>					
Called up share capital	14	1		1	
Profit and loss account		683		329	
		<u>684</u>		<u>330</u>	
<b>Equity shareholders' funds</b>			<u>684</u>		<u>330</u>
			<u>2,919</u>		<u>2,633</u>

These financial statements were approved by the board of directors on 26 March 1997 and were signed on its behalf by:

  
RS Clough  
Director



# Lanemile 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 the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Care UK plc and its cash flows are included within the consolidated cash flow statements of that company.

#### *Finance costs*

Finance costs incurred on borrowings to fund the development of specific nursing homes are capitalised whilst the nursing home is in the course of construction. Capitalisation of interest ceases on the date of registration of the nursing home.

#### *Fixed assets and depreciation*

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

Fixtures and fittings	-	10% per annum
-----------------------	---	---------------

No depreciation is provided on freehold land.

No depreciation is provided on freehold buildings. It is the company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly the directors consider that the lives of these assets are so long and residual values, based on prices prevailing at the time of construction are so high that their depreciation is insignificant. It is the company's policy to make provision in the profit and loss account in respect of any permanent diminution in an individual property value.

Assets under construction are not depreciated until completed and available for operation.

#### *Leases*

Annual rental charges under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Pension costs*

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

# Lanemile Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials and consumables the FIFO method is used.

#### *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.

### 2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year.

### 3 Profit on ordinary activities before taxation

	1996 £000	1995 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation and other amounts written off tangible fixed assets	43	43
Directors' remuneration	-	-
Auditors' remuneration	-	-

### 4 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	
	1996	1995
Care staff	155	160
Directors	5	5
	<hr/>	<hr/>
	160	165
	<hr/>	<hr/>

# Lanemile Limited

## Notes *(continued)*

### 4 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	1996 £000	1995 £000
Wages and salaries	832	804
Social security costs	53	52
Other pension costs (see note 16)	3	6
	<u>888</u>	<u>862</u>

### 5 Interest payable and similar charges

	1996 £000	1995 £000
On bank loans, overdrafts and other loans wholly repayable within five years	<u>126</u>	<u>116</u>

### 6 Taxation

	1996 £000	1995 £000
UK corporation tax at 33% on the profit for the year on ordinary activities	89	136
Deferred taxation	<u>41</u>	<u>71</u>
	<u>130</u>	<u>207</u>

### 7 Dividends

	1996 £000	1995 £000
Ordinary shares		
Interim dividend paid	<u>-</u>	<u>770</u>

# Lanemile Limited

## Notes (continued)

### 8 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£000	£000	£000
At beginning of year	2,365	425	2,790
Additions	-	5	5
	<hr/>	<hr/>	<hr/>
At end of year	2,365	430	2,795
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	-	112	112
Charge for year	-	43	43
	<hr/>	<hr/>	<hr/>
At end of year	-	155	155
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 1996	2,365	275	2,640
	<hr/>	<hr/>	<hr/>
At 30 September 1995	2,365	313	2,678
	<hr/>	<hr/>	<hr/>

The freehold land and buildings are not depreciated. They include capitalised interest of £36,000 (1995:£36,000).

# Lanemile Limited

## Notes (continued)

### 9 Stocks

	1996 £000	1995 £000
Raw materials and consumables	<u>4</u>	<u>3</u>

### 10 Debtors

	1996 £000	1995 £000
Amounts falling due within one year:		
Trade debtors	9	9
Amounts owed by group undertakings	890	477
Other debtors	1	2
Prepayments	7	10
	<u>907</u>	<u>498</u>

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

	1996 £000	1995 £000
Bank loan (see note 12)	109	110
Trade creditors	26	29
Amounts owed to group undertakings	238	371
Other creditors including taxation and social security:		
Corporation tax	126	45
Taxation and social security	22	16
Other creditors	2	-
Accruals	139	137
Deferred income	474	461
	<u>1,136</u>	<u>1,169</u>

# Lanemile Limited

## Notes (continued)

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

	1996 £000	1995 £000
Bank loans - due in 2 to 5 years	427	424
Bank loans - due in 6 to 10 years	811	923
Amounts owed to group undertakings	838	838
	<u>2,076</u>	<u>2,185</u>

The bank loan referred to in notes 11 and 12 is part of a group facility repayable by instalments within ten years and bears interest at commercial rates.

The facility is secured by fixed and floating charges over group assets. A guarantee has also been given by the group in respect of drawings under the same facility by fellow subsidiaries.

The facility is supported by a guarantee given by the group's parent company.

### 13 Provisions for liabilities and charges

	Deferred taxation £000
At beginning of year	118
Utilised during year	-
Charged for the year in the profit and loss account	41
	<u>159</u>

# Lanemile Limited

## Notes (continued)

The amounts provided for deferred taxation and the amounts not provided at the full UK Corporation Tax rate of 33% are set out below:

	1996		1995	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Capital allowances in excess of depreciation	159	-	118	-
Short-term timing differences	-	-	-	-
	<u>159</u>	<u>-</u>	<u>118</u>	<u>-</u>

### 14 Called up share capital

	1996	1995
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
500 'A' Ordinary shares of £1 each	500	500
500 'H' Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

# Lanemile Limited

## Notes *(continued)*

### 15 **Commitments**

There were no capital commitments at the end of the financial year.

### 16 **Pension scheme**

The company contributes to a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £3,000 (1995:£6,000).

### 17 **Parent companies**

The company is a wholly owned subsidiary of Haven Healthcare Holdings Limited, and its ultimate parent company is Care UK plc. Copies of the group financial statements of Haven Healthcare Holdings Limited and Care UK plc, both of which are registered in England and Wales are available from their registered offices at Crown House, Stephenson Road, Severalls Park, Colchester, Essex CO4 4QR.