

Registered number
2571516

Lanemile Limited

Report and Accounts

30 September 2001



Lanemile Limited
Report and accounts
Contents

	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6 - 10

Lanemile Limited
Directors' Report

The directors present their report and accounts for the year ended 30 September 2001.

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 £392,000 (£532,000). The directors do not recommend the payment of a dividend this year (2000: £nil).

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 were as follows:

GC Lomer
DL Gee
RS Clough
JRS Bryant
DJ Bates
C Isaac
G D Cochrane (appointed 12 September 2001)
S Kenney (resigned 30 June 2001)
PD Norton (resigned 31 July 2001)

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

The interests of Mr DL Gee, Mr DJ Bates and Mrs C Isaac in the shares of the ultimate holding company, Care UK plc are shown in the financial statements of Care UK Community Partnerships Group Limited.

Auditors

A resolution to reappoint KPMG Audit Plc as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 25TH JUNE 2002 .


G C Lomer
Director

Lanemile Limited

Statement of 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; and*
- *state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 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.

Lanemile Limited
Independent Auditors' Report

Independent auditors' report
to the members of Lanemile Limited

We have audited the accounts on pages 4 to 10.

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 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit AC

23 July 2002

KPMG Audit Plc
Chartered Accountants and Registered Auditors

6 Lower Brook Street
Ipswich
IP4 1AP

Lanemile Limited
Profit and Loss Account
for the year ended 30 September 2001

	Notes	2001 £000	2000 £000
Turnover	2	2,233	2,182
Cost of sales		(1,667)	(1,472)
Gross profit		<u>566</u>	<u>710</u>
Administrative expenses		(4)	(1)
Operating profit	3	<u>562</u>	<u>709</u>
Interest payable	5	-	(86)
Profit on ordinary activities before taxation		<u>562</u>	<u>623</u>
Tax on profit on ordinary activities	6	(170)	(91)
Profit for the financial year		<u>392</u>	<u>532</u>
Retained profit for the financial year	14	<u><u>392</u></u>	<u><u>532</u></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.

Lanemile Limited
Balance Sheet
as at 30 September 2001

	Notes	2001 £000	2000 £000
Fixed assets			
Tangible assets	7	2,488	2,483
Current assets			
Stocks	8	8	8
Debtors	9	4,114	3,325
Cash at bank and in hand		378	24
		<u>4,500</u>	<u>3,357</u>
Creditors: amounts falling due within one year	10	(3,826)	(3,070)
Net current assets		<u>674</u>	<u>287</u>
Total assets less current liabilities		<u>3,162</u>	<u>2,770</u>
Creditors: amounts falling due after more than one year	11	(1,290)	(1,290)
Provisions for liabilities and charges			
Deferred taxation	12	(134)	(134)
Other provisions		-	-
		<u>1,738</u>	<u>1,346</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	1,737	1,345
Shareholders' funds:			
Equity		<u>1,738</u>	<u>1,346</u>
	15	<u>1,738</u>	<u>1,346</u>


R S Clough
Director

Approved by the board on 26TH JUNE 2002 .

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2001

1 Accounting policies

Accounting convention

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

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 plc and its cash flows are included within the consolidated cash flow statement of that company.

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 entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Care UK Community Partnerships Group Limited, within which this company is included, can be obtained from the address given in note 16.

Depreciation

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 and long leasehold land	Nil
Freehold and long leasehold buildings	2%
Furniture, fittings and equipment	10 to 33%

Stocks

Stock is valued at the lower of cost and net realisable value. In determining the cost of raw materials and consumables the FIFO method is used.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

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.

2 Turnover

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

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2001

3 Operating profit	2001	2000
	£000	£000

This is stated after charging:

Depreciation of owned fixed assets	<u>85</u>	<u>77</u>
------------------------------------	-----------	-----------

4 Staff costs	2001	2000
	£000	£000

Wages and salaries	918	942
Social security costs	56	52
Other pension costs	3	3
	<u>977</u>	<u>997</u>

Average number of employees during the year	Number	Number
Care Staff	125	149
Administration	2	7
	<u>127</u>	<u>156</u>

5 Interest payable	2001	2000
	£000	£000

Bank loans and overdrafts	<u>-</u>	<u>86</u>
---------------------------	----------	-----------

6 Taxation	2001	2000
	£000	£000

UK corporation tax at 30% (2000: 30%)	<u>170</u>	<u>91</u>
---------------------------------------	------------	-----------

The tax charge for the year represents an effective rate of 30.2% (2000: 14.6%). The rate is influenced by the availability of Group relief.

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2001

7 Tangible fixed assets

	Freehold land and buildings £000	Fixtures, Fittings & Equipment £000	Total £000
Cost			
At 1 October 2000	2,363	485	2,848
Additions	-	90	90
At 30 September 2001	<u>2,363</u>	<u>575</u>	<u>2,938</u>
Depreciation			
At 1 October 2000	28	337	365
Charge for the year	28	57	85
At 30 September 2001	<u>56</u>	<u>394</u>	<u>450</u>
Net book value			
At 30 September 2001	<u>2,307</u>	<u>181</u>	<u>2,488</u>
At 30 September 2000	<u>2,335</u>	<u>148</u>	<u>2,483</u>

Freehold land and buildings include depreciable assets of £1,390,000 (2000: £1,390,000). The cost includes capitalised interest of £36,000 (2000: £36,000).

8 Stocks

	2001 £000	2000 £000
Raw materials and consumables	<u>8</u>	<u>8</u>

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

9 Debtors

	2001 £000	2000 £000
Trade debtors	21	187
Amounts owed by group undertakings	4,085	3,127
Other debtors	-	4
Prepayments and accrued income	8	7
	<u>4,114</u>	<u>3,325</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2001

10 Creditors: amounts falling due within one year

	2001	2000
	£000	£000
Trade creditors	46	50
Amounts owed to group undertakings	3,078	2,262
Corporation tax	151	152
Other taxes and social security costs	13	11
Other creditors	-	7
Accruals and deferred income	538	588
	<u>3,826</u>	<u>3,070</u>

11 Creditors: amounts falling due after one year

	2001	2000
	£000	£000
Amounts owed to group undertakings	<u>1,290</u>	<u>1,290</u>

12 Deferred taxation

	2001	2000
	£000	£000
At 1 October 2000	134	134
At 30 September 2001	<u>134</u>	<u>134</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provided	Unprovided	Provided	Unprovided
	2001	2001	2000	2000
	£000	£000	£000	£000
Capital allowances in advance of depreciation	133	34	133	41
Other timing differences	<u>1</u>	<u>(1)</u>	<u>1</u>	<u>(1)</u>
	<u>134</u>	<u>33</u>	<u>134</u>	<u>40</u>

Lanemile Limited
Notes to the Accounts
for the year ended 30 September 2001

13 Share capital	2001	2000
	£	£
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>

	2001	2000	2001	2000
	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	2001	2000
	£000	£000
At 1 October 2000	1,345	813
Retained profit	392	532
	<u>1,737</u>	<u>1,345</u>
At 30 September 2001		

15 Reconciliation of movement in shareholders' funds	2001	2000
	£000	£000
At 1 October 2000	1,346	814
Profit for the financial year	392	532
	<u>1,738</u>	<u>1,346</u>
At 30 September 2001		

16 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 Community Partnerships Group Limited and Care UK plc, both of which are registered in England and Wales, are available from their registered office at Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 4YQ.