

COMPANIES HOUSE COPY

Rider House Limited

Report and Financial Statements

Year Ended

31 December 2003

IBDO
BDO Stoy Hayward
Chartered Accountants



Rider House Limited

Annual report and financial statements for the year ended 31 December 2003

Contents

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Cash flow statement
8	Notes forming part of the financial statements

Directors

S M Moxham
V A Elms
H Moxham

Secretary and registered office

S M Moxham, Rider House, Stapenhill Road, Burton On Trent, Staffordshire DE15 9AE

Company number

2796826

Auditors

BDO Stoy Hayward LLP, Mander House, Wolverhampton, West Midlands, WV1 3NF

Report of the directors for the year ended 31 December 2003

The directors present their report together with the audited financial statements for the year ended 31 December 2003.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

Principal activities, review of business and future developments

The company's principal activity of the company during the year was that of the operation of nursing homes.

The directors are satisfied with the results for the year and hope the level of business can be maintained. They also consider the financial position of the company at the end of the year to be satisfactory.

The company is also negotiating the sale of one of its two nursing homes. Further details are disclosed in note 19 to the financial statements.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	31 December 2003	1 January 2003
S M Moxham	99	99
V A Elms	-	-
H Moxham	1	1

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 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; and
- 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 keeping 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 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.

Rider House Limited

Report of the directors for the year ended 31 December 2003 (*Continued*)

Auditors

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

On behalf of the board



S M Moxham

Director

Date: 14 October 2004

Report of the independent auditors

To the shareholders of Rider House Limited

We have audited the financial statements of Rider House Limited for the year ended 31 December 2003 on pages 5 to 15 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

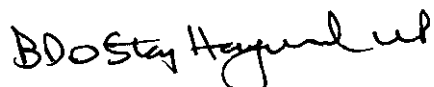
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 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.

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Wolverhampton

Date: 6 October 2004

Rider House Limited

Profit and loss account for the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	2	1,378,226	1,279,093
Administrative expenses		1,273,417	1,123,275
		<hr/>	<hr/>
Operating profit	3	104,809	155,818
Other interest receivable and similar income		11	3,569
Interest payable and similar charges	6	(48,319)	(56,809)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		56,501	102,578
Taxation on profit on ordinary activities	7	18,277	29,000
		<hr/>	<hr/>
Profit on ordinary activities after taxation		38,224	73,578
Retained profit brought forward		449,773	376,195
		<hr/>	<hr/>
Retained profit carried forward		487,997	449,773
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 8 to 15 form part of these financial statements.

Rider House Limited

Balance sheet at 31 December 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Intangible assets	8		69,862		100,912
Tangible assets	9		1,364,396		1,391,314
			<hr/>		<hr/>
			1,434,258		1,492,226
Current assets					
Debtors	10	53,972		37,211	
Cash at bank and in hand		2		19	
		<hr/>		<hr/>	
		53,974		37,230	
Creditors: amounts falling due within one year	11	316,355		303,011	
		<hr/>		<hr/>	
Net current liabilities			(262,381)		(265,781)
			<hr/>		<hr/>
Total assets less current liabilities			1,171,877		1,226,445
Creditors: amounts falling due after more than one year	12		683,780		776,572
			<hr/>		<hr/>
			488,097		449,873
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account			487,997		449,773
			<hr/>		<hr/>
Equity shareholders' funds			488,097		449,873
			<hr/>		<hr/>

The financial statements were approved by the Board on 4 October 2004

S M Moxham
Director



The notes on pages 8 to 15 form part of these financial statements.

Rider House Limited

Cash flow statement for the year ended 31 December 2003

	Note	2003 £	2003 £	2002 £	2002 £
Net cash inflow from operating activities	16		114,539		237,834
Returns on investments and servicing of finance					
Interest received		11		3,569	
Interest paid: other		(48,319)		(56,809)	
Net cash outflow from returns on investments and servicing of finance			(48,308)		(53,240)
Taxation					
Corporation tax paid			(28,847)		(12,153)
Cash inflow before financing			37,384		172,441
Financing					
Loans repaid			(86,014)		(80,942)
(Decrease)/increase in cash	17		(48,630)		91,499

The notes on pages 8 to 15 form part of these financial statements.

1 Accounting policies

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

The following principal accounting policies have been applied:

Goodwill

Purchased goodwill is valued at the fair value of consideration paid, less the fair value of assets obtained at acquisition. Purchased goodwill is amortised over 10 years which is the period over which the directors estimate that benefit will be derived.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Leased assets

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2003 £	2002 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	26,918	26,918
Amortisation of positive goodwill	31,050	31,050
Audit services	2,700	2,600
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of:

	2003 £	2002 £
Wages and salaries	962,102	882,903
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows:

	2003 Number	2002 Number
Nursing staff	106	105
Administration	4	3
	<u> </u>	<u> </u>
	110	108
	<u> </u>	<u> </u>

5 Directors' remuneration

	2003 £	2002 £
Directors' emoluments	72,143	57,137
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2003 £	2002 £
Bank loans and overdrafts	48,319	56,809
	<u> </u>	<u> </u>

7 Taxation on profit on ordinary activities

	2003 £	2003 £	2002 £	2002 £
<i>UK Corporation tax</i>				
Current tax on profits of the year	20,500		29,000	
Adjustment in respect of previous periods	(2,223)		-	
	<u> </u>		<u> </u>	
Total current tax		<u>18,277</u>		<u>29,000</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>56,501</u>	<u>102,578</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2002 - 19%)	10,735	19,490
Effect of:		
Depreciation in excess of capital allowances	9,494	8,987
Adjustment to tax charge in respect of previous periods	(2,223)	-
Rounding adjustment	271	523
	<u> </u>	<u> </u>
Current tax charge for period	<u>18,277</u>	<u>29,000</u>

8 Intangible assets

	Purchased goodwill £
<i>Cost or valuation</i>	
At 1 January 2003 and 31 December 2003	310,500
<i>Amortisation</i>	
At 1 January 2003	209,588
Provided for the year	31,050
At 31 December 2003	240,638
<i>Net book value</i>	
At 31 December 2003	69,862
At 31 December 2002	100,912

9 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2003 and 31 December 2003	1,421,246	5,234	298,145	1,724,625
<i>Depreciation</i>				
At 1 January 2003	37,900	5,234	290,177	333,311
Provided for the year	18,950	-	7,968	26,918
At 31 December 2003	56,850	5,234	298,145	360,229
<i>Net book value</i>				
At 31 December 2003	1,364,396	-	-	1,364,396
At 31 December 2002	1,383,346	-	7,968	1,391,314

10 Debtors

	2003 £	2002 £
Trade debtors	53,972	31,311
Prepayments and accrued income	-	5,900
	<u>53,972</u>	<u>37,211</u>

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts (secured)	173,811	118,420
Corporation tax	20,500	31,070
Other taxation and social security	13,090	13,422
Other creditors	50,186	98,983
Accruals and deferred income	58,768	41,116
	<u>316,355</u>	<u>303,011</u>

12 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Bank loan (secured)	<u>683,780</u>	<u>776,572</u>

12 Creditors: amounts falling due after more than one year (Continued)

Maturity of debt:

	Loans and overdrafts 2003 £	Loans and overdrafts 2002 £
In one year or less, or on demand	173,811	118,420
In more than one year but not more than two years	100,996	94,051
In more than two years but not more than five years	339,186	317,385
In more than five years	243,598	365,136
	<u>683,780</u>	<u>776,572</u>

Included in creditors due after more than one year are the following amounts repayable in more than five years:

	2003 £	2002 £
Bank loan	243,598	365,136

The bank loan is subject to interest charged at 2% above the bank base rate. The loan is being repaid in monthly instalments of £12,140 and the agreement expires in March 2011. The bank loan and overdraft are secured over the assets of the company.

13 Share capital

	2003 £	Authorised 2002 £	Allotted, called up and fully paid 2003 £	2002 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	100	100	100	100

14 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2003	2002
	Other £	Other £
Operating leases which expire:		
In two to five years	4,701	4,701
After five years	1,916	1,916
	<u>6,617</u>	<u>6,617</u>

15 Related party disclosures

Controlling parties

The company is controlled by S M Moxham.

Loans and transactions concerning directors and officers of the company

The company owed S M Moxham £50,186 (2002 - £98,983) at the balance sheet date.

16 Reconciliation of operating profit to net cash inflow from operating activities

	2003 £	2002 £
Operating profit	104,809	155,818
Amortisation of intangible fixed assets	31,050	31,050
Depreciation of tangible fixed assets	26,918	26,918
(Increase)/decrease in debtors	(16,761)	16,609
(Decrease)/increase in creditors	(31,477)	7,439
	<u>114,539</u>	<u>237,834</u>
Net cash inflow from operating activities		

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

17 Reconciliation of net cash flow to movement in net debt

	2003 £	2002 £
(Decrease)/increase in cash	(48,630)	91,499
Cash outflow from changes in debt	86,014	80,942
Movement in net debt	37,384	172,441
Opening net debt	(894,973)	(1,067,414)
Closing net debt	(857,589)	(894,973)

18 Analysis of net debt

	At 1 January 2003 £	Cash flow £	Other non- cash items £	At 31 December 2003 £
Cash at bank and in hand	19	(17)	-	2
Bank overdrafts	(29,693)	(48,613)	-	(78,306)
		(48,630)		
Debt due within one year	(88,727)	86,014	(92,792)	(95,505)
Debt due after one year	(776,572)	-	92,792	(683,780)
Total	(894,973)	37,384	-	(857,589)

19 Post balance sheet events

The company is in the process of negotiating the sale of one of its two nursing homes, The Rowans, for the sum of £850,000. At 31 December 2003, the net book value of the assets pertaining to The Rowans and included in these financial statements amounted to £995,000.