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**ASCHAM COMMUNITY CARE 2000 LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 NOVEMBER 1995**



**COMPANY INFORMATION**

**COMPANY NUMBER** 2938894

**DIRECTORS** L.R. Blackstone  
L. Cobrin  
Mrs. M.A. Hammond  
E. HersHKovitz

**SECRETARY** E. HersHKovitz

**REGISTERED OFFICE** Barbican House  
26-34 Old Street  
London  
EC1V 9HL

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EC1V 9HL

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## **REPORT OF THE DIRECTORS**

The directors present their first report and financial statements for the period ended 30 November 1995.

The company was incorporated on 9 June 1994.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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 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.

### **Principal activity**

The principal activity of the company is that of establishing, equipping and operating clinics, nursing homes and convalescent homes.

### **Review of business and future developments**

The company did not trade during the period. However, land was purchased and design and planing work on the first nursing home has commenced. The directors are satisfied with operations so far.

### **Fixed assets**

Movement in fixed assets are detailed in note 8.

### **Dividend**

The directors do not recommend the payment of a dividend.

**REPORT OF THE DIRECTORS (continued)**

**Directors and their interests**

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

|                   | <i>Ordinary Shares of £1 each</i> |            |
|-------------------|-----------------------------------|------------|
|                   | <b>30.11.95</b>                   |            |
|                   | 'A' Shares                        | 'B' Shares |
| L.R. Blackstone   | -                                 | -          |
| L. Cobrin         | -                                 | 200        |
| Mrs. M.A. Hammond | -                                 | -          |
| E. Hershkovitz    | -                                 | -          |

On 6 March 1995, London River Investment Limited, the holding company, granted a share option to L. Cobrin to purchase 50 ordinary shares in Ascham Community Care 2000 Limited at a price of £937.50 per share. These options are exercisable in the period commencing 6 March 1995 and ending six months after the approval of the audited accounts for the company for the third year of trading.

**Auditors**

Pursuant to a written resolution of the members, the company has dispensed with the holding of Annual General Meetings, the requirement to lay accounts at such meetings, and the obligation to appoint auditors annually. Messrs Tobias & Co., will therefore continue as auditors.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

**By order of the board**

Secretary: E. Hershkovitz

Date:

3/7/97



**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
ASCHAM COMMUNITY CARE 2000 LIMITED**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2, 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 the company's affairs as at 30 November 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

*Tobias & Company.*

**TOBIAS & COMPANY**  
Accountants and  
Registered Auditors

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City Business Centre  
St Olav's Court  
Lower Road  
London SE16 2XB

Date: *4th July 1997*

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Ref: LRB/A326

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**PROFIT AND LOSS ACCOUNT**  
for the period ended 30 November 1995

| Note      |  | 1995<br>£        |
|-----------|--|------------------|
|           | Administration expenses                                | (11,974)         |
| <b>3</b>  | <b>OPERATING LOSS</b>                                  | <b>(11,974)</b>  |
| <b>6</b>  | Interest receivable and similar income                 | 929              |
|           | <b>LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | <b>(11,045)</b>  |
| <b>7</b>  | Taxation   | -                |
| <b>13</b> | <b>RETAINED LOSS FOR<br/>THE FINANCIAL PERIOD</b>      | <b>£(11,045)</b> |

There were no recognised gains or losses other than shown in the profit and loss account.

The notes on pages 7 to 10 form part of these financial statements

**BALANCE SHEET**  
as at 30 November 1995

| Note |   | 1995<br>£       |
|------|---|-----------------|
|      | <b>FIXED ASSETS</b>                                   |                 |
| 8    | Tangible assets                                       | 930,546         |
|      | <b>CURRENT ASSETS</b>                                 |                 |
| 9    | Debtors   | 1,400           |
|      | Cash at bank and in hand                              | 6,321           |
|      |   | 7,721           |
| 10   | <b>CREDITORS:</b> Amounts falling due within one year | (220,695)       |
|      | <b>NET CURRENT LIABILITIES</b>                        | (212,974)       |
|      | <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          | <b>£717,572</b> |
|      | <b>FINANCED BY</b>                                    |                 |
| 11   | Long term loan  | 727,617         |
|      | <b>CAPITAL AND RESERVES</b>                           |                 |
| 12   | Called-up share capital                               | 1,000           |
| 13   | Profit and loss account                               | (11,045)        |
|      | <b>SHAREHOLDERS' FUNDS</b>                            | <b>£717,572</b> |

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Approved by the Board and signed on its behalf by:

Director: L.R. Blackstone



Director: E. Hershkovitz



Date: 3rd July 1997.

The notes on pages 7 to 10 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 November 1995

**1. ACCOUNTING POLICIES**

a) Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

b) Tangible fixed assets

The capitalised development costs consists of the expenditure to construct the buildings on the land of the company. These costs will be amortised once the related revenues are realised.

c) Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences and all other material differences at the current rate of tax, unless there is a reasonable probability that such a liability will not arise in the foreseeable future.

d) Leasing

Rentals paid under operating leases are dealt with in the profit and loss account as incurred.

e) Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement as set out in FRS 1 as it qualifies as a small company.

f) Capitalised interest

In the case of major development projects, the interest on the capital borrowed to finance the projects is, where separately identifiable and to the extent that it accrues during the period of development, capitalised as part of the cost of the assets.

**2. TURNOVER**

Turnover represents the invoiced of goods sold and services rendered excluding valued added tax.

**3. OPERATING LOSS**

Operating loss is stated after charging:

|  |       |
|--|-------|
| Auditors' remuneration for: - audit services | 1,000 |
| Operating lease charges: - other             | 600   |
| Formation expenses                           | 409   |

1995  
£



**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 November 1995

for the period ended 30 November 1995

|    |  |           |                           |            |
|----|--|-----------|---------------------------|------------|
|    |  |           |                           | 1995<br>£  |
| 4. | <b>DIRECTORS' EMOLUMENTS</b>   |           |                           |            |
|    | Directors' fees  |           |                           | £49,992    |
| 5. | <b>STAFF COSTS</b>   |           |                           |            |
|    | The total remuneration, including directors was  |           |                           | £49,992    |
|    | The average number of persons employed by the company, including directors, during the period was: |           |                           |            |
|    |  |           | Number                    |            |
|    |  |           |                           | 2          |
| 6. | <b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>  |           |                           |            |
|    | Bank deposit interest  |           |                           | £929       |
| 7. | <b>TAX ON ORDINARY ACTIVITIES</b>  |           |                           |            |
|    | Provision for year   |           |                           | £-         |
| 8. | <b>TANGIBLE FIXED ASSETS</b>   |           |                           |            |
|    |  | Land<br>£ | Development<br>costs<br>£ | Total<br>£ |
|    | <b>Cost:</b>   |           |                           |            |
|    | Additions and as at 30 November 1995   | 715,889   | 214,657                   | 930,546    |
|    | <b>Net Book Value:</b>   |           |                           |            |
|    | As at 30 November 1995   | £715,889  | £214,657                  | £930,546   |
|    |  |           |                           | 1995<br>£  |
| 9. | <b>DEBTORS</b>   |           |                           |            |
|    | <b>Amounts falling due within one year:</b>  |           |                           |            |
|    | Called up share capital not paid   |           |                           | 200        |
|    | Prepayments  |           |                           | 1,200      |
|    |  |           |                           | £1,400     |

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 November 1995

**10. CREDITORS**

**Amounts falling due within one year:**

|                              |                 |
|------------------------------|-----------------|
| Bank loan (secured)          | 118,192         |
| Other creditors              | 81,176          |
| Accruals and deferred income | 21,327          |
|                              | <u>£220,695</u> |

The bank has a first charge over the land of the company.

**11. LONG TERM LOAN**

**Falling due after more than one year:**

|                                    |                 |
|------------------------------------|-----------------|
| Amounts owed to group undertakings | <u>£727,617</u> |
|------------------------------------|-----------------|

The loan is interest free and there is no fixed date for repayment.

**12. SHARE CAPITAL**

**Authorised:**

|                                |               |
|--------------------------------|---------------|
| ordinary shares of £1 each     |               |
| "A" ordinary shares of £1 each | 800           |
| "B" ordinary shares of £1 each | 200           |
|                                | <u>£1,000</u> |

**Allotted, called up, and fully paid:**

|                                |               |
|--------------------------------|---------------|
| ordinary shares of £1 each     |               |
| "A" ordinary shares of £1 each | 800           |
| "B" ordinary shares of £1 each | 200           |
|                                | <u>£1,000</u> |

1995  
£

**13. RECONCILIATION OF MOVEMENTS IN  
SHAREHOLDERS FUNDS**

|                             |                  |
|-----------------------------|------------------|
| Loss for the period         | (11,045)         |
| Issue of share capital      | 1,000            |
| Closing shareholders' funds | <u>£(10,045)</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 30 November 1995

**14. LEASE COMMITMENTS**

The commitments at 30 November 1995 in respect of operating leases of land and buildings are:

Leases expiring:

Within two to five years

**£12,100**

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**15. ULTIMATE HOLDING COMPANY**

The ultimate holding company is London River Investments Limited a company registered in England.