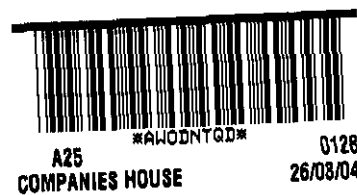


**Report of the Directors and  
Financial Statements for the Year Ended 30 June 2003  
for  
CHILTERN CARE HOMES LIMITED**



**CHILTERN CARE HOMES LIMITED**

**Contents of the Financial Statements  
for the Year Ended 30 June 2003**

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**CHILTERN CARE HOMES LIMITED**

**Company Information  
for the Year Ended 30 June 2003**

**DIRECTORS:** R F Wallis  
Mrs J M A Wilson

**SECRETARY:** Mrs C M Wallis

**REGISTERED OFFICE:** Cotswold Dene  
Standlake  
Witney  
Oxfordshire  
OX29 7PL

**REGISTERED NUMBER:** 03200776 (England and Wales)

**AUDITORS:** Logan & Brewerton Limited  
Chartered Certified Accountants  
and Registered Auditor  
2 Arkwright Road  
Bicester  
Oxfordshire  
OX26 4SU

# CHILTERN CARE HOMES LIMITED

## Report of the Directors for the Year Ended 30 June 2003

The directors present their report with the financial statements of the company for the year ended 30 June 2003.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of nursing home proprietor.

### FIXED ASSETS

The directors consider that there is a material difference between the net book value of the Leasehold Nursing Homes held by the company and their market value, Note 4 to the financial statements refers. The Leasehold Nursing Homes which have been written down to £187,992 are considered to have an open market value as at 30 June 2003 of £1,500,000. The Leasehold Nursing Homes represent 3 nursing homes all under leases for a 30 year duration.

### DIRECTORS

The directors during the year under review were:

R F Wallis

Mrs J M A Wilson

The directors holding office at 30 June 2003 did not hold any beneficial interest in the issued share capital of the company at 1 July 2002 or 30 June 2003.

### 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

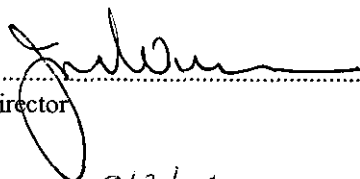
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

The auditors, Logan & Brewerton Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### ON BEHALF OF THE BOARD:



- Director

Date: 9/3/04

**Report of the Independent Auditors to the Shareholders of  
CHILTERN CARE HOMES LIMITED**

We have audited the financial statements of CHILTERN CARE HOMES LIMITED for the year ended 30 June 2003 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 auditors' 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**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

**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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Logan & Brewerton Limited*

Logan & Brewerton Limited  
Chartered Certified Accountants  
and Registered Auditor  
2 Arkwright Road  
Bicester  
Oxfordshire  
OX26 4SU

Date: 12 March 2004

# CHILTERN CARE HOMES LIMITED

## Profit and Loss Account for the Year Ended 30 June 2003

		30.6.03	30.6.02
	Notes	£	£
<b>TURNOVER</b>		2,535,978	2,280,037
Cost of sales		1,320,829	1,181,998
<b>GROSS PROFIT</b>		1,215,149	1,098,039
Administrative expenses		1,143,927	1,070,253
<b>OPERATING PROFIT</b>	2	71,222	27,786
Interest receivable and similar income		927	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		72,149	27,786
Tax on profit on ordinary activities	3	28,695	20,000
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		43,454	7,786
Retained profit brought forward		393,451	385,665
<b>RETAINED PROFIT CARRIED FORWARD</b>		£436,905	£393,451

The notes form part of these financial statements

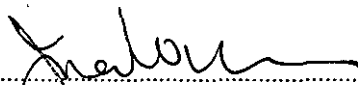
# CHILTERN CARE HOMES LIMITED

## Balance Sheet 30 June 2003

		30.6.03		30.6.02	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	4		297,698		290,740
<b>CURRENT ASSETS:</b>					
Stocks		3,685		3,524	
Debtors	5	454,486		463,898	
Cash at bank		211,875		153,889	
		670,046		621,311	
<b>CREDITORS: Amounts falling due within one year</b>	6	477,778		468,500	
<b>NET CURRENT ASSETS:</b>			192,268		152,811
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			489,966		443,551
<b>CREDITORS: Amounts falling due after more than one year</b>	7		(50,000)		(50,000)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	8		(2,961)		-
			<u>£437,005</u>		<u>£393,551</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	9		100		100
Profit and loss account			436,905		393,451
<b>SHAREHOLDERS' FUNDS:</b>			<u>£437,005</u>		<u>£393,551</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

  
.....  
- Director

Approved by the Board on 9/3/04 .....

The notes form part of these financial statements

# CHILTERN CARE HOMES LIMITED

## Notes to the Financial Statements for the Year Ended 30 June 2003

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold Nursing Homes	- over the period of the lease
Fittings and Equipment	- 20% on cost
Motor Vehicles	- 25% on reducing balance

Improvements made to Leasehold Nursing Homes since acquisition are incorporated within Leasehold Nursing Homes and are being amortised over 10 years.

Leasehold Premium is being amortised over 10 years.

#### Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

### 2. OPERATING PROFIT

The operating profit is stated after charging:

	30.6.03	30.6.02
	£	£
Depreciation - owned assets	63,237	55,119
Loss on disposal of fixed assets	57	1,570
Auditors' remuneration	3,300	3,000
Pension costs	778	-
	<u>70,372</u>	<u>60,689</u>
Directors' emoluments and other benefits etc	43,752	42,000
	<u>114,124</u>	<u>102,689</u>



# CHILTERN CARE HOMES LIMITED

## Notes to the Financial Statements for the Year Ended 30 June 2003

### 3. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.03 £	30.6.02 £
Current tax:		
UK corporation tax	25,734	20,000
Deferred Taxation	2,961	-
Tax on profit on ordinary activities	<u>28,695</u>	<u>20,000</u>

UK corporation tax has been charged at 23.22% (2002 - 22.50%).

### 4. TANGIBLE FIXED ASSETS

	Leasehold Nursing Homes	Leasehold Premium	Fittings and Equipment	Motor Vehicles	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 July 2002	280,096	40,000	107,972	36,659	464,727
Additions	19,749	-	21,264	30,044	71,057
Disposals	-	-	-	(1,150)	(1,150)
At 30 June 2003	<u>299,845</u>	<u>40,000</u>	<u>129,236</u>	<u>65,553</u>	<u>534,634</u>
<b>DEPRECIATION:</b>					
At 1 July 2002	86,550	16,000	53,369	18,068	173,987
Charge for year	25,303	4,000	21,991	11,943	63,237
Eliminated on disposals	-	-	-	(288)	(288)
At 30 June 2003	<u>111,853</u>	<u>20,000</u>	<u>75,360</u>	<u>29,723</u>	<u>236,936</u>
<b>NET BOOK VALUE:</b>					
At 30 June 2003	<u>187,992</u>	<u>20,000</u>	<u>53,876</u>	<u>35,830</u>	<u>297,698</u>
At 30 June 2002	<u>193,546</u>	<u>24,000</u>	<u>54,603</u>	<u>18,591</u>	<u>290,740</u>

### 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.03 £	30.6.02 £
Trade Debtors	164,045	205,162
Other Debtors	-	550
Prepayments	20,095	2,566
Due from Holding Company	147,442	188,233
Due from Associate Company	122,904	67,387
	<u>454,486</u>	<u>463,898</u>

# CHILTERN CARE HOMES LIMITED

## Notes to the Financial Statements for the Year Ended 30 June 2003

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.03	30.6.02
	£	£
Trade Creditors	344,254	376,096
Other Creditors	20,673	18,126
Other Taxes & Social Security	33,156	28,791
Taxation	47,734	42,000
Accrued Expenses	31,961	3,487
	<u>477,778</u>	<u>468,500</u>

### 7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.03	30.6.02
	£	£
Subordinated Loan	<u>50,000</u>	<u>50,000</u>

### 8. PROVISIONS FOR LIABILITIES AND CHARGES

	30.6.03	30.6.02
	£	£
Deferred Taxation	<u>2,961</u>	-
	Deferred tax	
Provision	<u>£ 2,961</u>	
Balance at 30 June 2003	<u>2,961</u>	

The provision for deferred taxation at 30 June 2002 amounted to £2,889. The company did not provide for this liability at that time and given that it is not of a material consequence to the company's overall financial position, no prior year adjustment has been incorporated.

### 9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.6.03	30.6.02
			£	£
20,000	Ordinary £1	1	<u>20,000</u>	<u>20,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.6.03	30.6.02
			£	£
100	Ordinary £1	1	<u>100</u>	<u>100</u>

### 10. ULTIMATE PARENT COMPANY

The holding company is Chiltern Care Holdings Limited, which is registered in England and Wales.

## **CHILTERN CARE HOMES LIMITED**

### **Notes to the Financial Statements for the Year Ended 30 June 2003**

#### **11. TRANSACTIONS WITH DIRECTORS**

Mr R Wallis and Mrs J M A Wilson are directors of Chiltern Care Holdings Limited, the company's holding company.

Mrs Wilson also had an agreement with the company to provide accommodation for nursing staff who work at the nursing homes. This agreement terminated on 31 March 2003 when the accommodation was sold to an associated company, Crown Albany Care Limited. The transaction was undertaken on normal commercial terms.

The directors are also directors of Crown Albany Care Limited and Crown Quality Care Limited, both of which are associated companies and Maxibase Plc, a dormant subsidiary of Crown Quality Limited.

Any transactions by the directors with any of the above have been made at arms length.

#### **12. RELATED PARTY DISCLOSURES**

The directors of the company are also the directors of Crown Albany Care Limited and Crown Quality Care Limited, both of which are associated companies. Any transactions with these companies have been undertaken on normal commercial terms at arms length.