

Sussex Health Care Limited

FINANCIAL STATEMENTS

for the year ended

30 April 2003



Sussex Health Care Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Boghani
S Sachedina

SECRETARY

S Boghani

REGISTERED OFFICE

Tylden House
Dorking Road
Warnham
Nr Horsham
West Sussex
RH12 3RZ

AUDITORS

Baker Tilly
Chartered Accountants
International House
Queens Road
Brighton
East Sussex
BN1 3XE

BANKERS

Barclays Bank Plc
PO Box 13
8 George Street
Richmond
TW9 1JU

Sussex Health Care Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Sussex Health Care Limited for the year ended 30 April 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period under review was the construction of nursing homes.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 April 2003	At 1 May 2002
S Boghani	50	50
S Sachedina	<u>50</u>	<u>50</u>

No rights to subscribe for shares in, or debentures of, the company were granted to or exercised by either director during the year.

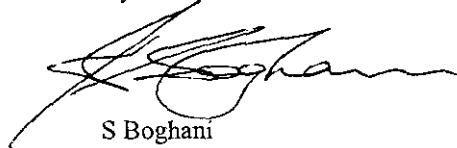
AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

SMALL COMPANY PROVISIONS

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

By order of the board



S Boghani

Company Secretary

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Sussex Health Care Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUSSEX HEALTH CARE LIMITED

We have audited the financial statements on pages 6 to 10.

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

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

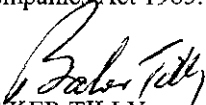
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUSSEX HEALTH CARE LIMITED (continued)

Opinion

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


BAKER TILLY

Registered Auditor
Chartered Accountants
International House
Queens Road
Brighton
East Sussex
BN1 3XE

19/4/04
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Sussex Health Care Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 2003

	<i>Notes</i>	2003 £	2002 £
TURNOVER		1,523,933	971,653
Cost of sales		<u>1,523,933</u>	<u>971,653</u>
Gross profit		—	—
Administrative expenses		<u>10,141</u>	<u>6,387</u>
OPERATING LOSS	1	(10,141)	(6,387)
Interest payable		166	147
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(10,307)</u>	<u>(6,534)</u>
Taxation	2	—	—
LOSS FOR THE FINANCIAL YEAR		<u>(10,307)</u>	<u>(6,534)</u>

The operating loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Sussex Health Care Limited

BALANCE SHEET

30 April 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	3	<u>10,200</u>	<u>-</u>
CURRENT ASSETS			
Stocks		-	71,426
Debtors	4	<u>978,662</u>	<u>651,391</u>
		978,662	722,817
CREDITORS			
Amounts falling due within one year	5	<u>1,013,353</u>	<u>737,001</u>
NET CURRENT LIABILITIES		<u>(34,691)</u>	<u>(14,184)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(24,491)</u>	<u>(14,184)</u>
CAPITAL AND RESERVES			
Called up equity share capital	7	100	100
Profit and loss account	8	<u>(24,591)</u>	<u>(14,284)</u>
DEFICIENCY	9	<u>(24,491)</u>	<u>(14,184)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 17/02/04 and are signed on their behalf by:


S Boghani
Director

Sussex Health Care Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared under the going concern basis despite the deficiency of funds shown on the balance sheet. The directors believe that the going concern basis is appropriate because the major creditors have indicated that they will not call the amounts owing for repayment to the detriment of the company.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 15% reducing balance

WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Sussex Health Care Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2003

1 OPERATING LOSS

Operating loss is stated after charging:

	2003	2002
	£	£
Directors' emoluments	—	—
Depreciation of owned fixed assets	1,800	—
Auditors' fees	3,000	—
	<u> </u>	<u> </u>

2 TAX ON LOSS ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 - 19%).

	2003	2002
	£	£
Loss on ordinary activities before taxation	(10,307)	(6,534)
Loss on ordinary activities by rate of tax	(1,958)	(1,241)
Movement in unrelieved tax losses	1,958	1,241
Total current tax	<u> </u>	<u> </u>

3 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
Cost	
Additions	12,000
At 30 April 2003	<u>12,000</u>
Depreciation	
Charge for the year	1,800
At 30 April 2003	<u>1,800</u>
Net book value	
At 30 April 2003	<u>10,200</u>
At 30 April 2002	<u>—</u>

4 DEBTORS

	2003	2002
	£	£
VAT recoverable	58,097	4,750
Other debtors	920,565	646,641
	<u>978,662</u>	<u>651,391</u>

Sussex Health Care Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2003

5 CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	112,286	17,272
Other creditors	901,067	719,729
	<u>1,013,353</u>	<u>737,001</u>

6 RELATED PARTY TRANSACTIONS

All of the sales made by the company during the current and previous year were to a partnership under the control of Mr S Boghani and Mr S Sachedina, the directors of the company.

Monies totalling £920,565 (2002: £751,516) had been advanced to partnerships under the control of Mr S Boghani and Mr S Sachedina as at the balance sheet date.

Monies totalling £774,281 (2002: £823,104) had been advanced from partnerships under the control of Mr S Boghani and Mr S Sachedina as at the balance sheet date.

7 SHARE CAPITAL

	2003	2002
	£	£
Authorised:		
10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
	2003	2002
	£	£
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
At 1 May 2002	(14,284)	(7,750)
Accumulated loss for the financial year	<u>(10,307)</u>	<u>(6,534)</u>
At 30 April 2003	<u>(24,591)</u>	<u>(14,284)</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Loss for the financial year	(10,307)	(6,534)
Opening shareholders' equity deficit	<u>(14,184)</u>	<u>(7,650)</u>
Closing shareholders' equity deficit	<u>(24,491)</u>	<u>(14,184)</u>