

NORTH HILL HOUSE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 AUGUST 2002



BERKELEY HALL
Chartered Accountants & Registered Auditors
21 King Street
Frome
Somerset
BA11 1BJ

NORTH HILL HOUSE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

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NORTH HILL HOUSE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the year ended 31 August 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholder, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF AUDIT OPINION

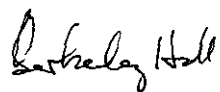
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

21 King Street
Frome
Somerset
BA11 1BJ

4/7/03
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BERKELEY HALL
Chartered Accountants
& Registered Auditors

NORTH HILL HOUSE LIMITED

BALANCE SHEET

31 AUGUST 2002

	Note	2002 £	2001 £
FIXED ASSETS	2		
Tangible assets		<u>22,380</u>	<u>-</u>
CURRENT ASSETS			
Stocks		1,678	1,295
Debtors		512,686	119,151
Cash at bank and in hand		<u>68,719</u>	<u>215,944</u>
		583,083	336,390
CREDITORS: Amounts falling due within one year		<u>523,430</u>	<u>477,042</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>59,653</u>	<u>(140,652)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>82,033</u>	<u>(140,652)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	3	<u>1</u>	<u>1</u>
Profit and Loss Account		<u>82,032</u>	<u>(140,653)</u>
SHAREHOLDER'S FUNDS/(DEFICIT)		<u>82,033</u>	<u>(140,652)</u>

These accounts 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 27 JUNE 2003 and are signed on their behalf by:



P J Greensmith
Director

NORTH HILL HOUSE LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2002

1. ACCOUNTING POLICIES

(i) Basis of accounting

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).

(ii) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

(iii) 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:

Freehold Property	- over 10 years
Plant & Machinery	- over 4 years
Fixtures & Fittings	- over 7 years

(iv) Stocks

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

(v) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

2. FIXED ASSETS

	Tangible Assets £
COST	
Additions	26,538
At 31 August 2002	<u>26,538</u>
DEPRECIATION	
Charge for year	4,158
At 31 August 2002	<u>4,158</u>
NET BOOK VALUE	
At 31 August 2002	<u>22,380</u>

NORTH HILL HOUSE LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2002

3. SHARE CAPITAL**Authorised share capital:**

	2002	2001
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

4. ULTIMATE PARENT COMPANY

North Hill House Limited is a wholly owned subsidiary of Farleigh Schools Limited, a company registered in England and Wales.

5. POST BALANCE SHEET EVENTS

On the 7th of October 2002, the Company was acquired by Priory Health Care Group.