

Executive Health Care Limited

Directors' report and financial statements

for the year ended 31 July 2007

Registered number 04851843

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Executive Health Care Limited

Directors' report and financial statements

<i>Contents</i>	Pages
Directors' report	1 - 2
Accountants' report	3
Profit and loss account	4
Balance sheet	5 - 6
Notes to the financial statements	7 - 12

Executive Health Care Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 July 2007

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and 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 company's principal activity is that of the development and running of care homes.

Results and dividends

The results for the year are set out on page 4.

Directors

The directors who served during the year are as stated below:

J P Houghton

D E Jones (appointed 9 March 2007)

B Murphy (resigned 9 March 2007)

G Wade (resigned 31 March 2007)

Executive Health Care Limited

Directors' report

Share capital

On 11 April 2007 the company issued at par 98 ordinary shares of £1 each

Post balance sheet events

On 1 November 2007 the company's entire issued share capital was acquired by System Cycle Limited for a total cash consideration of £100

System Cycle Limited is a subsidiary of Executive Care Group Limited a company in which Mrs J P Houghton is a director

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

This report was approved by the board on 3/11/08 and signed on its behalf by


Director

Accountants' report to the directors on the unaudited financial statements of Executive Health Care Limited

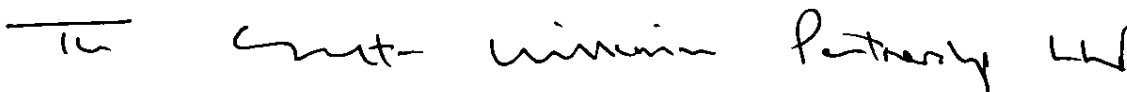
In accordance with the engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the profit and loss account, the balance sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors, as a body, that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 July 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Accountants & Business Advisers

3 NOVEMBER 2008

Executive Health Care Limited

Profit and loss account

for the year ended 31 July 2007

	Notes	2007 £	2006 £
Turnover - continuing operations	2	82,781	-
Cost of sales		(90,647)	-
Gross loss		(7,866)	-
Administrative expenses		(40,692)	-
Operating loss - continuing operations	3	(48,558)	-
Interest receivable and similar income		866	-
Interest payable and similar charges	4	(23,183)	-
Loss on ordinary activities before taxation		(70,875)	-
Taxation	5	-	-
Loss for the financial year	12	(70,875)	-

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 7 to 12 form an integral part of these financial statements

Executive Health Care Limited

Balance sheet

at 31 July 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Intangible assets	6		162,938		-
Tangible assets	7		1,202,228		-
			<u>1,365 166</u>		<u>-</u>
Current assets					
Debtors	8	25,282		2	
Cash at bank and in hand		81,679		-	
		<u>106 961</u>		<u>2</u>	
Creditors: amounts falling due within one year	9	(732,267)		-	
Net current (liabilities)/assets			<u>(625 306)</u>		<u>2</u>
Total assets less current liabilities			<u>739,860</u>		<u>2</u>
Creditors: amounts falling due after more than one year	10		(810,635)		-
Net (liabilities)/assets			<u>(70,775)</u>		<u>2</u>
Capital and reserves					
Called up share capital	11		100		2
Profit and loss account	12		(70 875)		-
Equity shareholders' funds	13		<u>(70 775)</u>		<u>2</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet

The notes on pages 7 to 12 form an integral part of these financial statements

Executive Health Care Limited

Balance sheet (continued)

Directors' statements required by Section 249B(4)

for the year ended 31 July 2007

In approving these financial statements as directors of the company we hereby confirm

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ,

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 July 2007 and

(c) that we acknowledge our responsibilities for

(1) ensuring that the company keeps accounting records which comply with Section 221 and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements so far as applicable to the company

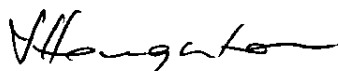
These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the board on
by

31/1/08

and signed on its behalf

Director



The notes on pages 7 to 12 form an integral part of these financial statements

Executive Health Care Limited

Notes to the financial statements

for the year ended 31 July 2007

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention

Cash flow statement

The company has taken advantage of the exemption in FRS 1 from the requirement to produce a cashflow statement because it is a small company

Going concern

Notwithstanding the deficiency of shareholders' funds, the financial statements are prepared on a going concern basis due to the continuing financial support of the company's directors. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets and long-term liabilities as current assets and liabilities

Turnover

The turnover shown in the profit and loss account represents amounts invoiced for services provided during the year

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Freehold property	-	2% straight line
Fixtures and fittings	-	15% straight line

Executive Health Care Limited

Notes to the financial statements

for the year ended 31 July 2007

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3	Operating loss	2007 £	2006 £
	<i>Operating loss is stated after charging</i>		
	Directors' remuneration	-	-
	Depreciation and other amounts written off intangible assets	2,062	-
	Depreciation and other amounts written off tangible assets	788	-
		<u>2,850</u>	<u>-</u>

4 Interest payable and similar charges

	2007 £	2006 £
Bank loan interest	23,183	-
	<u>23,183</u>	<u>-</u>

Executive Health Care Limited

Notes to the financial statements

for the year ended 31 July 2007

5 Taxation

Analysis of charge in period	2007 £	2006 £
Current tax		
UK corporation tax	-	-
Total current tax charge	-	-

Factors affecting tax charge for period

	2007 £	2006 £
(Loss)/profit on ordinary activities before taxation	(70,875)	-
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2006 20%)	(14 175)	-
Expenses not deductible for tax purposes	41	-
Capital allowances for period in excess of depreciation	(1 942)	-
Tax losses carried forward	16,076	-
Current tax charge for period	-	-

6 Intangible fixed assets

	Goodwill £	Total £
<i>Cost</i>		
Additions	165 000	165 000
At end of year	165 000	165 000
<i>Amortisation</i>		
Charge for the year	2,062	2 062
At end of year	2 062	2 062
<i>Net book values</i>		
At 31 July 2007	162,938	162,938

Executive Health Care Limited

Notes to the financial statements

for the year ended 31 July 2007

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>			
Additions	1,182,016	21,000	1,203,016
At end of year	1,182,016	21,000	1,203,016
<i>Depreciation</i>			
Charge for the year	-	788	788
At end of year	-	788	788
<i>Net book values</i>			
At 31 July 2007	1,182,016	20,212	1,202,228

8 Debtors

	2007 £	2006 £
Trade debtors	20,861	-
Other debtors	-	2
Prepayments and accrued income	4,421	-
	<u>25,282</u>	<u>2</u>

9 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans (secured)	149,850	-
Trade creditors	9,627	-
Other taxes and social security costs	2,246	-
Directors' accounts	417,538	-
Other creditors	130,000	-
Accruals and deferred income	23,006	-
	<u>732,267</u>	<u>-</u>

Executive Health Care Limited

Notes to the financial statements

for the year ended 31 July 2007

10	Creditors: amounts falling due after more than one year	2007	2006
		£	£
	Bank loans (secured)	810,635	-
	Loans		
	Repayable in one year or less or on demand (Note 9)	149,850	-
	Repayable between one and two years	71,399	-
	Repayable between two and five years	244,683	-
	Repayable in five years or more	494,553	-
		960,485	-

The banks loans are secured by a legal mortgage and debenture on the assets of the company

11	Share capital	2007	2006
		£	£
	<i>Authorised equity</i>		
	1 000 Ordinary shares of £1 each	1,000	1 000
	<i>Allotted, called up and fully paid equity</i>		
	100 Ordinary shares of £1 each	100	2

On 11 April 2007 the company issued at par 98 ordinary shares of £1 each

12	Equity Reserves	Profit and loss account	Total
		£	£
	Loss for the year	(70,875)	(70,875)

13	Reconciliation of movements in shareholders' funds	2007	2006
		£	£
	Proceeds of issue of equity shares	98	-
	Net increase in shareholders' funds	98	-
	Opening shareholders' funds	2	2
	(Loss)/profit for the year	(70 875)	-
	Closing deficiency of shareholders' funds	(70 873)	2

Executive Health Care Limited

Notes to the financial statements

for the year ended 31 July 2007

14 Related party transactions

Included in other creditors are the following balances due from companies in which Mrs J P Houghton is a director

Name	2007 £	2006 £
Bramble Lodge Care Home Limited	25 000	-
Eagle View Care Home Limited	105 000	-

Mr D E Jones director is also a director of Eagle View Care Home Limited

15 Post balance sheet events

On 1 November 2007 the company's entire issued share capital was acquired by System Cycle Limited for a total cash consideration of £100

System Cycle Limited is a subsidiary of Executive Care Group Limited a company in which Mrs J P Houghton is a director