

Company Registration No. 2027245 (England and Wales)

MOTHERDALE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999



MOTHERDALE LIMITED

COMPANY INFORMATION

Directors	M N Maredia S E Maredia
Secretary	S E Maredia
Company number	2027245
Registered office	1 Milthorpe Close, Newminster Park Sunderland Tyne and Wear
Auditors	BKR Haines Watts Sterling House, 22 St Cuthberts Way Darlington Co Durham DL1 1GB
Business address	1 Milthorpe Close, Newminster Park Sunderland Tyne and Wear
Bankers	Royal Bank of Scotland Plc 64 Fawcett Street Sunderland Tyne and Wear

MOTHERDALE LIMITED

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MOTHERDALE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999

The directors present their report and financial statements for the year ended 31 March 1999.

Principal activities

The principal activity of the company is the management of a residential nursing home at the premises, Ashbrooke House, 10 The Cedars, Sunderland.

Directors

The following directors have held office since 1 April 1998:

M N Maredia

S E Maredia

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 1999	1 April 1998
M N Maredia	70	70
S E Maredia	9	9

Auditors

BKR Haines Watts were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

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.

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

By order of the board

X S. E. Maredia

S E Maredia

Director

24/1/2000

MOTHERDALE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF MOTHERDALE LIMITED

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BKR Haines Watts

BKR Haines Watts

Chartered Accountants
Registered Auditor

26/1/2000

Sterling House, 22 St Cuthberts Way
Darlington
Co Durham
DL1 1GB

MOTHERDALE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

		Year ended 31 March 1999 £	Year ended 31 March 1998 £
	Notes		
Turnover		471,899	444,300
Cost of sales		(280,956)	(284,302)
Gross profit		190,943	159,998
Administrative expenses		(132,297)	(115,261)
Other operating income		-	222,269
Operating profit	2	58,646	267,006
Other interest receivable and similar income	3	6,552	11,489
Interest payable and similar charges		(43,367)	(43,962)
Profit on ordinary activities before taxation		21,831	234,533
Tax on profit on ordinary activities	4	1,883	(4,975)
Profit on ordinary activities after taxation		23,714	229,558
Dividends		(19,000)	(93,500)
Retained profit for the year	13	4,714	136,058

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

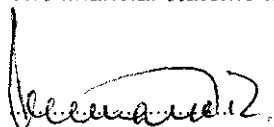
MOTHERDALE LIMITED

BALANCE SHEET AS AT 31 MARCH 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	5		385,688		413,953
Investments	6		80		-
			<u>385,768</u>		<u>413,953</u>
Current assets					
Stocks		500		500	
Debtors	7	264,524		229,142	
Cash at bank and in hand		124,871		170,956	
		<u>389,895</u>		<u>400,598</u>	
Creditors: amounts falling due within one year	8	<u>(33,889)</u>		<u>(65,093)</u>	
Net current assets			<u>356,006</u>		<u>335,505</u>
Total assets less current liabilities			<u>741,774</u>		<u>749,458</u>
Creditors: amounts falling due after more than one year	9		(476,277)		(487,632)
Provisions for liabilities and charges	10		<u>(3,321)</u>		<u>(4,364)</u>
			<u>262,176</u>		<u>257,462</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		262,076		257,362
Shareholders' funds - equity interests	14		<u>262,176</u>		<u>257,462</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.

The financial statements were approved by the Board on 24/1/2000



M N Maredia

Director

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	Straight line over fifty years
Fixtures, fittings & equipment	10% Straight line
Motor vehicles	25% Straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

the company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	28,265	30,076
Operating lease rentals	2,466	2,394
Auditors' remuneration	1,900	2,000
Directors' emoluments	19,000	18,750

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

3	Other interest receivable and similar income	1999	1998	
		£	£	
	Bank interest	6,497	11,489	
	Other interest	55	-	
		<u>6,552</u>	<u>11,489</u>	
4	Taxation	1999	1998	
		£	£	
	U.K. current year taxation			
	U.K. corporation tax at 21% (1998 - 21%)	(840)	8,800	
	Deferred taxation	(1,043)	10	
		<u>(1,883)</u>	<u>8,810</u>	
	Prior years			
	Deferred taxation	-	(3,835)	
		<u>(1,883)</u>	<u>4,975</u>	
5	Tangible fixed assets			
		Land and buildings	Plant and machinery etc	Total
		£	£	£
	Cost			
	At 1 April 1998 & at 31 March 1999	<u>392,021</u>	<u>276,182</u>	<u>668,203</u>
	Depreciation			
	At 1 April 1998	55,146	199,104	254,250
	Charge for the year	<u>7,840</u>	<u>20,425</u>	<u>28,265</u>
	At 31 March 1999	<u>62,986</u>	<u>219,529</u>	<u>282,515</u>
	Net book value			
	At 31 March 1999	<u>329,035</u>	<u>56,653</u>	<u>385,688</u>
	At 31 March 1998	<u>336,875</u>	<u>77,078</u>	<u>413,953</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 1998	-
Additions	80
At 31 March 1999	80

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Ideal Care (North) Limited		Ordinary	80

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Ideal Care (North) Limited	(54,921)	(55,021)

7 Debtors

	1999 £	1998 £
Trade debtors	31,501	25,904
Amounts owed by group undertakings and undertakings in which the company has a participating interest	218,329	-
Other debtors	14,694	203,238
	264,524	229,142

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

8	Creditors: amounts falling due within one year	1999	1998
		£	£
	Bank loans and overdrafts (secured)	10,000	8,768
	Trade creditors	10,865	3,780
	Taxation and social security	1,459	28,944
	Other creditors	11,565	23,601
		<u>33,889</u>	<u>65,093</u>
		<u><u>33,889</u></u>	<u><u>65,093</u></u>
9	Creditors: amounts falling due after more than one year	1999	1998
		£	£
	Bank loans (secured)	476,277	487,632
		<u>476,277</u>	<u>487,632</u>
		<u><u>476,277</u></u>	<u><u>487,632</u></u>
	Analysis of loans		
	Wholly repayable within five years	486,277	496,400
	Included in current liabilities	(10,000)	(8,768)
		<u>476,277</u>	<u>487,632</u>
		<u><u>476,277</u></u>	<u><u>487,632</u></u>
	Loan maturity analysis		
	Between one and two years	10,000	9,557
	Between two and five years	40,000	34,150
	In five years or more	426,273	443,924
		<u>476,273</u>	<u>487,631</u>
		<u><u>476,273</u></u>	<u><u>487,631</u></u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 1998	4,364
Profit and loss account	(1,043)
Balance at 31 March 1999	<u>3,321</u>

Deferred tax is provided at 21% (1998 - 21%) analysed over the following timing differences:

	Not provided		Provided
	1999	1998	1999
	£	£	£
Accelerated capital allowances	-	-	3,321
Other timing differences	-	55,730	-
	<u>-</u>	<u>55,730</u>	<u>3,321</u>
	<u>-</u>	<u>55,730</u>	<u>4,364</u>

11 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £Nil (1998 : £3,750).

12 Share capital

	1999 £	1998 £
Authorised		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 1998	257,362
Retained profit for the period	4,714
Balance at 31 March 1999	<u>262,076</u>

14 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	23,714	229,558
Dividends	(19,000)	(93,500)
Net addition to shareholders' funds	<u>4,714</u>	<u>136,058</u>
Opening shareholders' funds	257,462	121,404
Closing shareholders' funds	<u>262,176</u>	<u>257,462</u>

15 Control

The company was under the ultimate control of Dr M N Maredia, who owned 70% of the shares.