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Company Registration No. 2027245 (England and Wales)

MOTHERDALE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005



# MOTHERDALE LIMITED

## COMPANY INFORMATION

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|                          |                                                                                           |
|--------------------------|-------------------------------------------------------------------------------------------|
| <b>Directors</b>         | Dr Dr M N Maredia<br>Mrs S E Maredia                                                      |
| <b>Secretary</b>         | Mrs S E Maredia                                                                           |
| <b>Company number</b>    | 2027245                                                                                   |
| <b>Registered office</b> | Summerfields<br>St James Field<br>Castle Eden<br>Co. Durham                               |
| <b>Auditors</b>          | Haines Watts<br>Sterling House, 22 St Cuthberts Way<br>Darlington<br>Co Durham<br>DL1 1GB |
| <b>Business address</b>  | Summerfields<br>St James Field<br>Castle Eden<br>Co. Durham                               |
| <b>Bankers</b>           | Royal Bank of Scotland Plc<br>64 Fawcett Street<br>Sunderland<br>Tyne and Wear            |

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# MOTHERDALE LIMITED

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# MOTHERDALE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

### Principal activities

The principal activity of the company was property management.

### Directors

The following directors have held office since 1 April 2004:

Dr Dr M N Maredia  
Mrs S E Maredia

### Directors' interests

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

|                   | Ordinary shares of £ 1 each |              |
|-------------------|-----------------------------|--------------|
|                   | 31 March 2005               | 1 April 2004 |
| Mrs S E Maredia   | 9                           | 9            |
| Dr Dr M N Maredia | 70                          | 70           |

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Haines Watts be reappointed as auditors of the company 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 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.

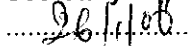
This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Mrs S E Maredia

Secretary



# MOTHERDALE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOTHERDALE LIMITED

We have audited the financial statements of Motherdale Limited on pages 3 to 8 for the year ended 31 March 2005. These financial statements have been prepared 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 auditor's 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 the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the 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 directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

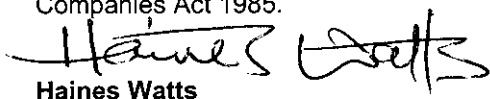
### Basis of audit opinion

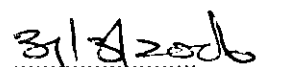
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Haines Watts

  
31/3/2006

Chartered Accountants  
Registered Auditor

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

# MOTHERDALE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

|                                                      | Notes     | 2005<br>£      | 2004<br>£      |
|------------------------------------------------------|-----------|----------------|----------------|
| Turnover                                             |           | 12,514         | 10,530         |
| Administrative expenses                              |           | (11,484)       | (14,972)       |
| <b>Operating profit/(loss)</b>                       | <b>2</b>  | <b>1,030</b>   | <b>(4,442)</b> |
| Investment income                                    | <b>3</b>  | 280,000        | 712,000        |
| Other interest receivable and similar income         | <b>3</b>  | 35,881         | 27,472         |
| Interest payable and similar charges                 |           | (77)           | -              |
| <b>Profit on ordinary activities before taxation</b> |           | <b>316,834</b> | <b>735,030</b> |
| Tax on profit on ordinary activities                 | <b>4</b>  | (8,022)        | (7,125)        |
| <b>Profit on ordinary activities after taxation</b>  |           | <b>308,812</b> | <b>727,905</b> |
| Dividends                                            |           | (57,000)       | (72,000)       |
| <b>Retained profit for the year</b>                  | <b>10</b> | <b>251,812</b> | <b>655,905</b> |

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.

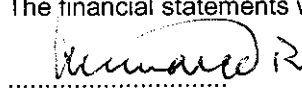
# MOTHERDALE LIMITED

## BALANCE SHEET AS AT 31 MARCH 2005

|                                                       | Notes | 2005            |                  | 2004             |                  |
|-------------------------------------------------------|-------|-----------------|------------------|------------------|------------------|
|                                                       |       | £               | £                | £                | £                |
| <b>Fixed assets</b>                                   |       |                 |                  |                  |                  |
| Tangible assets                                       | 5     |                 | 432,686          |                  | 94,247           |
| Investments                                           | 6     |                 | 80               |                  | 80               |
|                                                       |       |                 | <u>432,766</u>   |                  | <u>94,327</u>    |
| <b>Current assets</b>                                 |       |                 |                  |                  |                  |
| Debtors                                               | 7     | 32,586          |                  | 21               |                  |
| Cash at bank and in hand                              |       | 949,551         |                  | 1,058,586        |                  |
|                                                       |       | <u>982,137</u>  |                  | <u>1,058,607</u> |                  |
| <b>Creditors: amounts falling due within one year</b> | 8     | <u>(27,767)</u> |                  | <u>(17,611)</u>  |                  |
| <b>Net current assets</b>                             |       |                 | <u>954,370</u>   |                  | <u>1,040,996</u> |
| <b>Total assets less current liabilities</b>          |       |                 | <u>1,387,136</u> |                  | <u>1,135,323</u> |
| <b>Capital and reserves</b>                           |       |                 |                  |                  |                  |
| Called up share capital                               | 9     |                 | 100              |                  | 100              |
| Profit and loss account                               | 10    |                 | 1,387,036        |                  | 1,135,223        |
| <b>Shareholders' funds - equity interests</b>         | 11    |                 | <u>1,387,136</u> |                  | <u>1,135,323</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 26/1/06

  
Dr M N Maredia  
Director

# MOTHERDALE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 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

#### 1.4 Investments

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

#### 1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 2 Operating profit/(loss)

| 2005 | 2004 |
|------|------|
| £    | £    |

Operating profit/(loss) is stated after charging:

Depreciation of tangible assets

|       |       |
|-------|-------|
| 2,005 | 2,005 |
|-------|-------|

Auditors' remuneration

|       |       |
|-------|-------|
| 1,265 | 1,230 |
|-------|-------|

The company sold a residential care home in August 2000. The sale agreement contained a clause to the effect that there would be a repayment of sale proceeds of £50,000 in the event that the business subsequently failed.

### 3 Investment income

| 2005 | 2004 |
|------|------|
| £    | £    |

Income from shares in group undertakings

|         |         |
|---------|---------|
| 280,000 | 712,000 |
|---------|---------|

Bank interest

|        |        |
|--------|--------|
| 35,877 | 26,736 |
|--------|--------|

Other interest

|   |     |
|---|-----|
| 4 | 736 |
|---|-----|

|         |         |
|---------|---------|
| 315,881 | 739,472 |
|---------|---------|

# MOTHERDALE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

| 4 | Taxation                                                                                                                 | 2005<br>£    | 2004<br>£                           |
|---|--------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------|
|   | <b>Domestic current year tax</b>                                                                                         |              |                                     |
|   | U.K. corporation tax                                                                                                     | 7,882        | 7,081                               |
|   | Adjustment for prior years                                                                                               | 140          | 44                                  |
|   |                                                                                                                          | <hr/>        | <hr/>                               |
|   | <b>Current tax charge</b>                                                                                                | <b>8,022</b> | <b>7,125</b>                        |
|   |                                                                                                                          | <hr/>        | <hr/>                               |
|   | <b>Factors affecting the tax charge for the year</b>                                                                     |              |                                     |
|   | Profit on ordinary activities before taxation                                                                            | 316,834      | 735,030                             |
|   |                                                                                                                          | <hr/>        | <hr/>                               |
|   | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004: 19.00%) | 60,198       | 139,656                             |
|   |                                                                                                                          | <hr/>        | <hr/>                               |
|   | Effects of:                                                                                                              |              |                                     |
|   | Non deductible expenses                                                                                                  | (52,672)     | (132,923)                           |
|   | Depreciation add back                                                                                                    | 381          | 381                                 |
|   | Capital allowances                                                                                                       | (25)         | (33)                                |
|   | Adjustments to previous periods                                                                                          | 140          | 44                                  |
|   |                                                                                                                          | <hr/>        | <hr/>                               |
|   |                                                                                                                          | (52,176)     | (132,531)                           |
|   |                                                                                                                          | <hr/>        | <hr/>                               |
|   | <b>Current tax charge</b>                                                                                                | <b>8,022</b> | <b>7,125</b>                        |
|   |                                                                                                                          | <hr/>        | <hr/>                               |
| 5 | <b>Tangible fixed assets</b>                                                                                             |              |                                     |
|   |                                                                                                                          |              | <b>Freehold<br/>buildings<br/>£</b> |
|   | <b>Cost</b>                                                                                                              |              |                                     |
|   | At 1 April 2004                                                                                                          |              | 100,262                             |
|   | Additions                                                                                                                |              | 340,444                             |
|   |                                                                                                                          |              | <hr/>                               |
|   | At 31 March 2005                                                                                                         |              | 440,706                             |
|   |                                                                                                                          |              | <hr/>                               |
|   | <b>Depreciation</b>                                                                                                      |              |                                     |
|   | At 1 April 2004                                                                                                          |              | 6,015                               |
|   | Charge for the year                                                                                                      |              | 2,005                               |
|   |                                                                                                                          |              | <hr/>                               |
|   | At 31 March 2005                                                                                                         |              | 8,020                               |
|   |                                                                                                                          |              | <hr/>                               |
|   | <b>Net book value</b>                                                                                                    |              |                                     |
|   | At 31 March 2005                                                                                                         |              | 432,686                             |
|   |                                                                                                                          |              | <hr/>                               |
|   | At 31 March 2004                                                                                                         |              | 94,247                              |
|   |                                                                                                                          |              | <hr/>                               |

# MOTHERDALE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 6 Fixed asset investments

|                                    | Shares in<br>group<br>undertakings<br>and<br>participating<br>interests<br>£ |
|------------------------------------|------------------------------------------------------------------------------|
| <b>Cost</b>                        |                                                                              |
| At 1 April 2004 & at 31 March 2005 | 80                                                                           |
| <b>Net book value</b>              |                                                                              |
| At 31 March 2005                   | 80                                                                           |
| At 31 March 2004                   | 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<br>incorporation | Class    | Shares held<br>% |
|--------------------------------|---------------------------------------------|----------|------------------|
| <b>Subsidiary undertakings</b> |                                             |          |                  |
| Ideal Care (North) Limited     | UK                                          | Ordinary | 80.00            |

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

|                            |                                             | Capital and<br>reserves<br>2005<br>£ | Profit for the<br>year<br>2005<br>£ |
|----------------------------|---------------------------------------------|--------------------------------------|-------------------------------------|
| Ideal Care (North) Limited | Principal activity<br>Residential care home | 54,371                               | 202,326                             |

| 7 Debtors     | 2005<br>£ | 2004<br>£ |
|---------------|-----------|-----------|
| Other debtors | 32,586    | 21        |

# MOTHERDALE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

|           |                                                           |                  |                                |
|-----------|-----------------------------------------------------------|------------------|--------------------------------|
| <b>8</b>  | <b>Creditors: amounts falling due within one year</b>     | <b>2005</b>      | <b>2004</b>                    |
|           |                                                           | <b>£</b>         | <b>£</b>                       |
|           | Taxation and social security                              | 7,882            | 7,081                          |
|           | Other creditors                                           | 19,885           | 10,530                         |
|           |                                                           | <u>27,767</u>    | <u>17,611</u>                  |
| <b>9</b>  | <b>Share capital</b>                                      | <b>2005</b>      | <b>2004</b>                    |
|           |                                                           | <b>£</b>         | <b>£</b>                       |
|           | <b>Authorised</b>                                         |                  |                                |
|           | 100 Ordinary shares of £1 each                            | <u>100</u>       | <u>100</u>                     |
|           | <b>Allotted, called up and fully paid</b>                 |                  |                                |
|           | 100 Ordinary shares of £1 each                            | <u>100</u>       | <u>100</u>                     |
| <b>10</b> | <b>Statement of movements on profit and loss account</b>  |                  | <b>Profit and loss account</b> |
|           |                                                           |                  | <b>£</b>                       |
|           | Balance at 1 April 2004                                   |                  | 1,135,224                      |
|           | Retained profit for the year                              |                  | <u>251,812</u>                 |
|           | Balance at 31 March 2005                                  |                  | <u>1,387,036</u>               |
| <b>11</b> | <b>Reconciliation of movements in shareholders' funds</b> | <b>2005</b>      | <b>2004</b>                    |
|           |                                                           | <b>£</b>         | <b>£</b>                       |
|           | Profit for the financial year                             | 308,812          | 727,905                        |
|           | Dividends                                                 | <u>(57,000)</u>  | <u>(72,000)</u>                |
|           | Net addition to shareholders' funds                       | 251,812          | 655,905                        |
|           | Opening shareholders' funds                               | <u>1,135,323</u> | <u>479,418</u>                 |
|           | Closing shareholders' funds                               | <u>1,387,136</u> | <u>1,135,323</u>               |

### 12 Control

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

### 13 Related party transactions

During the year the company purchased a property from the directors for £340,444, being the market value of that property.