

COMPANY REGISTRATION NUMBER 03467708

**CHILTON CARE HOME LIMITED**  
**FINANCIAL STATEMENTS**  
**31ST MARCH 2008**

MONDAY



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**CHILTON CARE HOME LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2008**

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**CHILTON CARE HOME LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

|                               |                                                                                                               |
|-------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>The board of directors</b> | Mr M Diwan<br>Mr N Diwan                                                                                      |
| <b>Company secretary</b>      | Mr N Diwan                                                                                                    |
| <b>Registered office</b>      | 2-4 Forest Drive East<br>Leytonstone<br>London<br>E11 1JY                                                     |
| <b>Accountants</b>            | Rajpal & Co.<br>Incorporated Financial Accountants<br>46 The Ridgeway<br>North Harrow<br>Middlesex<br>HA2 7QN |

# CHILTON CARE HOME LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2008

The directors present their report and the unaudited financial statements of the company for the year ended 31st March 2008.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was operation of nursing care homes.

### DIRECTORS

The directors who served the company during the year were as follows:

Mr M Diwan

Mr N Diwan

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

### 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.

Registered office:  
2-4 Forest Drive East  
Leytonstone  
London  
E11 1JY

Signed by order of the directors



MR N DIWAN  
Company Secretary

Approved by the directors on .....22-12-08

**CHILTON CARE HOME LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST MARCH 2008**

|                                                       | Note     | 2008<br>£              | 2007<br>£              |
|-------------------------------------------------------|----------|------------------------|------------------------|
| <b>TURNOVER</b>                                       |          | <b>731,663</b>         | <b>679,527</b>         |
| Cost of sales                                         |          | <u>36,605</u>          | <u>49,164</u>          |
| <b>GROSS SURPLUS</b>                                  |          | <b>695,058</b>         | <b>630,363</b>         |
| Administrative expenses                               |          | 661,075                | 662,746                |
| Other operating income                                |          | <u>—</u>               | <u>(249)</u>           |
| <b>OPERATING SURPLUS/(DEFICIT)</b>                    | <b>2</b> | <b>33,983</b>          | <b>(32,134)</b>        |
| Interest receivable and similar income                |          | 23                     | 172                    |
| Interest payable and similar charges                  |          | <u>(69,527)</u>        | <u>(66,908)</u>        |
| <b>DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>(35,521)</b>        | <b>(98,870)</b>        |
| Tax on deficit on ordinary activities                 | <b>3</b> | <b>357</b>             | <b>—</b>               |
| <b>DEFICIT FOR THE FINANCIAL YEAR</b>                 |          | <b><u>(35,878)</u></b> | <b><u>(98,870)</u></b> |

**CHILTON CARE HOME LIMITED****BALANCE SHEET****31ST MARCH 2008**

|                                                                | Note | 2008<br>£     | £                | 2007<br>£     | £                |
|----------------------------------------------------------------|------|---------------|------------------|---------------|------------------|
| <b>FIXED ASSETS</b>                                            |      |               |                  |               |                  |
| Intangible assets                                              | 4    |               | 69,000           |               | 75,900           |
| Tangible assets                                                | 5    |               | 950,813          |               | 929,118          |
|                                                                |      |               | <u>1,019,813</u> |               | <u>1,005,018</u> |
| <b>CURRENT ASSETS</b>                                          |      |               |                  |               |                  |
| Debtors                                                        | 6    | 23,187        |                  | 27,330        |                  |
| Cash at bank and in hand                                       |      | 3,297         |                  | 9,208         |                  |
|                                                                |      | <u>26,484</u> |                  | <u>36,538</u> |                  |
| <b>CREDITORS: Amounts falling due within one year</b>          | 7    | <u>96,466</u> |                  | <u>62,966</u> |                  |
| <b>NET CURRENT LIABILITIES</b>                                 |      |               | <u>(69,982)</u>  |               | <u>(26,428)</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |               | <u>949,831</u>   |               | <u>978,590</u>   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 8    |               | <u>934,320</u>   |               | <u>927,558</u>   |
|                                                                |      |               | <u>15,511</u>    |               | <u>51,032</u>    |
| <b>PROVISIONS FOR LIABILITIES</b>                              |      |               |                  |               |                  |
| Deferred taxation                                              | 9    |               | <u>2,554</u>     |               | <u>2,197</u>     |
|                                                                |      |               | <u>12,957</u>    |               | <u>48,835</u>    |
| <b>CAPITAL AND RESERVES</b>                                    |      |               |                  |               |                  |
| Called-up equity share capital                                 | 11   |               | 200,000          |               | 200,000          |
| Other reserves                                                 | 12   |               | 200,000          |               | 200,000          |
| Income and expenditure account                                 | 12   |               | <u>(387,043)</u> |               | <u>(351,165)</u> |
| <b>SHAREHOLDER'S FUNDS</b>                                     | 12   |               | <u>12,957</u>    |               | <u>48,835</u>    |

The Balance sheet continues on the following page.

The notes on pages 6 to 10 form part of these financial statements.

## CHILTON CARE HOME LIMITED

### BALANCE SHEET *(continued)*

31ST MARCH 2008

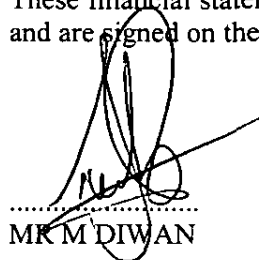
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 surplus or deficit for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 22<sup>ND</sup> DECEMBER 2008 and are signed on their behalf by:

  
MK M DIWAN

**CHILTON CARE HOME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2008**

**1. ACCOUNTING POLICIES**

**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 January 2007).

**Turnover**

The turnover shown in the income and expenditure account represents amounts invoiced during the year.

**Amortisation**

Amortisation 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:

Goodwill - Straight line over 20 years

**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 basis  
 Motor Vehicles - 25% Reducing balance basis

**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.

**2. OPERATING SURPLUS/(DEFICIT)**

Operating surplus/(deficit) is stated after charging/(crediting):

|                                    | 2008              | 2007              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Directors' emoluments              | 8,000             | 97,139            |
| Amortisation                       | 6,900             | 6,900             |
| Depreciation of owned fixed assets | 6,888             | 3,060             |
| Profit on disposal of fixed assets | —                 | (249)             |
|                                    | <u>          </u> | <u>          </u> |

**CHILTON CARE HOME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2008**

**3. TAXATION ON ORDINARY ACTIVITIES****Analysis of charge in the year**

|                                                         | 2008<br>£  | 2007<br>£ |
|---------------------------------------------------------|------------|-----------|
| Deferred tax:                                           |            |           |
| Origination and reversal of timing differences (note 9) |            |           |
| Capital allowances                                      | <u>357</u> | <u>-</u>  |

**4. INTANGIBLE FIXED ASSETS**

|                                       | Goodwill<br>£  |
|---------------------------------------|----------------|
| <b>COST</b>                           |                |
| At 1st April 2007 and 31st March 2008 | <u>138,000</u> |
| <b>AMORTISATION</b>                   |                |
| At 1st April 2007                     | 62,100         |
| Charge for the year                   | <u>6,900</u>   |
| At 31st March 2008                    | <u>69,000</u>  |
| <b>NET BOOK VALUE</b>                 |                |
| At 31st March 2008                    | <u>69,000</u>  |
| At 31st March 2007                    | <u>75,900</u>  |

**5. TANGIBLE FIXED ASSETS**

|                       | Freehold<br>Property<br>£ | Fixtures &<br>Fittings<br>£ | Total<br>£       |
|-----------------------|---------------------------|-----------------------------|------------------|
| <b>COST</b>           |                           |                             |                  |
| At 1st April 2007     | 911,781                   | 64,090                      | 975,871          |
| Additions             | <u>-</u>                  | <u>28,583</u>               | <u>28,583</u>    |
| At 31st March 2008    | <u>911,781</u>            | <u>92,673</u>               | <u>1,004,454</u> |
| <b>DEPRECIATION</b>   |                           |                             |                  |
| At 1st April 2007     | -                         | 46,753                      | 46,753           |
| Charge for the year   | <u>-</u>                  | <u>6,888</u>                | <u>6,888</u>     |
| At 31st March 2008    | <u>-</u>                  | <u>53,641</u>               | <u>53,641</u>    |
| <b>NET BOOK VALUE</b> |                           |                             |                  |
| At 31st March 2008    | <u>911,781</u>            | <u>39,032</u>               | <u>950,813</u>   |
| At 31st March 2007    | <u>911,781</u>            | <u>17,337</u>               | <u>929,118</u>   |

**CHILTON CARE HOME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2008**

**6. DEBTORS**

|               | 2008          | 2007          |
|---------------|---------------|---------------|
|               | £             | £             |
| Trade debtors | <u>23,187</u> | <u>27,330</u> |

**7. CREDITORS: Amounts falling due within one year**

|                                                         | 2008          |            | 2007          |
|---------------------------------------------------------|---------------|------------|---------------|
|                                                         | £             | £          | £             |
| Overdrafts                                              | 14,327        |            | -             |
| Trade creditors                                         | 1,848         |            | 19,677        |
| Amounts owed to group undertakings                      | 4,696         |            | -             |
| Other creditors including taxation and social security: |               |            |               |
| PAYE and social security                                | 47,597        | 36,922     |               |
| Other creditors                                         | 23,482        | 1,903      |               |
| Directors current accounts                              | 2,373         | 3,744      |               |
| Accruals and deferred income                            | <u>2,143</u>  | <u>720</u> |               |
|                                                         | <u>75,595</u> |            | <u>43,289</u> |
|                                                         | <u>96,466</u> |            | <u>62,966</u> |

**8. CREDITORS: Amounts falling due after more than one year**

|                                    | 2008           |   | 2007           |
|------------------------------------|----------------|---|----------------|
|                                    | £              | £ | £              |
| Amounts owed to group undertakings | <u>934,320</u> |   | <u>927,558</u> |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

|                                    | 2008           | 2007           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Amounts owed to group undertakings | <u>934,320</u> | <u>927,558</u> |

**9. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

|                                                                 | 2008         | 2007         |
|-----------------------------------------------------------------|--------------|--------------|
|                                                                 | £            | £            |
| Provision brought forward                                       | 2,197        | 2,197        |
| Income and expenditure account movement arising during the year | <u>357</u>   | -            |
| Provision carried forward                                       | <u>2,554</u> | <u>2,197</u> |

**CHILTON CARE HOME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2008**

**9. DEFERRED TAXATION** *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

|                                                                 | 2008<br>£    | 2007<br>£    |
|-----------------------------------------------------------------|--------------|--------------|
| Excess of taxation allowances over depreciation on fixed assets | 2,554        | 2,197        |
|                                                                 | <u>2,554</u> | <u>2,197</u> |

**10. RELATED PARTY TRANSACTIONS**

Throughout the current period the company was under the immediate control of M&N Care Homes Ltd (formerly MTN Care Homes Ltd) which holds 100% of its issued share capital. The company was under the ultimate control of Mr M Diwan and Mr N Diwan each of them holds 50% of the issued share capital of M&N Care Home Ltd. Mr M Diwan and Mr N Diwan are also directors of Forest Drive Residential Home Ltd and each of them holds 25% of its issued share capital.

During the year the company paid an interest charge of £69,527 (2007 - £15,267) in respect of the loan provided by the parent company. The company also paid a management fee of £33,290 (2007 - £7,177) to the parent company M&N Care Homes Ltd.

At the balance sheet date the the company owed £934,320 (2007-£927,558) to M&N Care Home Ltd , £4,696 (2007 - £Nil) to Forest Drive Residential Home Ltd and £2,373 (2007 - £3,744) to the directors.

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

|                                    | 2008<br>£      | 2007<br>£      |
|------------------------------------|----------------|----------------|
| 400,000 Ordinary shares of £1 each | <u>400,000</u> | <u>400,000</u> |

**Allotted, called up and fully paid:**

|                            | 2008<br>No     | £              | 2007<br>No     | £              |
|----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £1 each | <u>200,000</u> | <u>200,000</u> | <u>200,000</u> | <u>200,000</u> |

**CHILTON CARE HOME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2008**

**12. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES**

|                         | Share capital<br>£ | Capital<br>redemption<br>reserve<br>£ | Income and<br>expenditure<br>account<br>£ | Total share-<br>holder's funds<br>£ |
|-------------------------|--------------------|---------------------------------------|-------------------------------------------|-------------------------------------|
| Balance brought forward | 200,000            | 200,000                               | (351,165)                                 | 48,835                              |
| Deficit for the year    | <u>—</u>           | <u>—</u>                              | <u>(35,878)</u>                           | <u>(35,878)</u>                     |
| Balance carried forward | <u>200,000</u>     | <u>200,000</u>                        | <u>(387,043)</u>                          | <u>12,957</u>                       |

**13. ULTIMATE PARENT COMPANY**

The company's ultimate holding company is M&N Care Homes Ltd (formerly MTN Care Homes Ltd) which is incorporated in the UK.