

Company Registration No. 3990621 (England and Wales)

MARLOWE RESIDENTIAL SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2002



MARLOWE RESIDENTIAL SERVICES LIMITED

COMPANY INFORMATION

Directors	A S Thomas W G Thomas A Davey S P Miller
Secretary	A Davey
Company number	3990621
Registered office	Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX
Auditors	Hazlewoods Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX
Business address	Hartpury Old School Gloucester Road Hartpury Gloucester GL19 3BG

MARLOWE RESIDENTIAL SERVICES LIMITED

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MARLOWE RESIDENTIAL SERVICES LIMITED

DIRECTORS' REPORT for the year ended 31 August 2002

The directors present their report and financial statements for the year ended 31 August 2002.

Principal activities

The principal activity of the company is that of the provision of care and education to young people in the care of local authorities.

Directors

The following directors have held office since 1 September 2001:

A S Thomas
W G Thomas
A Davey
S P Miller

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 August 2002	1 September 2001
A S Thomas	-	-
W G Thomas	-	-
A Davey	-	-
S P Miller	-	-

The directors' interests in the shares of Marlowe Child and Family Services Limited, the ultimate parent company, are disclosed in that company's financial statements.

Auditors

Hazlewoods have expressed their willingness to continue on office.

MARLOWE RESIDENTIAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) **for the year ended 31 August 2002**

Directors' responsibilities

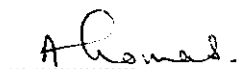
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

On behalf of the board



A S Thomas

Director
23/12/02

MARLOWE RESIDENTIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MARLOWE RESIDENTIAL SERVICES LIMITED

We have audited the financial statements of Marlowe Residential Services Limited on pages 4 to 8 for the year ended 31 August 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 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, 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 August 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hazlewoods
Chartered Accountants
Registered Auditor

15 January 2003

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

MARLOWE RESIDENTIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 August 2002

	Notes	2002 £	2001 £
Turnover		2,014,683	1,758,736
Cost of sales		(1,200,109)	(1,178,145)
Gross profit		<u>814,574</u>	<u>580,591</u>
Administrative expenses		(641,168)	(474,989)
Operating profit	2	<u>173,406</u>	<u>105,602</u>
Interest payable and similar charges		(47)	(47)
Profit on ordinary activities before taxation		<u>173,359</u>	<u>105,555</u>
Tax on profit on ordinary activities	3	(14,686)	-
Profit on ordinary activities after taxation		<u>158,673</u>	<u>105,555</u>
Dividends		(150,000)	(100,000)
Retained profit for the year	9	<u><u>8,673</u></u>	<u><u>5,555</u></u>

MARLOWE RESIDENTIAL SERVICES LIMITED

BALANCE SHEET as at 31 August 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4		34,371		11,133
Current assets					
Debtors	5	395,224		323,531	
Cash at bank and in hand		6,752		6,772	
		<u>401,976</u>		<u>330,303</u>	
Creditors: amounts falling due within one year	6	<u>(422,019)</u>		<u>(335,781)</u>	
Net current liabilities			<u>(20,043)</u>		<u>(5,478)</u>
Total assets less current liabilities			<u>14,328</u>		<u>5,655</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		14,228		5,555
Shareholders' funds			<u>14,328</u>		<u>5,655</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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 23/12/02.


S P Miller
Director

MARLOWE RESIDENTIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2002

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for goods and services supplied.

1.3 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Plant and equipment	50% on cost per annum
Motor vehicles	50% on cost per annum

1.4 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	16,115	1,962
Auditors' remuneration	4,150	4,000
	<u> </u>	<u> </u>

The directors received no remuneration during either year.

3 Taxation

	2002	2001
	£	£
U.K. current year taxation		
U.K. corporation tax at 19% (2001 - 20%)	14,686	-
	<u> </u>	<u> </u>

MARLOWE RESIDENTIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2002

4 Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 1 September 2001	11,445	1,650	13,095
Additions	28,593	10,760	39,353
At 31 August 2002	40,038	12,410	52,448
Depreciation			
At 1 September 2001	1,893	69	1,962
Charge for the year	13,474	2,641	16,115
At 31 August 2002	15,367	2,710	18,077
Net book value			
At 31 August 2002	24,671	9,700	34,371
At 31 August 2001	9,552	1,581	11,133

5 Debtors

	2002 £	2001 £
Trade debtors	183,038	149,950
Amounts owed by group undertakings	208,468	165,653
Other debtors	3,718	7,928
	395,224	323,531

6 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	90,294	78,639
Taxation and social security	41,248	19,149
Other creditors	290,477	237,993
	422,019	335,781

7 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 £5,091 (2001 - £nil).

MARLOWE RESIDENTIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2002

8	Share capital	2002	2001
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £ 1 each	100	100
		<u> </u>	<u> </u>
9	Statement of movements on profit and loss account		
			Profit and loss account
			£
	Balance at 1 September 2001		5,555
	Retained profit for the year		8,673
			<u> </u>
	Balance at 31 August 2002		14,228
			<u> </u>

10 Transactions with directors

S P Miller, A S Thomas and W G Thomas are also directors and shareholders in St David's ASC (Marlowe) Limited. The amount due (to) from St David's ASC (Marlowe) Limited at the end of the year was £(20,631) (2001 £3,942). In addition rents of £12,600 (2001 £nil) were charged to the company by A S Thomas and W G Thomas.

11 Control

The ultimate parent company is Marlowe Child and Family Services Limited which is controlled by Mrs A S Thomas. During the year rent of £121,236 (2001 £95,766), wages of £14,014 (2001 £22,650) and motor running expenses of £12,819 (2001 £nil) were charged to the company and the amount due from Marlowe Child and Family Services Limited at the end of the year was £207,660 (2001 £163,807). In addition the company has guaranteed the bank borrowings of its ultimate parent and fellow subsidiary undertakings which at 31 August 2002 amounted to £544,193.