

GATE HEALTHCARE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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GATE HEALTHCARE LIMITED

COMPANY INFORMATION

Directors	R R Williamson A C Mundell
Company secretary	R R Williamson
Company number	SC106549
Registered office	Westwood House 1 East Milton Grove Westwood East Kilbride G75 8SN
Auditors	PKF (UK) LLP 78 Carlton Place Glasgow G72 8BB
Bankers	The Royal Bank of Scotland plc 62 Hamilton Road Motherwell ML1 3DA
Solicitors	Harper MacLeod LLP The Ca'd'oro 45 Gordon Street Glasgow G1 3PE

GATE HEALTHCARE LIMITED

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GATE HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements for the year ended 31 March 2011.

Principal activities

The principal activity of the company during the year was the provision of care home facilities for the elderly and disabled. The company also owns a portfolio of tenanted residential apartments which are let out on a short term tenancy basis.

Business review

All three care homes continued to enjoy above sector average occupancy levels, averaging over 98% (2010 - 98%) throughout the year. Fee income increased by 1.2% (2010 - 3.8%), whilst gross profit as a percentage of turnover decreased slightly to 41.4% (2010 - 42.6%).

Future developments

Planning permission was granted for 10 additional bedrooms at Kintyre House. The first phase of this development was completed July 2011 providing 4 bedrooms.

Risks and uncertainties

The Care Commission has inspected the three homes at least twice under the grading system which has now been taken over by SCSWIS (Social Care and Social Work Improvement Scotland), and our grades continue to be satisfactory. These results place our homes in the Care Commission's low risk category.

Financial instruments

The company's policy is to finance fixed assets through variable rate borrowings. However, as a condition of the new funding from Royal Bank of Scotland, the company has hedged interest rate exposure covering £4.3 million of its debt with a cap of 6% and a collar of 4.98% (based on Bank of England base rate), expiring March 2013. The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

Results and dividends

The profit for the year, after taxation, amounted to £179,143 (2010 - £160,334).

A dividend of £36,889 (2010 - £70,187) was paid during the year. The directors do not recommend a further dividend for the year.

Directors

The directors who served during the year were:

R R Williamson
A C Mundell

GATE HEALTHCARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on **22 SEPTEMBER 2011** and signed on its behalf.



Director

 F.R. Williamson

GATE HEALTHCARE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2011

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

GATE HEALTHCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GATE HEALTHCARE LIMITED

We have audited the financial statements of Gate Healthcare Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GATE HEALTHCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GATE HEALTHCARE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PKF(UK) LLP

Charles Barnett (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor

Glasgow

29 September 2011

GATE HEALTHCARE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
TURNOVER	1,2	3,736,034	3,694,023
Cost of sales		<u>(2,187,777)</u>	<u>(2,119,600)</u>
GROSS PROFIT		1,548,257	1,574,423
Administrative expenses		<u>(1,033,924)</u>	<u>(980,136)</u>
OPERATING PROFIT	3	514,333	594,287
Profit on disposal of investments		-	12,675
Interest receivable and similar income		847	623
Interest payable and similar charges	6	<u>(331,269)</u>	<u>(307,420)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		183,911	300,165
Tax on profit on ordinary activities	7	<u>(4,768)</u>	<u>(139,831)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>179,143</u>	<u>160,334</u>

All amounts relate to continuing operations.

The notes on pages 10 to 19 form part of these financial statements.

GATE HEALTHCARE LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	179,143	160,334
Unrealised surplus on revaluation of tangible fixed assets	<u>1,158,975</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>1,338,118</u></u>	<u><u>160,334</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £	2010 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	183,911	300,165
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>43,106</u>	<u>43,106</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>227,017</u></u>	<u><u>343,271</u></u>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	<u><u>222,249</u></u>	<u><u>203,440</u></u>

The notes on pages 10 to 19 form part of these financial statements.

GATE HEALTHCARE LIMITED
REGISTERED NUMBER: SC106549

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		9,306,444		8,207,146
Investment property	9		1,687,500		1,687,500
			<u>10,993,944</u>		<u>9,894,646</u>
CURRENT ASSETS					
Debtors	10	98,651		61,100	
Cash at bank		607,694		797,010	
		<u>706,345</u>		<u>858,110</u>	
CREDITORS: amounts falling due within one year	11	(2,239,834)		(2,263,607)	
NET CURRENT LIABILITIES			<u>(1,533,489)</u>		<u>(1,405,497)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,460,455</u>		<u>8,489,149</u>
CREDITORS: amounts falling due after more than one year	12		(4,750,216)		(5,035,298)
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(82,275)		(127,116)
NET ASSETS			<u>4,627,964</u>		<u>3,326,735</u>
CAPITAL AND RESERVES					
Called up share capital	14		50		50
Revaluation reserve	15		4,192,800		3,076,931
Capital redemption reserve	15		55		55
Profit and loss account	15		435,059		249,699
SHAREHOLDERS' FUNDS	16		<u>4,627,964</u>		<u>3,326,735</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

22 SEPTEMBER 2011



Director

R.R. Williamson

The notes on pages 10 to 19 form part of these financial statements.

GATE HEALTHCARE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	18	664,358	767,044
Returns on investments and servicing of finance	19	(330,422)	(301,113)
Taxation		(93,957)	(24,877)
Capital expenditure and financial investment	19	(134,211)	2,327
Equity dividends paid		(36,889)	(70,187)
CASH INFLOW BEFORE FINANCING		68,879	373,194
Financing	19	(258,195)	(3,674)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(189,316)	369,520

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT FOR THE YEAR ENDED 31 MARCH 2011 (NOTE 20)

	2011 £	2010 £
(Decrease)/increase in cash in the year	(189,316)	369,520
Cash inflow from increase in debt	258,195	3,674
MOVEMENT IN NET DEBT IN THE YEAR	68,879	373,194
Net debt at 1 April 2010	(6,161,869)	(6,535,063)
NET DEBT AT 31 MARCH 2011	(6,092,990)	(6,161,869)

The notes on pages 10 to 19 form part of these financial statements.

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and investment properties and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises fee income relating to the provision of care services and rent receivable from investment properties in the year. Fee income comprises the care home fees due to the company for the year under review.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	- 2% straight line
Plant & machinery	- 15% straight line

Freehold buildings are revalued fully every 5 years with an interim valuation after 3 years in accordance with Financial Reporting Standard No. 15.

1.4 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

1.5 Hire purchase agreements

Assets acquired under hire purchase contracts are capitalised as tangible fixed assets and depreciated over their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of the capital repayments outstanding.

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except that deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse and are not discounted.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

All turnover arose within the United Kingdom.

	2011 £	2010 £
Provision of care home facilities	3,654,048	3,610,085
Property rental	81,986	84,561
Total	<u>3,736,034</u>	<u>3,694,646</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2011 £	2010 £
Depreciation of tangible fixed assets:		
- owned by the company	191,132	196,600
- held under hire purchase	2,756	1,653
Auditors' remuneration	10,100	9,900
Operating lease rentals:		
- plant & machinery	2,166	5,131
- land & buildings	12,500	12,500

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2011 £	2010 £
Wages and salaries	2,092,153	2,018,910
Social security costs	152,709	147,733
Other pension costs	5,776	5,776
	<u>2,250,638</u>	<u>2,172,419</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2011 No.	2010 No.
Nursing and ancillary staff	167	169
Administration	4	4
	<u>171</u>	<u>173</u>

5. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>202,864</u>	<u>193,529</u>
Company pension contributions to defined contribution pension schemes	<u>5,776</u>	<u>5,776</u>

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £122,217 (2010 - £116,129). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,600 (2010 - £3,600).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
On bank loans	330,196	306,344
On hire purchase contracts	1,073	1,076
	<u>331,269</u>	<u>307,420</u>

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

7. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	51,870	96,218
Adjustments in respect of prior periods	(2,261)	11,693
Total current tax	49,609	107,911
Deferred tax (see note 13)		
Origination and reversal of timing differences	(44,841)	31,920
Tax on profit on ordinary activities	4,768	139,831

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 21% (2010 - 28%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	183,911	300,165
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	51,495	84,046
Effects of:		
Expenses not deductible for tax purposes	6,845	9,314
Depreciation in excess of capital allowances	6,404	22,035
Small companies relief	(12,874)	(19,177)
Adjustments to tax charge in respect of prior periods	(2,261)	11,693
Current tax charge for the year (see note above)	49,609	107,911

GATE HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Total £
Cost or valuation			
At 1 April 2010	8,386,226	493,980	8,880,206
Additions	54,861	79,350	134,211
Disposals	-	(6,735)	(6,735)
Revaluation surplus	686,922	-	686,922
At 31 March 2011	<u>9,128,009</u>	<u>566,595</u>	<u>9,694,604</u>
Depreciation			
At 1 April 2010	314,337	358,723	673,060
Charge for the year	157,716	36,172	193,888
On disposals	-	(6,735)	(6,735)
On revalued assets	(472,053)	-	(472,053)
At 31 March 2011	<u>-</u>	<u>388,160</u>	<u>388,160</u>
Net book value			
At 31 March 2011	<u>9,128,009</u>	<u>178,435</u>	<u>9,306,444</u>
At 31 March 2010	<u>8,071,889</u>	<u>135,257</u>	<u>8,207,146</u>

The net book value of assets held under hire purchase contracts, included above, are as follows:

	2011 £	2010 £
Plant & machinery	<u>8,266</u>	<u>11,021</u>

Included in freehold land and buildings is freehold land at a cost of £505,000 (2010 - £505,000), which is not depreciated.

Cost or valuation at 31 March 2011 is as follows:

	Land and buildings £
At cost	144,590
At valuation:	
31 August 2011 on the basis of open market value for existing use	<u>8,983,419</u>
	<u>9,128,009</u>

The company's freehold land and buildings were revalued in August 2011 by Walton Healthcare Property Consultants on the basis of open market value for existing use.

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

8. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2011 £	2010 £
Cost	3,333,614	3,278,753
Accumulated depreciation	(521,011)	(465,445)
Net book value	<u>2,812,603</u>	<u>2,813,308</u>

9. INVESTMENT PROPERTIES

	Investment property £
Valuation	
At 1 April 2010 and 31 March 2011	<u>1,687,500</u>

The company's investment properties were valued on 31 March 2011 by the directors of the company.

On a historic cost basis the investment properties would have been included at £1,098,636 (2010 - £1,098,636).

10. DEBTORS

	2011 £	2010 £
Trade debtors	69,509	34,529
Other debtors	8,308	4,349
Prepayments	20,834	22,222
	<u>98,651</u>	<u>61,100</u>

11. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Bank loans	1,946,794	1,919,907
Net obligations under hire purchase contracts	3,674	3,674
Trade creditors	91,758	87,625
Corporation tax	51,870	96,218
Social security and other taxes	48,390	49,852
Other creditors	29,070	27,788
Accruals and deferred income	68,278	78,543
	<u>2,239,834</u>	<u>2,263,607</u>

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

12. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Bank loan	4,748,685	5,030,093
Net obligations under hire purchase contracts	1,531	5,205
	<u>4,750,216</u>	<u>5,035,298</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2011 £	2010 £
Repayable by instalments	<u>3,561,514</u>	<u>3,845,581</u>

The two bank loans are secured by a bond and floating charge and a first standard security over the company's properties.

The £1.65m bank loan is repayable in a single payment in July 2011. Interest is payable on this loan at LIBOR.

The £5.3m bank loan is repayable by equal monthly instalments over the period to April 2026 with the first instalment paid in May 2010. Interest is payable on this loan at 1% over base rate.

Obligations under hire purchase contracts, included above, are payable as follows:

	2011 £	2010 £
Between one and five years	<u>1,531</u>	<u>5,205</u>

Hire purchase creditors are secured on the assets concerned.

13. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	127,116	95,196
(Released during)/charge for year	(44,841)	31,920
At end of year	<u>82,275</u>	<u>127,116</u>

The provision for deferred taxation is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>82,275</u>	<u>127,116</u>

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

14. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
50 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

15. RESERVES

	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 April 2010	55	3,076,931	249,699
Profit for the year	-	-	179,143
Dividends: Equity capital	-	-	(36,889)
Deficit on revaluation of investment property	-	1,158,975	-
Transfer between revaluation reserve and P/L account	-	(43,106)	43,106
	<u>55</u>	<u>4,192,800</u>	<u>435,059</u>
At 31 March 2011	<u>55</u>	<u>4,192,800</u>	<u>435,059</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	3,326,735	3,236,588
Profit for the year	179,143	160,334
Dividends (Note 17)	(36,889)	(70,187)
Revaluation deficit in the year	1,158,975	-
	<u>4,627,964</u>	<u>3,326,735</u>
Closing shareholders' funds	<u>4,627,964</u>	<u>3,326,735</u>

17. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	<u>36,889</u>	<u>70,187</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	514,333	594,287
Depreciation of tangible fixed assets	193,888	198,253
(Increase)/decrease in debtors	(37,551)	22,510
Decrease in creditors	(6,312)	(48,006)
	<u>664,358</u>	<u>767,044</u>
Net cash inflow from operating activities	<u>664,358</u>	<u>767,044</u>

GATE HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	847	623
Interest paid	(330,196)	(300,660)
Hire purchase interest	(1,073)	(1,076)
Net cash outflow from returns on investments and servicing of finance	(330,422)	(301,113)
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(134,211)	(10,348)
Sale of unlisted and other investments	-	12,675
Net cash (outflow)/inflow from capital expenditure	(134,211)	2,327
	2011 £	2010 £
Financing		
Repayment of loans	(254,521)	-
Repayment of hire purchase debt	(3,674)	(3,674)
Net cash outflow from financing	(258,195)	(3,674)

20. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
Cash at bank and in hand	797,010	(189,316)	-	607,694
Hire purchase debt	(8,879)	3,674	-	(5,205)
Debts due within one year	(1,919,907)	254,521	(281,408)	(1,946,794)
Debts falling due after more than one year	(5,030,093)	-	281,408	(4,748,685)
Net debt	(6,161,869)	68,879	-	(6,092,990)

GATE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

21. OPERATING LEASE COMMITMENTS

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Expiry date:				
Less than 1 year	-	-	428	409
Between 2 and 5 years	12,500	12,500	2,747	9,330
After more than 5 years	-	-	859	-
Total	12,500	12,500	4,037	9,739

22. POST BALANCE SHEET EVENT

Since the year end, the company has disposed of one of its investment properties, disposal proceeds support the valuation for the remaining investment properties. It is the intention of the directors to sell the remaining investment properties in the near future.

23. CONTROLLING PARTY

The company is controlled by R R Williamson.

24. PENSION COSTS

The company operates a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is shown in note 4.