

HALLMARK HEALTHCARE
(PENTWYN) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

WEDNESDAY



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01/12/2010
COMPANIES HOUSE

GRAVESTOCK & OWEN LIMITED
Chartered Accountants & Statutory Auditor
33 Market Place
Willenhall
West Midlands
WV13 2AA

HALLMARK HEALTHCARE (PENTWYN) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2010

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HALLMARK HEALTHCARE (PENTWYN) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr R Goyal
Mr A M Goyal

Company Secretary

Mr R Goyal

Registered office

2 Kingfisher House
Woodbrook Crescent
Radford Way
Billericay
Essex
CM12 0EQ

Auditor

Gravestock & Owen Limited
Chartered Accountants
& Statutory Auditor
33 Market Place
Willenhall
West Midlands
WV13 2AA

HALLMARK HEALTHCARE (PENTWYN) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

The directors present their report and the financial statements of the company for the year ended 31 March 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was that of a residential care home

The directors are pleased to report a satisfactory trading year. Turnover has increased significantly to £2,859,519, compared with £1,912,630 in the previous year. The operating profit has increased by 212% to £702,169 during the year. Bank interest payable has fallen by 48% to £116,285. The company's net liabilities have reduced by £406,000 to £337,515. The directors are confident about the continuing financial performance of the business and continue to seek opportunities to develop the business further.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £406,000. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As in any trading organisation, the directors acknowledge that as well as rewards, there are risks and uncertainties that need to be constantly monitored. The principal financial risk is an adverse variation in bank interest rates resulting in higher interest payable and reduced profitability. The company is dependent upon the professionalism and efficiency of its employees in satisfying both its customers' needs and health and safety issues. Systems are in place to ensure effective monitoring of these issues.

DIRECTORS

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

Mr R Goyal
Mr A M Goyal

DIRECTORS' RESPONSIBILITIES

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 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.

HALLMARK HEALTHCARE (PENTWYN) LIMITED

THE DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2010

DIRECTORS' RESPONSIBILITIES (CONTINUED)

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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office
2 Kingfisher House
Woodbrook Crescent
Radford Way
Billericay
Essex
CM12 0EQ

Signed on behalf of the directors


MR R GOYAL
Director and Secretary

Approved by the directors on 15/11/2010

HALLMARK HEALTHCARE (PENTWYN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO HALLMARK HEALTHCARE
(PENTWYN) LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Hallmark Healthcare (Pentwyn) Limited for the year ended 31 March 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Malcolm Owen FCA
Senior Statutory Auditor
For and on behalf of
Gravestock and Owen Limited
Chartered Accountants &
Statutory Auditor

33 Market Place
Willenhall
West Midlands
WV13 2AA

24/11/2010

HALLMARK HEALTHCARE (PENTWYN) LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2010**

	<u>Note</u>	<u>2010</u> £	<u>2009</u> £
TURNOVER		2,859,519	1,912,630
Cost of Sales and Other operating income		127,416	85,899
Administrative expenses		2,029,934	1,601,797
OPERATING PROFIT	2	702,169	224,934
Interest payable and similar charges	4	116,285	225,995
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		585,884	(1,061)
Tax on profit/(loss) on ordinary activities	5	179,884	15,546
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		406,000	(16,607)

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

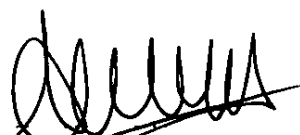
There are no recognised gains or losses other than the profit of £406,000 attributable to the shareholders for the year ended 31 March 2010 (2009 - loss of £16,607)

HALLMARK HEALTHCARE (PENTWYN) LIMITED**ABBREVIATED BALANCE SHEET****31 MARCH 2010**

	<u>Note</u>	<u>2010</u>		<u>2009</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6	5,053,790		5,250,842	
CURRENT ASSETS					
Debtors	7	115,665		274,164	
Cash at bank and in hand		205,893		250	
		<u>321,558</u>		<u>274,414</u>	
CREDITORS: Amounts falling due within one year	8	<u>1,528,371</u>		<u>6,253,935</u>	
NET CURRENT LIABILITIES		<u>(1,206,813)</u>		<u>(5,979,521)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,846,977</u>		<u>(728,679)</u>	
CREDITORS: Amounts falling due after more than one year	9	4,110,000		—	
PROVISIONS FOR LIABILITIES					
Deferred taxation	10	74,492		14,836	
		<u>(337,515)</u>		<u>(743,515)</u>	
CAPITAL AND RESERVES					
Called-up equity share capital	11	1		1	
Profit and loss account	12	(337,516)		(743,516)	
DEFICIT	13	<u>(337,515)</u>		<u>(743,515)</u>	

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 15/11/2010 and are signed on their behalf by


MR A M GOYAL
Director

Company Registration Number 5182431

HALLMARK HEALTHCARE (PENTWYN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

At the balance sheet date, the company had net liabilities of £337,515 and net current liabilities of £1,206,813. Included within net current liabilities are group creditors totalling £1,186,523, being loans from group undertakings. Although these amounts are repayable on demand, the group undertakings have agreed informally not to demand repayment for the foreseeable future. The directors are of the opinion that, having regard to the funding available from its bankers and group undertakings, the company has sufficient working capital to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

The company is a wholly owned subsidiary of Hallmark Healthcare (Cardiff) Limited. The company's ultimate parent undertaking is Hallmark Healthcare Group Holdings Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or shareholders of the Hallmark Healthcare Group Holdings Limited group of companies.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced for services provided during the year.

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:

Freehold Buildings	- 2% per annum on cost
Plant & Machinery	- 12.5% per annum reducing balance
Fixtures & Fittings	- 20% per annum reducing balance
Equipment	- 20% per annum reducing balance

HALLMARK HEALTHCARE (PENTWYN) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES (CONTINUED)

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, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. OPERATING PROFIT

Operating profit is stated after charging

	<u>2010</u> £	<u>2009</u> £
Directors' remuneration	—	—
Depreciation of owned fixed assets	222,632	279,167
Auditor's remuneration		
- as auditor	<u>2,056</u>	<u>1,786</u>

HALLMARK HEALTHCARE (PENTWYN) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

YEAR ENDED 31 MARCH 2010

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	<u>2010</u> No	<u>2009</u> No
Number of administrative staff	<u>84</u>	<u>76</u>

The aggregate payroll costs of the above were

	<u>2010</u> £	<u>2009</u> £
Wages and salaries	1,163,772	1,066,162
Social security costs	<u>84,874</u>	<u>70,370</u>
	<u>1,248,646</u>	<u>1,136,532</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2010</u> £	<u>2009</u> £
Interest payable on bank borrowing	<u>116,285</u>	<u>225,995</u>

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	£ <u>2010</u>	£	£ <u>2009</u>	£
Current tax				
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	120,228		-	
Over/under provision in prior year	-		60	
Total current tax	<u>120,228</u>		<u>60</u>	
Deferred tax				
Origination and reversal of timing differences (note 10)				
Capital allowances	11,715		4,680	
Losses	<u>47,941</u>		<u>10,806</u>	
Total deferred tax (note 10)	<u>59,656</u>		<u>15,486</u>	
Tax on profit/(loss) on ordinary activities	<u>179,884</u>		<u>15,546</u>	

HALLMARK HEALTHCARE (PENTWYN) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

5. TAXATION ON ORDINARY ACTIVITIES (CONTINUED)

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	<u>2010</u> £	<u>2009</u> £
Profit/(loss) on ordinary activities before taxation	<u>585,884</u>	<u>(1,061)</u>
Profit/(loss) on ordinary activities by rate of tax	<u>164,048</u>	<u>(297)</u>
Expenses not deductible for tax purposes	<u>15,836</u>	<u>15,741</u>
Capital allowances for period in excess of depreciation	<u>(11,715)</u>	<u>(8,553)</u>
Movement in tax losses	<u>(47,941)</u>	<u>(6,891)</u>
Adjustment in respect of prior years	<u>-</u>	<u>60</u>
Total current tax (note 5(a))	<u>120,228</u>	<u>60</u>

6. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u> £	<u>Plant & Machinery</u> £	<u>Fixtures & Fittings</u> £	<u>Equipment</u> £	<u>Total</u> £
COST					
At 1 April 2009	4,128,618	1,407,992	313,957	26,531	5,877,098
Additions	—	—	29,473	(3,893)	25,580
At 31 March 2010	<u>4,128,618</u>	<u>1,407,992</u>	<u>343,430</u>	<u>22,638</u>	<u>5,902,678</u>
DEPRECIATION					
At 1 April 2009	115,955	373,997	125,715	10,589	626,256
Charge for the year	56,558	129,248	39,570	(2,744)	222,632
At 31 March 2010	<u>172,513</u>	<u>503,245</u>	<u>165,285</u>	<u>7,845</u>	<u>848,888</u>
NET BOOK VALUE					
At 31 March 2010	<u>3,956,105</u>	<u>904,747</u>	<u>178,145</u>	<u>14,793</u>	<u>5,053,790</u>
At 31 March 2009	<u>4,012,663</u>	<u>1,033,995</u>	<u>188,242</u>	<u>15,942</u>	<u>5,250,842</u>

HALLMARK HEALTHCARE (PENTWYN) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

7. DEBTORS

	<u>2010</u> £	<u>2009</u> £
Trade debtors	98,560	35,572
Amounts owed by group undertakings	—	216,457
Called up share capital not paid	—	1
Prepayments and accrued income	17,105	22,134
	<u>115,665</u>	<u>274,164</u>

8. CREDITORS: Amounts falling due within one year

	<u>2010</u> £	<u>2009</u> £
Bank loans and overdrafts	23,919	4,162,924
Trade creditors	63,735	67,298
Amounts owed to group undertakings	1,186,523	1,901,523
Corporation tax	120,228	—
PAYE and social security	25,770	19,698
Other creditors	10,414	55
Accruals and deferred income	97,782	102,437
	<u>1,528,371</u>	<u>6,253,935</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	<u>2010</u> £	<u>2009</u> £
Bank loans and overdrafts	<u>23,919</u>	<u>4,162,924</u>

The bank borrowings are secured by a fixed and floating charge over all of the company's assets

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

	<u>2010</u> £	<u>2009</u> £
Bank loans	<u>4,110,000</u>	<u>—</u>

The bank loan is repayable by 12 quarterly instalments of £51,375 each followed by a final instalment of such an amount as is required to repay the loan in full. The first instalment shall be paid on 31 December 2011 and the loan bears interest at 2.00% per annum above LIBOR.

HALLMARK HEALTHCARE (PENTWYN) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

9. CREDITORS: Amounts falling due after more than one year (continued)

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

	<u>2010</u> £	<u>2009</u> £
Bank loans	<u>4,110,000</u>	<u>—</u>

The bank borrowings are secured by a fixed and floating charge over all of the company's assets

10. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	<u>2010</u> £	<u>2009</u> £
Provision brought forward	14,836	(650)
Profit and loss account movement arising during the year	<u>59,656</u>	<u>15,486</u>
Provision carried forward	<u>74,492</u>	<u>14,836</u>

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

	<u>2010</u> £	<u>2009</u> £
Excess of taxation allowances over depreciation on fixed assets	74,492	62,777
Tax losses available	<u>-</u>	<u>(47,941)</u>
	<u>74,492</u>	<u>14,836</u>

HALLMARK HEALTHCARE (PENTWYN) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

YEAR ENDED 31 MARCH 2010

11 SHARE CAPITAL

Authorised share capital:

	<u>2010</u> £	<u>2009</u> £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted and called up:

	<u>2010</u> No	£	<u>2009</u> No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows

	<u>2010</u> £	<u>2009</u> £
Ordinary shares	<u>-</u>	<u>1</u>

12 PROFIT AND LOSS ACCOUNT

	<u>2010</u> £	<u>2009</u> £
Balance brought forward	(743,516)	(726,909)
Profit/(loss) for the financial year	<u>406,000</u>	<u>(16,607)</u>
Balance carried forward	<u>(337,516)</u>	<u>(743,516)</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2010</u> £	<u>2009</u> £
Profit/(Loss) for the financial year	<u>406,000</u>	(16,607)
Opening shareholders' deficit	<u>(743,515)</u>	<u>(726,908)</u>
Closing shareholders' deficit	<u>(337,515)</u>	<u>(743,515)</u>

14. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Hallmark Healthcare (Cardiff) Limited and its ultimate parent undertaking is Hallmark Healthcare Group Holdings Limited. Each company is registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Hallmark Healthcare Group Holdings Limited. Copies of the group accounts are available from its registered office at 2 Kingfisher House, Woodbrook Crescent, Radford Way, Billericay, Essex, CM12 0EQ.