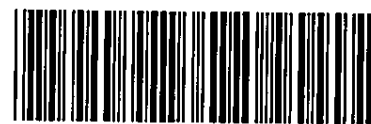


**HALLMARK HEALTHCARE (PENTWYN) LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2008**

WEDNESDAY



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COMPANIES HOUSE

**GRAVESTOCK & OWEN LIMITED**

Chartered Accountants & Registered Auditors

33 Market Place

Willenhall

West Midlands

WV13 2AA

**HALLMARK HEALTHCARE (PENTWYN) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 MARCH 2008**

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**HALLMARK HEALTHCARE (PENTWYN) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO HALLMARK HEALTHCARE**  
**(PENTWYN) LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts, together with the financial statements of Hallmark Healthcare (Pentwyn) Limited for the year ended 31 March 2008 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**


We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

33 Market Place  
Willenhall  
West Midlands  
WV13 2AA

23 September 2008

  
**GRAVESTOCK & OWEN LIMITED**  
**CHARTERED ACCOUNTANTS**  
**& REGISTERED AUDITORS**

**HALLMARK HEALTHCARE (PENTWYN) LIMITED****ABBREVIATED BALANCE SHEET****31 MARCH 2008**

	<u>Note</u>	<u>2008</u>	<u>2007</u>
		£	£
<b>FIXED ASSETS</b>	<b>2</b>		
Tangible assets		5,430,333	5,740,446
<b>CURRENT ASSETS</b>			
Debtors		353,810	94,029
Cash at bank and in hand		37,919	250
		<u>391,729</u>	<u>94,279</u>
<b>CREDITORS: Amounts falling due within one year</b>	<b>3</b>	<u>6,548,970</u>	<u>6,119,530</u>
<b>NET CURRENT LIABILITIES</b>		<u>(6,157,241)</u>	<u>(6,025,251)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>( 726,908)</u>	<u>( 284,805)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	<b>4</b>	1	1
Profit and loss account		<u>( 726,909)</u>	<u>( 284,806)</u>
<b>DEFICIT</b>		<u>( 726,908)</u>	<u>( 284,805)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 22 September 2008 and are signed on their behalf by



MR R GOYAL

# **HALLMARK HEALTHCARE (PENTWYN) LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 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)

At the balance sheet date, the company had net liabilities of £726,908 and net current liabilities of £6,157,241. Included within net current liabilities is a bank loan amounting to £4,327,282. The bank has indicated that, once the residential care home became operational and certain occupancy levels have been achieved, the short term development loan would be converted into a long term loan repayable over a period not exceeding 18 years. As this conversion had not happened by 31 March 2008, the bank loan has been recorded in the balance sheet at 31 March 2008 as being repayable on demand. In addition, within net current liabilities are group creditors totalling £1,901,523, 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.

#### **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 on cost
Fixtures & Fittings	- 25% per annum on net book value
Equipment	- 25% per annum on net book value

**HALLMARK HEALTHCARE (PENTWYN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2008**

**1. ACCOUNTING POLICIES (CONTINUED)**

The accounting policy for plant and machinery has been applied to the net book value at 1 April 2007 and to the cost of any additions thereafter

The useful economic life of plant and machinery has been reviewed and revised. The directors consider that the economic life of this category is longer than previously determined. As a consequence, with effect from 1 April 2007, the rate of depreciation has been changed from 25% per annum reducing balance to 12.5% per annum straight line, applied to the net book value at 1 April 2007 and to the cost of any additions thereafter. The effect of this revised depreciation method has been to reduce the depreciation charge in the current year by £172,333.

**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.

**2. FIXED ASSETS**

	<b><u>Tangible Assets</u></b>
	<b>£</b>
<b>COST</b>	
At 1 April 2007	5,780,949
Additions	( 3,527)
<b>At 31 March 2008</b>	<b><u>5,777,422</u></b>
<b>DEPRECIATION</b>	
At 1 April 2007	40,503
Charge for year	306,586
<b>At 31 March 2008</b>	<b><u>347,089</u></b>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2008</b>	<b><u>5,430,333</u></b>
At 31 March 2007	<b><u>5,740,446</u></b>

**HALLMARK HEALTHCARE (PENTWYN) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2008**

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

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

	<u>2008</u>	<u>2007</u>
	£	£
Bank loans and overdrafts	<u>4,328,475</u>	<u>4,263,857</u>

**4. SHARE CAPITAL**

**Authorised share capital:**

	<u>2008</u>	<u>2007</u>
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**Allotted and called up:**

	<u>2008</u>		<u>2007</u>	
	No	£	No	£
Ordinary shares of £1 each	1	1	1	1

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>2008</u>	<u>2007</u>
	£	£
Ordinary shares	<u>1</u>	<u>1</u>

**5. 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.