COMPANY REGISTERED NUMBER : 1855768

GOLCARE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31 MARCH 1994

GOLCARE LIMITED
REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts for the year ended 31 March 1994.

Business Review

The principal activity of the company is the operation of private residential care homes for the elderly and there has been no significant change in this activity during the year.

The directors are pleased to report a satisfactory level of trading in the year ended 31 March 1994.

	1994	1993
Turnover	£ 693547	£ 685407
Profit before taxation	£ 95247	£ 65221
Taxation	11531	11131
Profit for the financial year	£ 83716	£ 54090

A summary of the movements in tangible assets owned by the company is shown in the notes to the accounts. The expenditure incurred in the year, other than that on motor vehicles, relates to the provision of further equipment and furnishings and building alterations in the homes owned by the company.

The directors anticipate that the trading profit for the year ending 31 March 1995 will be in the region of £65,000 after providing for depreciation of some £29,000 on the company's fixed assets. This estimate is based upon both the residential homes operating at the same capacity as in the year ended 31 March 1994.

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GOLCARE LIMITED
REPORT OF THE DIRECTORS

Proposed Dividend

The directors do not propose a dividend. Dividends of £30,000 were paid in respect of the year ended 31 March 1993 on 4 July 1995.

Directors

The directors during the year and their interests in the Ordinary £1 shares of the company are shown below :

	31 March 1994	31 March 1993
AE Hanlon	-	-
GO Lewis	99	99
TW Llewellyn	1	1

AE Hanlon resigned as director / secretary on 1 July 1994

Directors Responsibility For The Financial Statements

The directors are required by law to prepare financial statements for each financial year 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 the profit or loss, total recognised gains or losses and cash flows of the company for that period. The directors confirm their responsibility to ensure that appropriate accountancy policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 March 1994. The directors also confirm their responsibility to prepare the financial statements on the going concern basis unless it is unappropriate to assume that the company will continue in business.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

Auditor

A resolution for the reappointment of N Maxwell & Co, as auditors of the company is to be proposed at the forthcoming annual general meeting.

Close Company

The company is a close company within the definition of the Income and Corporation Taxes Act, 1988.

The directors have taken advantage in the preparation of their report of the special exemptions applicable to small companies.

Hillside Grange
Sunderland Road
Gateshead
Tyne & Wear

By order of the board

GO LEWIS

Secretary

.....16/5/95... Date

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AUDITORS' REPORT

TO THE MEMBERS OF GOLCARE LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relevant of 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 at 31 March 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

N Maxwell and Co.

N Maxwell & Co
Certified Accountants and Registered Auditors

670 Durham Road
Low Fell
Gateshead
Tyne & Wear
NE9 6JA

April 1995

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF [illegible]

[illegible]

Respective Responsibilities of Directors and Auditors

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Basis of Opinion

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Opinion

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GOLCARE LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1994

	Note	1994	1993
Turnover	2	£ 693,547	£ 685,407
Cost of Sales	3	(379,364)	(354,395)
GROSS PROFIT		314,183	331,012
Administrative expenses		(111,695)	(158,543)
Operating Profit	6	202,488	172,469
Interest Payable	7	(107,241)	(107,248)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		95,247	65,221
Taxation on profit on ordinary activities	8	(11,531)	(11,131)
PROFIT FOR THE FINANCIAL YEAR ON ORDINARY ACTIVITIES AFTER TAXATION		83,716	54,090
Proposed Dividend		-	30,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		83,716	24,090
Retained profit brought forward		1,689	(22,401)
RETAINED PROFIT CARRIED FORWARD		£ 85,405	£ 1,689

The notes on pages 7 to 13 form part of these accounts

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GOLCARE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

FOR THE YEAR ENDED 31 MARCH 1994

	1994	1993
	£	£
Profit for the Financial Year	83,716	54,090
Unrealised Surplus on Revaluation of Property	227,081	-
Total Recognised Gains & Losses Relating to the Year	310,797	54,090

The notes on pages 7 to 13 form part of these accounts.

GOLCARE LIMITED

BALANCE SHEET

AS AT 31 MARCH 1994

	Note	1994		Restated 1993	
FIXED ASSETS					
Tangiable Assets	9	£ 1,129,117		£ 784,490	
CURRENT ASSETS					
Debtors	10		211,450		144,737
Cash at bank and in hand			1,556		12,990
			213,006		157,727
CREDITORS : AMOUNTS Falling Due Within one year	11		192,200		163,902
NET CURRENT ASSETS		20,806		(6,175)	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,149,923		778,315	
CREDITORS : AMOUNTS Falling due after more than one year	12	(828,270)		(766,376)	
PROVISIONS FOR LIABILITIES AND CHARGES	14	(65,837)		(10,150)	
		£ 255,816		£ 1,789	
CAPITAL AND RESERVES					
Called up share capital	16	100		100	
Revaluation Reserve	18	170,311		-	
Profit and loss account		85,405		1,689	
SHAREHOLDERS FUNDS		£ 255,816		£ 1,789	

The directors have taken advantage in the preparation of the accounts, of special exemptions applicable to small companies under schedule 8 part 1 of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

By Order of the Board

..... GO Lewis (Director) .....16/5/95.. Date

1. ACCOUNTING POLICIES

The following accounting policies have been applied in dealing with items which are considered material in relation to the company's accounts.

Basis of Accounting

The accounts have been prepared under the historical cost convention as amended by the revaluation of freehold and leasehold properties and in accordance with the going concern concept based on the provision that the company's bankers will not withdraw their support.

Depreciation

Depreciation is provided at the following annual rates, on the straight line method, to write off the cost of tangible fixed assets over their estimated useful lives.

Freehold Property	0%
Leasehold Property	Length of Lease
Equipment & Furnishings	10%
Motor Vehicles	25%

Freehold property is maintained to ensure that its value does not diminish over time. The maintenance costs are charged to profit and loss in the year in which they are incurred. In the directors opinion, depreciation would be immaterial and has not been charged.

A full year's depreciation is provided on equipment and furnishing additions in the year purchased whilst depreciation on motor vehicles is calculated only for the period from their date of purchase to the year end.

Hire Purchase

Fixed assets acquired under hire purchase agreements are included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of the future instalments is shown as a liability. Interest payable in each period is charged to profit and loss account in proportion to the amount outstanding under the agreement.

Deferred Taxation

Deferred taxation is calculated on the liability method in respect of the excess of capital allowances over depreciation provided, and after taking into account unused tax losses available for future relief.

Pensions

The cost of contributions made by the company to the scheme are charged to profit and loss account as incurred.

Cash Flow Statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 not to present a cash flow statement on the grounds that it qualifies as a small company. This is a change in policy compared with the previous year.

2. TURNOVER

Turnover represents fees invoiced by the company in respect of goods and services provided during the year, excluding value added tax.

3. COST OF SALES

Cost of sales represents the direct costs incurred by the company in providing services for the residents and includes expenditure on cleaning and laundry, food and staff wages.

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the year was as follows :

	1994	1993
Management	3	3
Nursing and domenstic staff	55	57
	58	60

The aggregate payroll costs of these persons, including directors, were as follows :

	1994	1993
Salaries & Wages	299,249	284,712
Social Security Costs	17,986	14,723
Pension Scheme Costs	7,805	7,648
	325,040	307,083

5. DIRECTORS REMUNERATION AND TRANSACTIONS INVOLVING DIRECTORS

	1994	1993
Directors Emoluments	50,663	28,641

The overdrawn balance on the directors loan account increased during the year to £158,309 (1993 : £129,768). This balance was reduced by £10,000 on 11 April 1994 and further reduced by £29,700 on 19 July 1994.

6. OPERATING PROFIT

The operating profit is stated after charging/crediting the following :

	1994	1993
Auditor's Remuneration	750	3,510
Depreciation of tangible fixed assets	24,890	32,625
Directors' Remuneration (Including pension contributions)	31,427	28,641
Hire of equipment	9,039	10,621
Loss on sale of fixed assets	1,425	4,575
Depreciation Cancelled	49,040	-
	116,571	79,972

7. INTEREST PAYABLE

	1994	1993
On bank overdrafts	8,199	7,923
Hire purchase interest on loans repayable within five years	5,139	6,470
On bank loans	93,903	92,855
	107,241	107,248

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1994	1993
Corporation Tax @ 25%	12,614	1,250
Deferred Taxation	(1,083)	10,150
Prior Year Adjustment	-	(269)
	11,531	11,131

9. TANGIBLE FIXED ASSETS

	Freehold Property	Leashold Property	Equipment & Furniture	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 April, 1993	114,407	598,512	144,776	30,600	888,295
Revaluation	185,593	41,488	-	-	227,081
Additions in Year	-	63,311	18,772	20,738	102,821
Disposal in year	(-)	(-)	(-)	(13,100)	(13,100)
At 31 March 1994	300,000	703,311	163,548	38,238	1,205,097
Depreciation					
At 1 April 1993	13,130	35,910	48,920	5,845	103,805
Charged in year	-		16,354	8,536	24,890
On disposal	(-)		(-)	(3,675)	(3,675)
Revaluation	(13,130)	(35,910)	-	-	(49,040)
At 31 March 1994	-	-	65,274	10,706	75,980
Net Book Value					
At 31 March 1994	300,000	703,311	98,274	27,532	1,129,117
At 31 March 1993	101,277	562,602	95,856	24,755	784,490

The freehold and leasehold property were valued on 10 August 1993 by Taylors Business Surveyors and Valuers on a bricks and morter basis.

The historical cost of freehold property included above at a valuation of £300,000 was £114,407 (1993 : £114,407). The historical cost of leasehold property included above at a valuation of £703,311 was £661,823 (1993 : £598,512)

In the opinion of the directors of the company the estimated residual value of the freehold property, at the end of its useful economic life to the business, is greater than the net book value of the property shown above. In these circumstances and in view of the contents of note 1, it has not been appropriate to charge depreciation at this time on freehold property.

The leasehold property is held on a renegotiated lease for 99 years expiring on the 11 July 2092.

The effect of the charge in accounting policy on depreciation is to decrease the charge for the year by £19,085 and concequently increase profits by the same amount.

Tangible fixed assets includes assets costing £62,055 (1993 : £45,900) and with a net book value of £43,077 (1993 : £37,338) which are the subject of hire purchase contracts.

At 31 March 1994 there were no commitments for capital expenditure either contracted for or authorised, (1993 : £Nil)

10. DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994	1993
Trade Debtors	-	1,627
Prepayments	171	1,259
Director's Loan Account	158,309	129,768
Other Debtors	-	7,342
Taxation Recoverable	52,970	4,741
	211,450	144,737

11. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994	1993
Bank Overdrafts	48,824	57,401
Trade Creditors	9,164	15,969
Corporation Tax	12,614	1,250
Payroll Tax/Social Security	8,377	26,728
S419 Tax	42,391	-
Hire Purchase Creditors (note 13)	13,218	12,230
Accruals	27,612	20,324
Proposed Dividend	30,000	30,000
	192,200	163,902

The bank overdrafts are secured by second mortgages over the freehold and leasehold properties of the company.

12. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Bank Loan	811,436	750,131
Hire Purchase Creditors (note 13)	16,834	16,245
	828,270	766,376

The bank loans are secured on the freehold and leasehold properties of the company and by the personal guarantee of the chairman of the company. They were advanced to the company on 31 October 1991 and 19 January 1994 and capital repayments have been deferred for a period of five years from that date.

13. HIRE PURCHASE

	1994	1993
	£	£
Amount Due	38,093	37,523
Less Interest	(8,041)	(9,048)
	30,052	28,475
Wholly repayable by instalments :		
Due within 1 year	13,218	12,230
Due within 2 - 5 years	16,834	16,245
	30,052	28,475

14. DEFERRED TAXATION

Provided for :	1994	1993
	£	£
Accelerated Capital Allowances	9,067	10,150
Revaluation of buildings	56,770	-
	65,837	10,150

15. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1994 (1993 £ Nil).

16. SHARE CAPITAL

	Authorised		Allotted called up and Fully Paid	
	1994	1993	1994	1993
	£	£	£	£
Ordinary Shares of £1 each	500,000	500,000	100	100

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1994	1993
	£	£
Profit for the Financial Year	83,716	54,090
Revaluation of Fixed Assets	227,081	-
Deferred tax on revaluation	(56,770)	-
Dividend	-	(30,000)
Net addition to shareholders funds	254,027	24,090
Opening shareholders funds	1,789	(22,301)
Closing shareholders funds	255,816	1,789

18. REVALUATION RESERVE

	1994	1993
	£	£
Surplus on Revaluation of Freehold Property	227,081	-
Deferred Taxation provision on Revaluation	(56,770)	-
	170,311	-

GOLCARE LIMITED

TRADING ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1994

	1994		1993	
TURNOVER				
Fees Rendered		£ 693,547		£ 685,407
DIRECT COSTS				
Bedding	£ -		£ 1,640	
Cleaning & Laundry	11,390		10,074	
Crockery & Hardware	390		954	
Food	50,349		42,292	
Wages	317,235		299,435	
		(379,364)		(354,395)
GROSS PROFIT		314,183		331,012
OVERHEAD EXPENDITURE				
Accountancy Fees	5,273		9,482	
Advertising	2,540		1,520	
Audit Fee	750		3,510	
Bank Charges	3,096		2,778	
Bank Interest	8,199		7,923	
Depreciation	24,890		32,625	
Flowers & Wreaths	947		316	
Heat & Light	21,471		19,153	
Hire of Equipment	9,039		10,621	
Vat Refund	(1,592)			
Hire Purchase Charges	5,139		6,470	
Insurances	6,523		4,737	
Legal & Professional Fees	18,610		6,538	
Loan Interest	93,903		92,855	
Loss on Sale of Assets	1,425		4,575	
Motor & Travelling Expenses	7,976		11,837	
Pensions	7,805		7,648	
Postage & Stationery	1,259		2,219	
Rates & Rent	14,227		13,101	
Registration Fees	6,535		2,901	
Repairs	18,361		15,780	
Staff Welfare	5,383		6,220	
Sundry Expenses	2,935		-	
Telephone	3,282		2,982	
	267,976		265,791	
Depreciation Cancelled	(49,040)		-	
		(218,936)		(265,791)
NET PROFIT BEFORE TAXATION		95,247		65,221