

**GOLCARE LIMITED**  
**ANNUAL REPORT & ACCOUNTS**  
**31 MARCH 1999**



**TINDLE & CO**  
**CHARTERED ACCOUNTANTS**

**GOLCARE LIMITED**

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**GOLCARE LIMITED**

**DIRECTORS AND OFFICERS**

DIRECTORS: G.O. Lewis  
J.L. Lewis

COMPANY SECRETARY: A.D. Michelson

COMPANY REGISTRATION NUMBER: 1855768

REGISTERED OFFICE: Hillside Grange  
Sunderland Road  
Felling  
Tyne & Wear  
NE10 0BU

BANKERS: Barclays Bank Plc.  
446 Wingrove Road  
Newcastle Upon Tyne  
NE4 9BN

SOLICITORS: Keenlyside & Forster  
1 Walker Terrace  
Gateshead  
Tyne & Wear  
NE8 1EB

AUDITORS: Tindle & Co  
Chartered Accountants  
299A Whitley Road  
Whitley Bay  
Tyne & Wear  
NE26 2SN

**GOLCARE LIMITED**

**CHAIRMAN'S REPORT**

**TRADING**

Edith House continued to trade at reduced occupancy due to the upgrading of bedrooms. As a result of greater demands by both residents and social services for improved accommodation standards, the Directors thought it was prudent to sell Edith House, being an older care home, to a residential college. The sale was completed on 7th December 1998.

A five-bedroom extension at Hillside Grange was completed and other bedrooms upgraded with the provision of en-suite facilities. This resulted in a net gain of four bedrooms.

**FUTURE PROSPECTS**

This fragmented industry is still dominated by the smaller homes with inferior facilities.

However with the completion of the reorganisation at Hillside Grange, the home now offers only single modern en-suite bedrooms. The company will now expect to increase its occupancy levels with little change in overheads.

The company has contracted to purchase a site in Hebburn and has now received full planning permission, to build a 52 bedroom residential home built to the highest standards. It is anticipated that this home will be completed by April 2000.

G. O. Lewis

31 August 1999

# **GOLCARE LIMITED**

## **DIRECTORS REPORT**

### **YEAR ENDED 31 MARCH 1999**

The Directors have pleasure in presenting their report and financial statements of the company for the year ended 31 March 1999.

#### **Principal Activities**

The principal activity of the company continues to be the provision of private residential care for elderly people.

#### **Results & Activities**

The profit for the year after taxation amounted to £259797 (1998 £53263) as shown on page 5.

#### **Tax Status**

In the opinion of the directors, the company is a Close Company within the meaning of S.414 Income and Corporation Taxes act 1988.

#### **The Directors and their interests in shares of the company**

The Directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:-

	<b>Ordinary Shares at 31 March</b>	
	<b>1999</b>	<b>1998</b>
G.O. Lewis	9,900	9,900
J.L. Lewis	100	100
	-----	-----
	10,000	10,000
	-----	-----

#### **Events Since the Balance Sheet Date**

The company has contracted to purchase a site in Hebburn and has received full planning permission, to build a 52 bedroom residential home built to the highest standard it is anticipated that this home will be completed by April 2000.

#### **Directors' Responsibilities**

The Companies Act requires the directors to prepare at the end of each financial year, financial statements which give a true and fair view of the state of affairs of the company and of the profit or loss for the year then ended.

In preparing those financial statements the directors are required to select suitable accounting policies as described on page 7 and apply them on a consistent basis making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

**GOLCARE LIMITED**

**DIRECTORS'S REPORT (continued)**

**Auditors**

A resolution to re-appoint Tindle & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act.

**Small Company Exemptions**

In preparing their report the directors have taken advantage of the special exemptions from disclosure conferred by part VII of the Companies Act 1985 on the basis that, in their opinion, the company qualified as a small company.

Signed on behalf of the directors



A.D. Michelson  
Company Secretary

31 August 1999

## **AUDITOR'S REPORT TO THE MEMBERS OF GOLCARE LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain properties and the accounting policies set out on page 7.

### **Respective Responsibilities of Directors and Auditors.**

As described above, the company's directors are responsible for the preparation of the 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 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 Companies 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 the information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Tindle & Co.  
Chartered Accountants  
299A Whitley Road  
Whitley Bay  
Tyne & Wear  
NE26 2SN

31 August 1999

**GOLCARE LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 1999**

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
<b>TURNOVER</b>	1	649920	698121
Cost of Sales		(317338)	(345809)
<b>GROSS PROFIT</b>		332582	352312
Administrative expenses		32794	(192672)
<b>OPERATING PROFIT</b>	2	365376	159640
Interest Receivable		1254	--
Interest Payable	4	(90212)	89266
<b>PROFIT ON ORDINARY ACTIVITY BEFORE TAXATION</b>		276418	70374
Taxation	5	(16629)	(17111)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		259789	53263
Dividend Paid		--	--
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		£259789	£53263

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

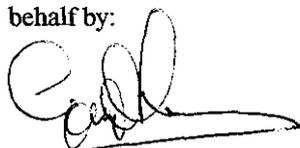
The notes on pages 8 to 12 form part of these accounts.

**GOLCARE LIMITED****BALANCE SHEET AS AT 31 MARCH 1999**

	<u>Notes</u>	<u>1999</u> £	<u>1999</u> £	<u>1998</u> £	<u>1998</u> £
<b>FIXED ASSETS</b>					
Tangible Assets	6		940884		1195240
<b>CURRENT ASSETS</b>					
Debtors	7	90988		180218	
Cash at Bank & in Hand		259582		--	
		-----		-----	
		350570		180218	
<b>CREDITORS: Amounts falling due within one year</b>					
	8	100139		110790	
		-----		-----	
<b>NET CURRENT ASSETS</b>			250431		69428
			-----		-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1191315		1264668
<b>CREDITORS: Amounts falling due after more than one year</b>					
	9		(606494)		(776723)
Provision for liabilities and charges	12		(8660)		(6081)
			-----		-----
			£576161		£481864
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up share Capital	13		10000		10000
Revaluation Reserve	14		115358		280850
Profit and Loss Account	15		450803		191014
			-----		-----
<b>SHAREHOLDERS FUNDS</b>			£576161		481864
	16		-----		-----

The directors have taken advantage, in the preparation of the accounts, of special exemptions conferred by Part VII of the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the directors on 31 August 1999 and are signed on their behalf by:



G.O. Lewis  
Director

The notes on pages 8 to 12 form part of these financial statements

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared under the historical cost convention.

**Cash Flow Statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the profit and loss account represents fees invoiced in respect of services provided during the year.

**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 Property	0%
Long Leasehold Property	0%
Equipment & Furnishings	10%
Motor Vehicles	25%

*Depreciation is not provided for on freehold property which is a departure from the requirements of Statement of Standard Practice 12. The directors consider that the standard of maintenance and repair is sufficient to maintain the properties at their historic cost valuation and that any such depreciation charge would not be material in the context of these financial statements.*

**Hire Purchase**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

**Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

**Pensions**

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.

**Deferred Taxation**

Provision is made under the liability method, to take into account of the timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all timing differences to the extent that it is considered that a net liability may arise.

**GOLCARE LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)****2. OPERATING PROFIT**

Operating profit is stated after charging:	<u>1999</u>	<u>1998</u>
	£	£
Depreciation	22603	20875
Depreciation assets held under hire purchase	3540	6915
(Profit)/Loss on sale of assets	(222952)	1881
Auditors Fees	919	1050
Operators lease costs		
Equipment and Vehicles	6934	7709
	-----	-----

**3. DIRECTORS' EMOLUMENTS**

	<u>1999</u>	<u>1998</u>
	£	£
Aggregate emoluments		
	£57036	£52386
	-----	-----

**4. INTEREST**

	<u>1999</u>	<u>1998</u>
	£	£
Finance Charges	6584	2620
Other Interest	83628	86646
	-----	-----
	£90212	£89266
	-----	-----

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1999</u>	<u>1998</u>
	£	£
Corporation Tax based on the results for the year at 21.00% (1998 21.00%)	14050	16750
Deferred taxation	2579	(1519)
Prior year adjustment	--	1880
	-----	-----
	£16629	£17111
	-----	-----

**6. TANGIBLE FIXED ASSETS**

	Freehold Property £	Leasehold Property £	Equipment & Furniture £	Motor Cars £	Total £
<b>Cost or Valuation</b>					
At 1 April 1998	300000	800000	210754	29966	1340720
Additions	13537	41047	22108	30925	107619
Revaluation	(165492)	--	--	--	(165492)
Disposals	(140122)	--	(97000)	(29516)	(266638)
At 31st March 1999	£7923	£841047	£135862	£31375	£1016207
<b>Depreciation</b>					
At 1st April 1998	-	--	138565	6915	145480
Disposals	--	--	22603	3540	26143
Charge for Year	--	--	(87300)	(9000)	(96300)
At 31st March 1999	-	--	£73868	£1455	£75323
<b>Net Book Value</b>					
31st March 1999	7923	841047	61994	29920	940884
31st March 1998	£300000	£800000	£72189	£23051	£1195240

Cost or Valuation at 31 March 1999 is represented by:

Valuation - 12 December 1997	-	800000	--	--	800000
Cost	7923	41047	61993	29920	140883
	£7923	£841047	£61993	£29920	£940883

The Leasehold property was valued by Taylors Business Surveyors and Valuers on a bricks and mortar basis on 12th December 1997.

Net book value of assets held under hire purchase contracts.

	Motor Cars £
31st March 1999	£29920
31st March 1998	£23051

**GOLCARE LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)****7. DEBTORS**

	<u>1999</u>	<u>1998</u>
	£	£
Trade Debtors	2270	18604
Directors Loan	--	119960
Taxation Recoverable	50664	33332
Other Debtors	1464	7632
Prepayments	1445	690
Related Party	35145	--
	-----	-----
	£90988	£180218
	-----	-----

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

	<u>1999</u>	<u>1998</u>
	£	£
Bank Overdrafts	--	33341
Trade Creditors	28352	17211
Corporation Tax	36454	20412
Social Security and other Taxes	16702	16686
Accruals	12060	17455
Hire Purchase Contracts (note 13)	3772	5686
Directors Loan Account	2801	--
	-----	-----
	£100141	£110790
	-----	-----

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

	<u>1999</u>	<u>1998</u>
	£	£
Creditors	3772	£39026
	-----	-----

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

	<u>1999</u>	<u>1998</u>
	£	£
Bank Loans	581924	760350
Hire Purchase Contracts	24570	16373
	-----	-----
	£606494	£776723
	-----	-----

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

	<u>1999</u>	<u>1998</u>
	£	£
Creditors	24570	16373
	-----	-----

Included within the creditors falling due after more than one year is an amount of £581924 (1998 £760350). In respect of liabilities which fall due for payment after more than five years from the balance sheet date. Mr G.O. Lewis has also given personal guarantees for all loans and overdrafts.

**GOLCARE LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)****10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	<u>1999</u>	<u>1998</u>
	£	£
Amounts payable within one year	3772	5685
Amounts payable between 2 to 5 years	24570	16373
	-----	-----
	£28342	£22058
	-----	-----

**11. COMMITMENTS UNDER OPERATING LEASES**

	<u>1999</u>	<u>1998</u>
	£	£
Operating leases which expire:		
Within one year	2221	2221
Within 2 to 5 years	509	2591
	-----	-----
	£2730	£4812
	-----	-----

**12. PROVISION FOR LIABILITIES AND CHARGES**

	<u>1999</u>	<u>1998</u>
	£	£
<b>Deferred taxation</b>		
Accelerated capital allowances	£8660	£6081
	-----	-----

Further potential liabilities may exist in relation to unrealised surpluses on revaluation. Such liabilities cannot be accurately quantified due to the incidence of indexation and other reliefs which might be available at the time of realisation.

**13. SHARE CAPITAL**

	<u>1999</u>	<u>1998</u>
	£	£
<b>Authorised</b>		
Ordinary Shares of £1 each	£500000	£500000
	-----	-----
<b>Allotted called up and fully paid</b>		
Ordinary shares of £1 each	£10000	£10000
	-----	-----

**14. REVALUATION RESERVE**

	<u>1999</u>	<u>1998</u>
	£	£
Surplus on revaluation of properties	280850	217181
Surplus on revaluation of 12 December 1997	--	63669
Realisation on sale of Edith House	(165492)	--
	-----	-----
	£115358	£280850
	-----	-----

**15. PROFIT AND LOSS ACCOUNT**

	<u>1999</u>	<u>1998</u>
	£	£
Balance brought forward	191014	137751
Retained profit for the financial year	259789	53263
	-----	-----
	£450803	£191014
	-----	-----

**GOLCARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 1999**

**16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	<u>1999</u>	<u>1998</u>
	£	£
Profit for the financial year	259797	53263
Movement in revaluation reserve	(165492)	63669
<b>Total recognised gains and losses arising during year</b>	----- 94305	----- 116932
Dividend	--	--
<b>Total movement in the year</b>	----- 94305	----- 116932
Opening shareholders' equity funds	481864	364932
<b>Closing shareholders' equity funds</b>	----- £576169	----- £481864