

No. 185.5768.

GOLCARE LIMITED
ANNUAL REPORT & ACCOUNTS
31ST MARCH 1996

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 8BU
BANKERS:	Barclays Bank Plc. 446 Wingrove Road Newcastle Upon Tyne NE4 9BN
SOLICITORS:	Keenlyside & Forster 59 Claremont Avenue Gateshead Tyne & Wear NE8 1RH
AUDITORS:	Tindle & Co 299A Whitley Road Whitley Bay Tyne & Wear NE26 2SN

GOLCARE LIMITED

DIRECTORS REPORT

The Directors have pleasure in submitting their Annual Report and Accounts for the year ended 31st March 1996.

Principal Activities

The principal activities of the company which are unchanged since last year are the provision of private residential care homes for elderly people.

Results & Dividends

The profit for the year after taxation amounted to £23,034 (1995 £27,985). The results are shown on page 5.

Investments

On 1st April 1995 the company acquired 98% of the Share Capital in Stoppa Limited.

On 29th September 1996 a contract was signed for the sale of Stoppa Limited. As a result, provision has been made in these accounts for the write off of the cost of the investment and inter company debt.

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.

Director

The Directors who served during the year and their respective interest in the ordinary shares of the company were as follows:-

	31st March 1996	31st March 1995
G.O. Lewis	9900	99
J.L. Lewis	100	1

Share Capital

On the 30th September 1995 the Company issued 9900 Ordinary Shares fully paid utilising the Revaluation Reserve.

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

By order of the Board:

A resolution proposing Tindle & Co. as reporting accountants of the company will be put to the Annual General Meeting.


G.O. Lewis

Director

2nd December 1996.

GOLCARE LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITY

Company law requires the directors to prepare financial statements for each financial year which gives 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 for that year.

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 and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

AUDITOR'S REPORT TO THE MEMBERS OF GOLCARE LIMITED

We have audited the financial statements on pages 5 to 13 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 31st March 1996 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

2nd December 1996

GOLCARE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1996**

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	2	733880	732017
Cost of Sales	3	408586	382751
GROSS PROFIT		325294	349266
Administrative expenses		141495	164029
OPERATING PROFIT	6	183799	185237
Provision against Investment		56173	--
Interest Payable	7	104592	106921
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23034	78316
Taxation	8	--	20331
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23034	57985
Dividend Paid		--	30000
RETAINED PROFIT TRANSFERRED TO RESERVES		23034	27985
Retained profit brought forward		113390	85405
RETAINED PROFIT CARRIED FORWARD		136424	113390

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

GOLCARE LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 31ST MARCH 1996**

	<u>1996</u> £	<u>1995</u> £
Profit for the financial year	79207	57985
Deficit on ultimate sale value of subsidiary company	(56173)	--
	-----	-----
Total Recognised gains and losses relating to the year.	23034	57985
	-----	-----

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>1996</u> £	<u>1995</u> £
Profit for the financial year	23034	57985
Deferred tax on revaluation written back	--	56770
Dividend paid	--	30000
	-----	-----
Net additions to shareholders funds	23034	84755
Shareholders funds at 1st April 1995	340571	255816
	-----	-----
Shareholders funds at 31st March 1996	363605	340571
	-----	-----

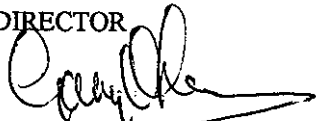
GOLCARE LIMITED**BALANCE SHEET AS AT 31ST MARCH 1996**

	<u>Notes</u>	<u>1996</u> £	<u>1996</u> £	<u>1995</u> £	<u>1995</u> £
FIXED ASSETS					
Tangible Assets	9		1093726		1113287
Investments	10		1		--
			-----		-----
			1093727		1113287
CURRENT ASSETS					
Debtors	11	178490		163176	
Cash at Bank & in Hand		--		5667	
		-----		-----	
		178490		168843	
CREDITORS: Payable within one year	12	88239		84066	
		-----		-----	
NET CURRENT ASSETS			90251		84777
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			1183978		1198064
CREDITORS: Payable after one year	13		(811923)		(849043)
Provision for liabilities and charges	15		(8450)		(8450)
			-----		-----
			£363605		£340571
			-----		-----
CAPITAL AND RESERVES					
Called up share Capital	16		10000		100
Revaluation Reserve	17		217181		227081
Profit and Loss Account			136424		113390
			-----		-----
			£363605		£340571
			-----		-----

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies because in the opinion of the directors the company qualifies as a small company under the Companies Act 1985.

Approved by the Board of Directors on 2nd December 1996 and signed on their behalf.

DIRECTOR



G.O. Lewis

GOLCARE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements of the company.

Basis of Accounting

The accounts have been prepared under the historical cost convention as modified by revaluation of certain properties.

Consolidated Accounts

The company has not produced consolidated accounts under S.229 as contracts were signed on 29th September 1996 for the sale of Stoppa Limited a company not previously consolidated.

Cash Flow Statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS 1 not to prepare a cash flow statement.

Depreciation

Tangible fixed assets are stated at cost as modified by the revaluation of certain properties with depreciation calculated so as to write off the costs of assets on a straight line method over their estimated useful lives using the following rates:

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

No depreciation is charged on Freehold and Long Leasehold Properties because the directors consider that the economic lives of these properties and their residual values are such that their depreciation is not significant.

Deferred Tax

Provision is made using the liability method for deferred taxation where in the opinion of the directors, a liability is likely to arise in the foreseeable future. The provision comprises tax on capital allowances which are in excess of the equivalent charge for depreciation.

Hire Purchase

Fixed assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their expected useful lives. The interest element of the obligation is charged to profit and loss account over the period of agreement and represents a constant proportion of the balance of capital repayments outstanding.

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.

2. TURNOVER

Turnover represents fees invoiced by the company in respect of services provided during the year.

3. COST OF SALES

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

GOLCARE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1996 (CONTINUED)****4. EMPLOYEE INFORMATION**

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

	<u>1996</u>	<u>1995</u>
Management	3	3
Nursing and Domestic	52	55
	-----	-----
	55	58
	-----	-----

Their total remuneration was:

Wages and Salaries	327971	313633
Social Security Costs	16728	17455
Pension Scheme Costs	5483	6617
	-----	-----
	350182	337705
	-----	-----

5. DIRECTORS EMOLUMENTS AND TRANSACTIONS INVOLVING DIRECTORS

	<u>1996</u>	<u>1995</u>
	£	£
Management remuneration	28517	21570
	-----	-----

The balance on the directors loan account at 31st March 1996 amounted to £110,707 (1995 £104,462).

6. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1996</u>	<u>1995</u>
	£	£
Auditor's remuneration	450	450
Depreciation Owned Assets	22024	15976
Depreciation Assets held under hire purchase	--	5594
Hire of Equipment	7366	9149
Loss on sale of assets	784	5149

7. INTEREST PAYABLE

	<u>1996</u>	<u>1995</u>
	£	£
Bank loans and overdrafts:		
Wholly repayable within five years	2428	3239
Not wholly repayable within five years	98893	101120
Hire Purchase	3271	2562
	-----	-----
	104592	106921
	-----	-----

GOLCARE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1996 (CONTINUED)****8. TAXATION**

	1996 £	1995 £
Corporation @ 25% (1995 25%)	--	20800
Deferred Taxation	--	(617)
Prior Year Adjustment	--	148
	-----	-----
	--	20331
	-----	-----

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property £	Equipment & Furniture £	Motor Cars £	Total £
Cost or Valuation					
At 1st April 1995	303111	711141	169296	20738	1204286
Additions	700	--	7428	24505	32633
Disposals	--	--	--	(44238)	(44238)
	-----	-----	-----	-----	-----
At 31st March 1996	303811	711141	176724	1005	1192681
	-----	-----	-----	-----	-----
Depreciation					
At 1st April 1995	--	--	81654	9345	90999
Charge for Year	--	--	17301	4723	22024
Disposals	--	--	--	(14068)	(14068)
	-----	-----	-----	-----	-----
	--	--	98955	--	98955
	-----	-----	-----	-----	-----
Net Book Value					
31st March 1996	303811	711141	77769	1005	1093726
	-----	-----	-----	-----	-----
31st March 1995	303111	711141	87642	11393	1113287
	-----	-----	-----	-----	-----

Cost or Valuation at 31st March 1996 is represented by:

Valuation - 1994	300000	703311	--	--	1003311
Cost	3811	7830	176724	1005	189370
	-----	-----	-----	-----	-----
	303811	711141	176724	1005	1192681
	-----	-----	-----	-----	-----

Freehold and Leasehold properties were valued by Taylors Business Surveyors and Valuers on a bricks and mortar basis on 10th August 1993.

Net book value of assets held under hire purchase contracts.

	Equipment & Furniture £	Motor Cars £	Total £
31st March 1996	--	--	--
	-----	-----	-----
31st March 1995	3855	10226	14081
	-----	-----	-----

GOLCARE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1996 (CONTINUED)**

14. HIRE PURCHASE	<u>1996</u>	<u>1995</u>
	£	£
Amount due under hire purchase contracts	--	13752
Less Interest	--	2441
	-----	-----
	--	11311
	-----	-----
Repayable by instalments:		
Wholly within one year	--	5544
Wholly within five years	--	5767
	-----	-----
	--	11311
	-----	-----
15. PROVISION FOR LIABILITIES AND CHARGES	<u>1996</u>	<u>1995</u>
	£	£
Deferred taxation		
Accelerated capital allowances	8450	8450
	-----	-----
Futher potential liabilities may exist in relation to unrealised surpluses on revaluations. Such liabilities cannot be accurately quantified due to the incidence of indexation and other reliefs which might be available at the time of realisation.		
16. SHARE CAPITAL	<u>1996</u>	<u>1995</u>
	£	£
Authorised		
Ordinary shares of £1 each	500000	500000
	-----	-----
Allotted called up and fully paid		
Ordinary shares of £1 each	100	100
Capitalisation issue	9900	--
	-----	-----
As at 31st March 1996	10000	100
	-----	-----
17. REVALUATION RESERVE	<u>1996</u>	<u>1995</u>
	£	£
Surplus on revaluation of properties	227081	227081
Capitalisation Issue	(9900)	--
	-----	-----
As at 31st March 1996	217181	227081
	-----	-----
18. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES	<u>1996</u>	<u>1995</u>
	£	£
31st March 1996	--	--
	-----	-----

GOLCARE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1996 (CONTINUED)

19. DETAILS OF HOLDINGS IN SUSIDIARY COMPANY

	<u>SHARES</u>	<u>%</u>	<u>AGGREGATE</u>	<u>LOSS FOR</u>	
		<u>HOLDING</u>	<u>RESERVES</u>	<u>YEAR</u>	<u>TRADE</u>
Stoppa Limited	Ordinary	98%	£(25829)	£(26829)	Retailer

GOLCARE LIMITED**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1996**

	<u>1996</u> £	<u>1996</u> £	<u>1995</u> £	<u>1995</u> £
FEES RENDERED		733880		732017
LESS COST OF SALES				
Food	51770		47694	
Wages	344699		321088	
Cleaning & Laundry	9820		13766	
Crockery & Hardware	1550		152	
Bedding	747		51	
	-----	408586	-----	382751
GROSS PROFIT		325294		349266
LESS OVERHEADS				
Rent & Rates	18259		15648	
Registration Fees	2150		2050	
Light & Heat	16806		19585	
Repairs	22103		27099	
Hire of Equipment	7336		9149	
Insurances	8674		10200	
Staff Training & Welfare	8882		9430	
Pension Contributions	5483		6617	
Motor & Travelling	6612		8599	
Advertising	1383		4220	
Telephone	3627		3299	
Postage & Stationery	4015		2395	
Depreciation	22024		22494	
Loss on sale of assets	784		5149	
Loan Interest	98893		101119	
Bank Interest	2428		3240	
Hire Purchase Interest	3271		2562	
Bank Charges	2283		3082	
Accountancy Fees	809		4063	
Audit Fee	327		450	
Legal & Professional Fees	7482		6142	
Flowers	442		437	
Sundry Expenses	2014		3921	
	-----	246087	-----	270950
NET PROFIT		79207		78316
Less Write off Stoppa Limited		56173		--
NET PROFIT BEFORE TAXATION		<u>£23034</u>		<u>£78316</u>