

GOLCARE LIMITED
ANNUAL REPORT & ACCOUNTS
31 MARCH 2000
Registered Number 1855768

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

The trading conditions this year have been most testing with many of the residents that once lived at Hillside Grange having sadly passed away during the year.

However the company continued its policy of bringing the Home's bedrooms up to modern standards by installing en suites and, as a result, now almost half have this facility.

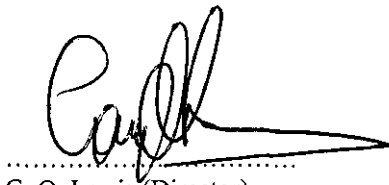
The company purchased land at Hebburn at the end of October 1999 with the intention of constructing a new purpose built residential home.

FUTURE PROSPECTS

In October 2000 the new home at Hebburn known as Bedewell Grange was opened and has quickly achieved very good occupancy figures.

Since September 2000 Hillside Grange has its full complement of residents and now has a waiting list. This home recently celebrated its tenth anniversary as a residential care home.

Overall the company can look forward to a good future.

A handwritten signature in black ink, appearing to read 'G. O. Lewis', with a long horizontal stroke extending to the right.

G. O. Lewis (Director)

GOLCARE LIMITED

DIRECTORS REPORT

YEAR ENDED 31 MARCH 2000

The Directors have pleasure in presenting their report and financial statements of the company for the year ended 31 March 2000.

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 £39030 (1999 £259797) 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:-

	Ordinary Shares at 31 March	
	2000	1999
G.O. Lewis	9,900	9,900
J.L. Lewis	100	100
	-----	-----
	10,000	10,000
	-----	-----

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)

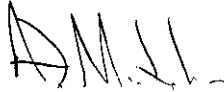
Auditors

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 handwritten signature in dark ink, appearing to read 'A.D. Michelson', with a horizontal line extending from the end of the signature.

A.D. Michelson
Company Secretary

4 December 2000

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 2000 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

4 December 2000

GOLCARE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2000**

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	1	543395	649920
Cost of Sales		(252755)	(317338)
GROSS PROFIT		290640	332582
Administrative expenses		172906	32794
OPERATING PROFIT	2	117734	365376
Interest Receivable		242	1254
Interest Payable	4	(59314)	(90212)
PROFIT ON ORDINARY ACTIVITY BEFORE TAXATION		58662	276418
Taxation	5	(19632)	(16629)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		39030	259789
Dividend Paid		(130000)	--
RETAINED (LOSS) PROFIT FOR THE FINANCIAL YEAR		£(90970)	£259789

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.

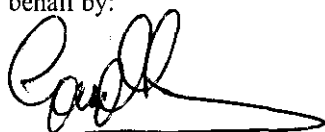
The notes on pages 7 to 12 form part of these accounts.

GOLCARE LIMITED**BALANCE SHEET AS AT 31 MARCH 2000**

	<u>Notes</u>	<u>2000</u> £	<u>2000</u> £	<u>1999</u> £	<u>1999</u> £
FIXED ASSETS					
Tangible Assets	6		1133165		940884
CURRENT ASSETS					
Debtors	7	121236		90988	
Cash at Bank & in Hand		169		259582	
		-----		-----	
		121405		350570	
CREDITORS: Amounts falling due within one year					
	8	115336		100139	
		-----		-----	
NET CURRENT ASSETS			6069		250431
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			1139234		1191315
CREDITORS: Amounts falling due after more than one year					
	9		(646968)		(606494)
Provision for liabilities and charges	12		(7075)		(8660)
			-----		-----
			£485191		£576161
			=====		=====
CAPITAL AND RESERVES					
Called up share Capital	13		10000		10000
Revaluation Reserve	14		115358		115358
Profit and Loss Account	15		359833		450803
			-----		-----
SHAREHOLDERS FUNDS	16		£485191		£576161
			=====		=====

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 4 December 2000 and are signed on their behalf by:



G.O. Lewis
Director

The notes on pages 7 to 12 form part of these financial statements

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000

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 2000 (CONTINUED)****2. OPERATING PROFIT**

Operating profit is stated after charging:	2000	1999
	£	£
Depreciation	14450	22603
Depreciation assets held under hire purchase	7935	3540
(Profit)/Loss on sale of assets	--	(222952)
Auditors Fees	987	919
Operators lease costs		
Equipment and Vehicles	7781	6934
	=====	=====

3. DIRECTORS' EMOLUMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Aggregate emoluments	£59869	£57036
	=====	=====

4. INTEREST

	<u>2000</u>	<u>1999</u>
	£	£
Finance Charges	2366	6584
Other Interest	56948	83628
	-----	-----
	£59314	£90212
	=====	=====

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000</u>	<u>1999</u>
	£	£
Corporation Tax based on the results for the year at 20.00% (199921.00%)	12865	14050
Deferred taxation	(1585)	2579
Prior year adjustment	8352	--
	-----	-----
	£19632	£16629
	=====	=====

GOLCARE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000(CONTINUED)****6. TANGIBLE FIXED ASSETS**

	Freehold Property £	Leasehold Property £	Equipment & Furniture £	Motor Cars £	Total £
Cost or Valuation					
At 1 April 1999	7923	841047	135862	31375	1016207
Additions	182346	13614	17956	750	214666
Disposals	--	--	--	--	--
	-----	-----	-----	-----	-----
At 31st March 2000	£190269	£854661	£153818	£32125	£1230873
	-----	-----	-----	-----	-----
Depreciation					
At 1st April 1999	--	--	73868	1455	75323
Disposals	--	--	--	--	--
Charge for Year	--	--	14450	7935	22385
	-----	-----	-----	-----	-----
At 31st March 2000	--	--	£88318	£9390	£97708
	-----	-----	-----	-----	-----
Net Book Value					
31st March 2000	£190269	£854661	£65500	£22735	£1133165
	=====	=====	=====	=====	=====
31st March 1999	£7923	£841047	£61994	£29920	£940884
	=====	=====	=====	=====	=====

Cost or Valuation at 31 March 2000 is represented by:

Valuation - 12 December 1997	-	800000	--	--	800000
Cost	190269	54661	65500	22735	333165
	-----	-----	-----	-----	-----
	£190269	£854661	£65500	£22735	£1133165
	=====	=====	=====	=====	=====

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 2000	£22735
	=====
31st March 1999	£29920
	=====

GOLCARE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)****7. DEBTORS**

	<u>2000</u>	<u>1999</u>
	£	£
Trade Debtors	2491	2270
Directors Loan	82585	--
Taxation Recoverable	--	50664
Other Debtors	400	1464
Prepayments	615	1445
Related Party	35145	35145
	-----	-----
	£121236	£90988
	=====	=====

8. CREDITORS: Amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Bank Overdrafts	45981	--
Trade Creditors	27149	28352
Corporation Tax	12865	36454
Social Security and other Taxes	11121	16702
Accruals	14515	12060
Hire Purchase Contracts (note 13)	3705	3772
Directors Loan Account	--	2801
	-----	-----
	£115336	£100141
	=====	=====

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

	<u>2000</u>	<u>1999</u>
	£	£
Hire Purchase Contracts	3705	£3772
	=====	=====

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

	<u>1999</u>	<u>1998</u>
	£	£
Bank Loans	558263	581924
Hire Purchase Contracts	20705	24570
Pension Fund	68000	--
	-----	-----
	£646968	£606494
	=====	=====

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

	<u>2000</u>	<u>1999</u>
	£	£
Hire Purchase Contracts	20705	24570
	=====	=====

Included within the creditors falling due after more than one year is an amount of £558263 (1999 £581924) 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 2000 (CONTINUED)****10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Amounts payable within one year	3705	3772
Amounts payable between 2 to 5 years	20705	24570
	-----	-----
	£24410	£28342
	=====	=====

11. COMMITMENTS UNDER OPERATING LEASES

	<u>2000</u>	<u>1999</u>
	£	£
Operating leases which expire:		
Within one year	3655	2221
Within 2 to 5 years	2957	509
	-----	-----
	£6612	£2730
	=====	=====

12. PROVISION FOR LIABILITIES AND CHARGES

	<u>2000</u>	<u>1999</u>
	£	£
Deferred taxation		
Accelerated capital allowances	£7075	£8660
	=====	=====

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>2000</u>	<u>1999</u>
	£	£
Authorised		
Ordinary Shares of £1 each	£500000	£500000
	=====	=====
Allotted called up and fully paid		
Ordinary shares of £1 each	£10000	£10000
	=====	=====

14. REVALUATION RESERVE

	<u>2000</u>	<u>1999</u>
	£	£
Surplus on revaluation of properties	115358	280850
Realisation on sale of Edith House	--	(165492)
	-----	-----
	£115358	£115358
	=====	=====

15. PROFIT AND LOSS ACCOUNT

	<u>2000</u>	<u>1999</u>
	£	£
Balance brought forward	450803	191014
Retained (loss) profit for the financial year	(90970)	259789
	-----	-----
	£359833	£450803
	=====	=====

GOLCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>2000</u>	<u>1999</u>
	£	£
Profit for the financial year	39030	259789
Movement in revaluation reserve	--	(165492)
	-----	-----
Total recognised gains and losses arising during year	39030	94297
Dividend	(130000)	--
	-----	-----
Total movement in the year	(90970)	94297
Opening shareholders' equity funds	576161	481864
	-----	-----
Closing shareholders' equity funds	£485191	£576161
	=====	=====