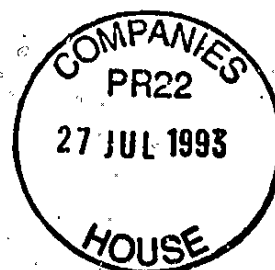


8-5708

GOLCARA LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31st MARCH, 1992



A. D. HARRISON, C.A.

361 DURHAM ROAD, GATESHEAD, TYNE AND WEAR, NE9 5AJ

GOLICASE LIMITED
REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts for the year ended 31st March, 1993.

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 that a small trading profit has arisen in the year and that both the residential care homes have operated to within 5% of capacity since May, 1991.

The trading profit would have been considerably higher but for expenditure amounting to around £ 60000 incurred in the year which will not recur in the current or future years. This expenditure consisted of charges incurred in obtaining finance for the company, the primary rentals on the hire of equipment and furnishings which ceased in January, 1992, and losses realised on the disposal of fixed assets of the company.

	1992	1991
Turnover	£ 615053	£ 325973
Profit/(Loss) before taxation	£ 6517	£ (27560)
Taxation	269	(3000)
Profit/(Loss) for the financial year	£ 6248	£ (24560)

A summary of the movements in tangible fixed 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 additional single residential rooms and offices at the home recently constructed and further equipment and furnishings in that home.

The directors anticipate that without the non-recurring expenditure mentioned previously the trading profit for the year ended 31st March, 1993 will be in excess of £ 50000 after providing for depreciation of some £ 37500 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 31st March, 1992, and again the directors would mention that these homes were valued at £ 895000 for mortgage purposes by Finders, Chartered Surveyors on the 18th June, 1991, being a valuation of the bricks and mortar having regard to earning potential but ignoring any element of goodwill.

GOLCASE LIMITED
REPORT OF THE DIRECTORS

Dividend

The directors do not recommend the payment of a dividend for the year.

Directors

The directors during the year and their interests in the Ordinary 1 Shares of the company are shown below.

	<u>31st March, 1992</u>	<u>31st March, 1991</u>
A. E. Hanlon	-	-
G. O. Lewis	99	99
T. W. Llewellyn	1	1

Auditor

A resolution for the re-appointment of A. D. Harrison, C.A., as auditor 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.

Source and Application of Funds

A statement of source and application of funds for the year ended 31st March, 1992 is included in these accounts. A cash flow statement for the year ended 31st March, 1993 will be included with the accounts for that year together with comparative amounts for the previous year as the directors do not consider that the expenditure that would be incurred in preparing a cash flow statement for the period ended 31st March, 1991 would be justified by the information disclosed in the statement.

Hillside Grange,
Sunderland Road,
Gateshead,
Tyne and Wear

By order of the board

A. E. Hanlon
Secretary

REPORT OF THE AUDITOR TO THE MEMBERS OF
COLCARE LIMITED

PAGE 3

I have audited the accounts on pages 4 to 11 in accordance with auditing standards

In my opinion the accounts, which have been prepared on the basis of the accountancy policies set out on page 7, give a true and fair view of the state of the affairs of the company at 31st March, 1992 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

361 Durham Road,
Gateshead,
Tyne and Wear

26.6.92

A. J. H. [Signature]
Chartered Accountant
Registered Auditor

GOVARE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1992

	Note	1992	1991
TURNOVER	2	£ 615353	£ 325973
Cost of sales	3	301032	156876
GROSS PROFIT		314321	167097
Administrative expenses		(195211)	(68453)
Interest payable	5	(112593)	(126204)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	6	6517	(37500)
Taxation	7	269	(300)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		6248	(24560)
Retained loss brought forward		(24113)	442
RETAINED LOSS CARRIED FORWARD		£ (17865)	£ (24113)

The notes on pages 7 to 11 form part of these accounts.

GREENLAND LIMITED
BALANCE SHEET AT YEAR END 1992

	Note	1992	1991
FIXED ASSETS			
Intangible assets	8	£ 884300	£ 813230
CURRENT ASSETS			
Debtors	9	£ 70621	£ 49658
Cash at bank and in hand		16170	139
		93791	49797
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	138397	248369
NET CURRENT LIABILITIES		(45410)	(193568)
TOTAL ASSETS LESS CURRENT LIABILITIES		758890	614667
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(776660)	(633685)
		£ (17770)	£ (34018)
CAPITAL AND RESERVES			
Called up share capital	13	100	£ 100
Profit and loss account		(17870)	(24118)
		£ (17770)	£ (24018)

The notes on pages 7 to 11 form part of these accounts.

E. K. Banker
Carol

Directors

These accounts were approved
by the board of directors on
the

26/7/93

GENCOASE LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31.12.1992

	1992	1991
SOURCE OF FUNDS		
Profit/(Loss) on ordinary activities before taxation	£ 6517	£ (27560)
Adjustment for items not involving the movement of funds.		
Depreciation	34927	27588
Loss/(Profit) on disposal of tangible fixed assets	11962	(57164)
FUNDS GENERATED/(ABSORBED) BY OPERATIONS	53476	(57136)
FUNDS FROM OTHER SOURCES		
Increase in creditors due after more than one year	£ 137975	£ 258888
Proceeds of disposal of tangible fixed assets	40794	145704
Tax repaid	—	2700
	<u>184769</u>	<u>407292</u>
TOTAL SOURCE OF FUNDS	238245	350156
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	£ 84824	£ 402943
Tax paid	750	—
	<u>85574</u>	<u>402943</u>
INCREASE/(DECREASE) IN WORKING CAPITAL	£ 152671	£ (52787)
COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	£ 26413	£ 42301
Creditors falling due within one year	138766	(128096)
	<u>165179</u>	<u>(85795)</u>
Movement in net liquid funds (Increase)/Decrease in bank overdrafts	£ (28539)	£ 33022
Increase/(Decrease) in cash at bank and in hand	16031	(14)
	<u>(12503)</u>	<u>33008</u>
	£ 152671	£ (52787)

Page 2

SOLCARE LIMITED
NOTES TO THE ACCOUNTS

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.

Basic of accounting

The accounts have been prepared under the historical cost convention 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	2%
Equipment and furnishings	10%
Motor vehicles	25%

A full year's depreciation is provided on freehold property and equipment and furnishings 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.

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.

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.

WILCAB LIMITED
NOTES TO THE ACCOUNTS

4. STAFF NUMBERS AND COSTS

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

	<u>1992</u>	<u>1991</u>
Management	3	2
Nursing and domestic staff	<u>53</u>	<u>35</u>
	<u>56</u>	<u>37</u>

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

	<u>1992</u>	<u>1991</u>
Salaries and wages	£ 237180	£ 120482
Social security costs	<u>19349</u>	<u>6701</u>
	£ 249535	£ 127243

5. INTEREST PAYABLE

	<u>1992</u>	<u>1991</u>
On bank overdrafts	£ 8361	£ 11371
Hire purchase interest on loans repayable within five years	6713	7143
On bank loans	<u>97519</u>	<u>107620</u>
	£ 112593	£ 126204

6. PROFIT/(LOSS) IN ORDINARY ACTIVITIES BEFORE TAXATION

The profit/(loss) is stated after charging/(crediting) the following:

	<u>1992</u>	<u>1991</u>
Auditor's remuneration	£ 4363	£ 3819
Depreciation of tangible fixed assets	34997	27588
Directors' emoluments	17011	9488
Hire of equipment	43642	14350
Loss/(Profit) on sale of fixed assets	<u>11962</u>	<u>(57164)</u>
	£ 111975	£ (1919)

The emoluments of the chairman were £ 18211 (1991 £ 9488) and of the other directors acting in the year £ Nil (1991 £ Nil).

GOLCARE LIMITED
NOTES TO THE ACCOUNTS

7. TAXATION

Taxation based on the profit/(loss) for the year of the company.

	1992	1991
Corporation tax at 25%	£ 269	£ (200)
Deferred taxation	£ -	£ (2800)
	£ -	£ (3000)

The company has tax losses available for set-off against future taxable profits of £ 64300 (1990 £ 88400). The provision for corporation tax payable of £ 269 is in respect of interest and rents received in the year.

8. TANGIBLE FIXED ASSETS

	Freehold property	Equipment and furnishings	Motor vehicles	Total
Cost				
At 1st April, 1991	£ 713318	121320	23479	£ 858117
Additions in year	30864	27460	26500	84824
Assets transferred	10788	(10788)	-	-
Disposals in year	(42051)	(-)	(18779)	(60830)
At 31st March, 1992	£ 712919	137992	31200	£ 882111
Depreciation				
At 1st April, 1991	£ 21989	21719	1174	£ 44882
Charged in year	13397	13800	7800	34997
On assets transferred	1079	(1079)	-	-
On disposals	(1683)	(-)	(391)	(2074)
At 31st March, 1992	£ 34782	34440	8583	£ 77805
Net Book Value				
At 31st March, 1992	£ 678137	103552	22617	£ 804306
At 31st March, 1991	£ 691329	99601	22305	£ 813235

The property purchased on the 28th March, 1990 at a cost of £ 281943 and on which conversion costs of £ 316569 have been incurred to the 31st March, 1992 is held on a 99 year lease expiring on the 11th July, 2077 and other assets costing £ 46500 (1991 £ 41979) (Net book value £ 36025 (1991 £ 38955) are the subject of hire purchase contracts.

WOLFE LIMITED
NOTES TO THE ACCOUNTS

Page 11

REPORT:

	<u>1992</u>	<u>1991</u>
Trade debtors	£ 888	£ 838
Prepayments	1945	1561
Director's loan account	61795	35666
Hire purchase interest suspense	11243	11393
Taxation recoverable	<u>750</u>	<u>200</u>
	£ <u>76621</u>	£ <u>49658</u>

The amount of hire purchase interest deferred for more than one year at the 31st March, 1992 is £ 7184 (1991 £ 7845).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1992</u>	<u>1991</u>
Bank loans	£ -	£ 117936
Bank overdrafts	60159	31620
Trade creditors	17442	33598
Corporation tax	269	200
Payroll tax	10732	5850
Social security	14228	8121
Hire purchase creditors	15555	14664
Accruals	<u>19812</u>	<u>36376</u>
	£ <u>138207</u>	£ <u>248365</u>

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

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

Bank loan	£ 750045	£ 608474
Hire purchase creditors	<u>26615</u>	<u>30211</u>
	£ <u>776660</u>	£ <u>638685</u>

The bank loan is secured on the freehold and leasehold properties of the company and by the personal guarantee of the chairman of the company. It was advanced to the company on the 31st October, 1991 and capital repayments have been deferred for a period of five years from that date.