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THE OSPREY MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30 SEPTEMBER 1986



THE OSPREY MANAGEMENT COMPANY LIMITED

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THE OSPREY MANAGEMENT COMPANY LIMITED

1.

REPORT OF THE DIRECTORS
for the year ended 30 SEPTEMBER 1986

The directors have pleasure in presenting their report and the audited accounts of the company for the year ended 30 September 1986.

PRINCIPAL ACTIVITY

The principal activity of the company is the management of luxury retirement homes.

REVIEW OF THE COMPANY'S ACTIVITIES

During the year the company earned its first significant income from the provision of management services for retirement homes.

RESULTS

Details of the company's results are set out in the profit and loss account on page 3.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 30 September 1986.

FIXED ASSETS

Movements in fixed assets are set out in note 6 on page 6.

DIRECTORS

The directors who held office during the year were:

Trevor Osborne	
Richard Pope	(Resigned 30 September 1986)
Derek Parkes	
Brian Shrubbsall	
Michael Pudelek	(Appointed 1 May 1986)

No director had any interest in the share capital of the company.

All the directors at 30 September 1986 are directors of Speyhawk Retirement Homes Limited, the company's immediate holding company, and disclosure is made in that company's accounts of their interests in the shares of that company and the ultimate holding company.

AUDITORS

Oswald Ling & Son and Binder Hamlyn offer themselves for re-appointment as joint auditors in accordance with Section 384(1) of the Companies Act 1985.

Osprey House,
Lower Square,
Old Isleworth,
Middlesex TW7 6BN.

By Order of the Board,

Secretary.

18 December 1986

REPORT OF THE AUDITORS TO THE MEMBERS OF
THE OSPREY MANAGEMENT COMPANY LIMITED

We have audited the financial statements on pages 3 to 8 in accordance with approved Auditing Standards.

In our opinion, the financial statements, which have been prepared on the basis of the accounting policies set out on page 5, give a true and fair view of the state of the company's affairs at 30 September 1986 and of its loss for the year then ended and comply with the Companies Act 1985.

David Boden

Chartered Accountants,
Provident House
51 Wardwick,
Derby DE1 1HN

Bridget Hargreaves

Chartered Accountants
8 St. Bride Street,
London, EC4A 4DA.

19 December 1986

THE OSPREY MANAGEMENT COMPANY LIMITED

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PROFIT AND LOSS ACCOUNT
for the year ended 30 SEPTEMBER 1986

	<u>Notes</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
Turnover	2	13,520	-
Administrative expenses		(47,803)	(23,232)
Interest payable and similar charges	3	(401)	(335)
Other operating income		<u>3,172</u>	<u>72</u>
Loss on ordinary activities before taxation	4	(31,512)	(23,495)
Tax credit on loss on ordinary activities	5	<u>12,466</u>	<u>9,721</u>
Loss on ordinary activities after taxation for the year	12	(£19,046)	(£13,774)
		<u>=====</u>	<u>=====</u>

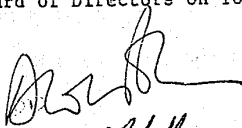
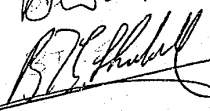
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THE OSPREY MANAGEMENT COMPANY LIMITED

BALANCE SHEET as at 30 SEPTEMBER 1986

	<u>Notes</u>	£	<u>1986</u>	£	£	<u>1985</u>	£
FIXED ASSETS							
Tangible assets	6			45,507			30,375
CURRENT ASSETS							
Debtors	7	54,512			17,817		
Cash at bank and in hand		<u>6,365</u>			<u>3,365</u>		
		60,877			21,182		
CREDITORS (Amounts falling due within one year)	8	<u>130,545</u>			<u>61,282</u>		
NET CURRENT LIABILITIES				(69,668)			(40,100)
TOTAL ASSETS LESS CURRENT LIABILITIES				(24,161)			(9,725)
CREDITORS (Amounts falling due after more than one year)	9			(5,361)			-
PROVISIONS FOR LIABILITIES AND CHARGES	10			<u>(3,296)</u>			<u>(4,047)</u>
NET LIABILITIES				<u>(£32,818)</u>			<u>(£13,772)</u>
CAPITAL AND RESERVES							
Called up share capital	11			²			²
Profit and loss account	12			<u>(32,820)</u>			<u>(13,774)</u>
				<u>(£32,818)</u>			<u>(£13,772)</u>

Approved by the Board of Directors on 18 December 1986.

X )
X ) Directors

5.

THE OSPREY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30 SEPTEMBER 1986

1. ACCOUNTING POLICIES

(a) Basis of preparation

The accounts have been prepared under the historical cost convention and on a going concern basis as the company has been assured of the continued support of the ultimate holding company.

(b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at original cost less accumulated depreciation.

Depreciation is calculated to write off the cost of fixed assets less residual value, over their expected useful lives at the following rates:

Freehold property	-	Nil
Fixtures, furniture and equipment	-	15%
Motor vehicles	-	20%

(c) Deferred taxation

Provision is made for corporation tax deferred by the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the accounts except where the tax reduction is expected to continue for the foreseeable future.

(d) Finance leases

Assets held under finance leases are recorded in the balance sheet as tangible fixed assets and as obligations to pay future rentals in accordance with Statement of Standard Accounting Practice No 21. Finance charges are allocated to accounting periods in order to approximate to a constant periodic rate of charge on the outstanding obligation.

2. TURNOVER

Turnover is derived from the provision of management services for retirement homes in the United Kingdom.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1986</u> £	<u>1985</u> £
Finance leases	343	-
Bank	<u>58</u>	<u>-</u>
	£401	Nil
	<u> </u>	<u> </u>

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1986</u> £	<u>1985</u> £
After charging:		
Depreciation	581	851
Auditors' remuneration	2,100	-
Directors' remuneration	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>

THE OSPREY MANAGEMENT COMPANY LIMITED

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NOTES TO THE ACCOUNTS
for the year ended 30 SEPTEMBER 1986
(continued)

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	1986 £	1985 £
Receipt for group tax relief	10,719	13,768
Transfer from/(to) deferred taxation	751	(4,047)
Prior year adjustment	996	-
	<u>£12,466</u>	<u>£9,721</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, furniture and equipment £	Motor vehicles £	Total
Cost:				
At 1 October 1985	-	23,333	7,893	31,226
Additions	-	5,019	7,797	12,816
Intra group transfer	10,000	-	-	10,000
Disposal	-	-	(7,893)	(7,893)
At 30 September 1986	<u>10,000</u>	<u>28,352</u>	<u>7,797</u>	<u>46,149</u>
Depreciation:				
At 1 October 1985	-	61	790	851
Charge for the year	-	61	520	581
Disposal	-	-	(790)	(790)
At 30 September 1986	<u>-</u>	<u>122</u>	<u>520</u>	<u>642</u>
Net book amount:				
At 30 September 1986	<u>£10,000</u>	<u>£28,230</u>	<u>£7,277</u>	<u>£45,507</u>
At 30 September 1985	<u>Nil</u>	<u>£23,272</u>	<u>£7,103</u>	<u>£30,375</u>

The motor vehicle at 30 September 1986 is held on a finance lease.

7. DEBTORS

	1986 £	1985 £
Trade debtors	41,316	-
Group relief receivable	10,719	13,768
Other debtors	1,047	4,049
Prepayments and accrued income	<u>1,430</u>	<u>-</u>
	<u>£54,512</u>	<u>£17,817</u>

7.

THE GEPREY MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30 SEPTEMBER 1986
(continued)

CREDITORS (Amounts falling due within one year)	<u>1986</u> £	<u>1985</u> £
Bank overdraft	5,007	-
Trade creditors	8,772	3,522
Amounts owed to group companies	95,706	57,760
Obligations under finance leases	1,949	-
Other creditors	16,371	-
Other taxes and social security	2,740	-
	<u>£130,545</u>	<u>£61,282</u>
CREDITORS (Amounts falling due after one year)	<u>1986</u>	<u>1985</u>
Obligations under finance leases	£5,361	-
	<u> </u>	<u> </u>
0. PROVISIONS FOR LIABILITIES AND CHARGES		£
Deferred taxation		
At 1 October 1985		4,047
Transfer to profit and loss account		(751)
At 30 September 1986		<u>£3,296</u>
The amount provided for deferred taxation at 1 October 1985 and 30 September 1986, which was in respect of accelerated capital allowances, was equal to the full potential liability.		
1. CALLED UP SHARE CAPITAL	<u>1986</u>	<u>1985</u>
Authorised:	<u>£1,000</u>	<u>£1,000</u>
Ordinary shares of £1 each		
Allotted and fully paid:	£2	£2
Ordinary shares of £1 each	<u> </u>	<u> </u>

THE OSPREY MANAGEMENT COMPANY LIMITED

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NOTES TO THE ACCOUNTS
for the year ended 30 SEPTEMBER 1986
(continued)

12. RESERVES

	£
Balance at 1 October 1985	(13,774)
Loss for the year	(19,046)
Balance at 30 September 1986	(£32,820)

13. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company (excluding directors) during the year was 2 (1985 - 3). Their total remuneration was:

	1986 £	1985 £
Wages and salaries	15,568	14,586
Social security costs	974	1,013
Pension	769	-
	£17,311	£15,599

14. ULTIMATE HOLDING COMPANY

Speyhawk public limited company, registered in England, is regarded by the directors as being the company's ultimate holding company.