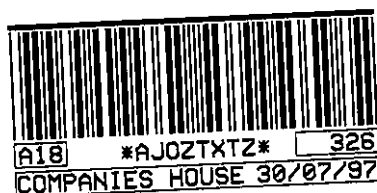


Haven Services Limited

Directors' report and consolidated
financial statements

30 September 1996

Registered number 1941650



Haven Services Limited

Directors' report and financial statements

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Haven Services Limited

Chairman's Statement

1996 was another year of good progress for Haven Services Limited. Profits before tax increased from £687,000 to £869,000 with all divisions performing well.

During the year Haven Services acquired Careline Limited, a homecare business which is based in Stowmarket Suffolk. Careline has eight branches throughout East Anglia, the Midlands and London. Our total investment in Careline is approximately £300,000 including the acquisition of the share capital and working capital requirements.

Our other homecare branches had a particularly encouraging year and these branches, together with Careline, have now been brought together under one management team and relaunched under the brand name "Haven Care". We therefore now have eleven branches operating in East Anglia, the Midlands and London and will be looking to grow the business both through acquisition and organic growth.

In December 1996 the disposal of the management services business together with monitoring was completed for a consideration of £10m in cash. Further details about the disposal are contained in the post balance sheet note on page 12.

The company will continue to operate the nursing home complex at Little Holland Hall and this, together with an integrated homecare business, will provide a good base for future growth.

I would like to express my appreciation to my colleagues and all staff of Haven Services for their continued efforts and support.



RS Clough
Chairman

Haven Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 1996.

Principal activities

The principal activities of the company and its subsidiary are the management of retirement property and of its nursing home at Little Holland Hall, and the provision of monitoring and home care services.

Business review

A detailed review of the current year's trading and future developments is given in the Chairman's statement.

Proposed dividend and transfer to reserves

A dividend of £346,000 (1995: £202,000) was recommended by the directors and paid during the year.

The profit retained within the group was £236,000.

Directors and directors' interests

The directors who held office during the year were as follows:

JRS Bryant	Chairman (until 2 December 1996)
RS Clough	Chairman (from 2 December 1996)
PB Edmondson	(resigned 5 February 1997)
S Kenney	
MKP Grassby	(resigned 29 April 1997)
RI Booker	(appointed 20 January 1997)
CJ Scott	(appointed 2 May 1997)
DIW Reynolds	(resigned 1 February 1996)
JR Bowman	(resigned 1 February 1996)
RW Smith	(resigned 28 February 1997)

None of the directors held any interests in the shares of the company or of its subsidiaries.

The interests of Messrs JRS Bryant, RS Clough and MKP Grassby in the shares of the ultimate parent company, Care UK plc, are disclosed in the directors' report of that company.

Haven Services Limited

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The other directors holding office at the end of the financial year who had interests in the shares of the ultimate parent company, Care UK plc were as follows:

	Date of grant	Shares	Options	Exercise price
		<i>Number of ordinary shares of 10p</i>	<i>Number of ordinary shares of 10p</i>	
PB Edmondson	-	226,988	-	-
No.2 Executive Scheme				
S Kenney	4 March 1994	-	200,960	42.5p
	23 January 1996	-	50,000	76.0p
	9 July 1996	-	20,000	113.0p
RW Smith	4 March 1994	-	80,384	42.5p
	23 January 1996	-	20,000	76.0p
SAYE Scheme				
S Kenney	1 May 1995	-	7,392	56.0p
	17 July 1996	-	2,947	86.0p
RW Smith	1 May 1995	-	4,928	56.0p
	17 July 1996	-	2,720	86.0p

In addition PB Edmundson also holds 90,275 warrants of Care UK plc at 30 September 1996.

The options granted under the No.2 Executive Scheme are generally exercisable between the third and seventh anniversaries of the date of grant. The options granted under the SAYE Scheme are exercisable on the fifth anniversary of the date of the grant.

On 29 May 1996 the Remuneration Committee of Care (UK) plc approved the establishment of a performance related share option scheme.

The first grant of options initially become exercisable in three equal tranches in the years 1999 to 2001. They may then be exercised up to 27 August 2003. The performance targets for each tranche require, subject to exceptional circumstances, that the aggregate of the previous three years' earnings per share of Care (UK) plc reflects a compound growth rate of at least 20% per annum with a minimum growth in any one year of 10%. The starting earnings per share of 4.83p are those for the year ended 30 September 1995.

The following options have been granted to directors under this performance related scheme as follows:

	Date of grant	Number of ordinary shares of 10p	Exercise price (p)
S Kenney	28 August 1996	240,000	99.0p

At 30 September 1996 none of the directors had any other interest in the shares of the company or its subsidiaries.

Haven Services Limited

Directors' report (*continued*)

Employees

It is group policy to give fair consideration to the employment needs of disabled people and the continued employment and training of people who become disabled while in the company's employment and to comply with current legislation with regard to disabled persons.

Management regularly visit local offices and discuss matters of current interest and concern to the business with members of staff.

By order of the board



RI Booker
Secretary

Crown House
Stephenson Road
Severalls Park
Colchester
Essex
CO4 4QR

Haven Services Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



6 Lower Brook Street
IPSWICH
Suffolk
IP4 1AP

Auditors' report to the members of Haven Services Limited

We have audited the financial statements on pages 7 to 24.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of 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.

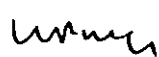
Basis of opinion

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 group's 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 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 and the group as at 30 September 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants
Registered Auditors

29th July 1997

Haven Services Limited

Consolidated profit and loss account for the year ended 30 September 1996

	Note	1996		Restated 1995	
		£000	£000	£000	£000
Turnover					
Continuing activities	3/4	1,248		1,194	
Acquisition		1,026		-	
Discontinuing activities		2,029		1,909	
			<u>4,303</u>	<u>1,909</u>	<u>3,103</u>
Cost of sales	4		<u>(1,418)</u>		<u>(794)</u>
			<u>2,885</u>		<u>2,309</u>
Gross profit					
Administrative expenses	4		<u>(1,963)</u>		<u>(1,581)</u>
Operating profit					
Continuing activities		303		230	
Acquisition		19		-	
Discontinuing activities	4	600		498	
			<u>922</u>	<u>498</u>	<u>728</u>
Interest receivable and similar income			14		32
Interest payable and similar charges	7		<u>(67)</u>		<u>(73)</u>
Profit on ordinary activities before taxation	4-6		869		687
Tax on profit on ordinary activities	8		<u>(287)</u>		<u>(227)</u>
Profit for the financial year			582		460
Dividend paid			<u>(346)</u>		<u>(202)</u>
Retained profit for the financial year	17		<u>236</u>		<u>258</u>
Retained profit for the financial year					
The company			138		187
Group undertakings			98		71
			<u>236</u>		<u>258</u>

Haven Services Limited

Statement of recognised gains and losses for the year ended 30 September 1996

	Group		Company	
	1996	1995	1996	1995
	£000	£000	£000	£000
Profit for the financial year	582	460	484	389
Unrealised (deficit)/surplus on revaluation of investment properties	(7)	60	(7)	60
	<u>575</u>	<u>520</u>	<u>477</u>	<u>449</u>
Total recognised gains and losses				

Other than the unrealised (deficit)/surplus on revaluation of investment properties shown above there are no differences between the results shown above and the results on an unmodified historical cost basis.

Haven Services Limited

Consolidated balance sheet at 30 September 1996

	Note	1996 £000	1995 £000
Fixed assets			
Tangible assets	9	1,496	1,346
Investments	10	33	727
		<u>1,529</u>	<u>2,073</u>
Current assets			
Stocks	11	206	4
Debtors	12	1,558	961
Cash at bank and in hand		32	285
		<u>1,796</u>	<u>1,250</u>
Creditors: amounts falling due within one year	13	<u>(1,090)</u>	<u>(915)</u>
Net current assets		<u>706</u>	<u>335</u>
Total assets less current liabilities		<u>2,235</u>	<u>2,408</u>
Creditors: amounts falling due after more than one year	14	<u>(648)</u>	<u>(711)</u>
Net assets		<u>1,587</u>	<u>1,697</u>
Capital and reserves			
Called up share capital	16	300	300
Revaluation reserve	17	345	352
Capital reserve	17	-	254
Profit and loss account	17	942	791
Equity shareholders' funds	18	<u>1,587</u>	<u>1,697</u>

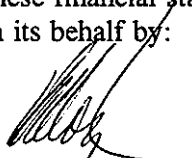
Haven Services Limited

Balance sheet

at 30 September 1996

	Note	1996 £000	1995 £000
Fixed assets			
Tangible assets	9	105	119
Investments	10	61	727
		<u>166</u>	<u>846</u>
Current assets			
Stocks	11	51	1
Debtors	12	1,852	997
Cash at bank and in hand		33	203
		<u>1,936</u>	<u>1,201</u>
Creditors: amounts falling due within one year	13	<u>(696)</u>	<u>(772)</u>
Net current assets		<u>1,240</u>	<u>429</u>
Net assets		<u>1,406</u>	<u>1,275</u>
Capital and reserves			
Called up share capital	16	300	300
Revaluation reserve	17	345	352
Profit and loss account	17	761	623
Equity shareholders' funds	18	<u>1,406</u>	<u>1,275</u>

These financial statements were approved by the board of directors on 28 July 1997 and were signed on its behalf by:


RS Clough
Director

Haven Services Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of certain assets.

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Care UK plc and its cash flows are included within the consolidated cash flow statements of that company.

Basis of consolidation

The group accounts consolidate the accounts of Haven Services Limited and its subsidiary undertakings.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is written off against reserves on acquisition. Any excess of the aggregate of the fair value of the separable net assets acquired over the fair value of the consideration given (negative goodwill) is credited direct to reserves.

In the company's accounts, investments in subsidiary and associated undertakings are stated at cost. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold and long leasehold		
land and nursing homes	-	Nil
Other freehold buildings	-	2%
Fixtures, fittings and		
equipment	-	10% to 33% per annum
Motor vehicles	-	25% per annum

No depreciation is provided on freehold land.

No depreciation is provided on freehold nursing home buildings. It is the group's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the directors consider that given the long life of these assets and their high residual values, depreciation is insignificant. It is the group's policy to make provision in the profit and loss account in respect of any permanent diminution in any individual property value.

Haven Services Limited

Notes (continued)

1 Accounting policies (continued)

Investment properties

Investment properties are revalued annually to accord with the directors' view of approximate market value. The cost of freehold reversionary interests acquired from third parties represents the purchase price plus associated acquisition costs.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials and consumables the FIFO method is used.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Leasing

Annual rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

Contributions to the Group defined contribution personal pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the Group in independently managed funds.

2 Post balance sheet event

Following shareholders' approval the disposal of the businesses of housing management, monitoring and ancillary services by Haven Services was completed on 2 December 1996.

The consideration paid in cash for the businesses disposed of was £10 million. There are provisions for the refund of a part of the consideration in the event that it is not possible to transfer the management of certain developments.

The board has been professionally advised that the disposal will give rise to a chargeable gain, which, at current rates of Corporation Tax, would give rise to a liability in the region of £3.3 million. On the basis of the apportionment of proceeds within the Haven Services sale agreement and the Care UK plc group's current projections for capital expenditure, the whole of the gain would be capable of being rolled over, thus reducing the current liability to £nil.

3 Turnover

Turnover represents ground rents and fees for the provision of care services, property management and nursing homes at invoiced amounts less value added tax, where applicable.

Haven Services Limited

Notes (continued)

4 Profit on ordinary activities before taxation

	1996 Cont- inuing £000	1996 Acquis- ition £000	1996 Discont- inuing £000	1996 Total £000	1995 Cont- inuing £000	1995 Discont- inuing £000	1995 Total £000
Turnover	1,248	1,026	2,029	4,303	1,194	1,909	3,103
Cost of sales	(555)	(680)	(183)	(1,418)	(566)	(228)	(794)
Gross profit	693	346	1,846	2,885	628	1,681	2,309
Administrative expenses	(390)	(327)	(1,246)	(1,963)	(398)	(1,183)	(1,581)
Operating profit	303	19	600	922	230	498	728

1996
£000

1995
£000

Profit on ordinary activities before taxation is stated after charging

Auditors' remuneration:

Audit	11	8
Non-audit services	4	1
Depreciation and other amounts written off tangible owned fixed assets:	61	40
Rentals payable under operating leases:		
Hire of plant and machinery	68	68
Property	17	-
Directors emoluments (see note 5)	182	174

Haven Services Limited

Notes (continued)

5 Remuneration of directors

	1996 £000	1995 £000
Directors' emoluments were analysed as follows:		
Fees	9	-
Other remuneration - paid by the company	90	85
Other remuneration - paid by the parent company	74	81
Pension costs - paid by the company	9	8
	<hr/>	<hr/>
	182	174
	<hr/>	<hr/>

The directors remuneration which is paid by the parent company is re-charged to Haven Services Limited within a management services charge.

The emoluments, excluding pension contributions, of the chairman were £12,000 (1995: £9,000 to the current chairman, £2,500 to the previous chairman) and those of the highest paid director were £78,000 (1995: £72,000)

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following range:

			Number of directors	
			1996	1995
£0	-	£ 5,000	3	3
£5,001	-	£10,000	1	1
£10,001	-	15,000	1	-
£15,001	-	£20,000	-	1
£20,001	-	£25,000	-	1
£30,001	-	£35,000	1	-
£35,001	-	£40,000	-	1
£45,001	-	£50,000	1	-
£70,001	-	£75,000	-	1
£75,001	-	£80,000	1	-

Haven Services Limited

Notes (continued)

6 Staff numbers and costs

The average weekly number of persons employed (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1996	1995
Office staff	75	45
Care services staff	98	95
Resident managers/deputies/visiting managers	358	343
	<hr/>	<hr/>
	531	483
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1996	1995
	£000	£000
Wages and salaries	2,783	2,510
Social security costs	166	150
Other pension costs (see note 20)	53	46
	<hr/>	<hr/>
	3,002	2,706
	<hr/>	<hr/>

7 Interest payable and similar charges

	1996	1995
	£000	£000
On bank loans, overdrafts and other loans wholly repayable within five years	67	73
	<hr/>	<hr/>

Haven Services Limited

Notes (continued)

8 Taxation

	1996 £000	1995 £000
UK corporation tax at 33% (1995: 33%) on the profit for the year on ordinary activities	289	203
Adjustment relating to an earlier year	(2)	24
	<u>287</u>	<u>227</u>

9 Tangible fixed assets

	Freehold Land and buildings £'000	Plant and machinery £'000	Fixtures fittings and equipment £'000	Total £'000
Group				
<i>Cost or valuation</i>				
At beginning of year	1,147	235	325	1,707
New subsidiary	-	12	17	29
Additions	141	-	41	182
	<u>1,288</u>	<u>247</u>	<u>383</u>	<u>1,918</u>
At end of year				
<i>Depreciation and diminution in value</i>				
At beginning of year	-	164	197	361
New subsidiary	-	-	-	-
Charge for year	1	15	45	61
	<u>1</u>	<u>179</u>	<u>242</u>	<u>422</u>
At end of year				
<i>Net book value</i>				
At 30 September 1996	<u>1,287</u>	<u>68</u>	<u>141</u>	<u>1,496</u>
At 30 September 1995	<u>1,147</u>	<u>71</u>	<u>128</u>	<u>1,346</u>

Haven Services Limited

Notes *(continued)*

9 Tangible fixed assets *(continued)*

	Motor vehicles	Fixtures fittings and equipment	Total
Company	£000	£000	£000
<i>Cost or valuation</i>			
At beginning of year	20	260	280
Additions	-	28	28
	<hr/>	<hr/>	<hr/>
At end of year	20	288	308
	<hr/>	<hr/>	<hr/>
<i>Depreciation and diminution in value</i>			
At beginning of year	4	157	161
Charge for year	5	37	42
	<hr/>	<hr/>	<hr/>
At end of year	9	194	203
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 1996	11	94	105
	<hr/>	<hr/>	<hr/>
At 30 September 1995	16	103	119
	<hr/>	<hr/>	<hr/>

Haven Services Limited

Notes (continued)

10 Fixed asset investments

	Freehold investment properties £000	Shares in group undertakings £000	Total £000
Group			
<i>Cost</i>			
At beginning of year	720	7	727
Additions	123	-	123
Revaluation in year	(7)	-	(7)
Disposals	(810)	-	(810)
	<hr/>	<hr/>	<hr/>
At end of year	26	7	33
	<hr/>	<hr/>	<hr/>
Company			
<i>Cost</i>			
At beginning of year	720	7	727
Additions	97	54	151
Revaluation in year	(7)	-	(7)
Disposals	(810)	-	(810)
	<hr/>	<hr/>	<hr/>
At end of year	-	61	61
	<hr/>	<hr/>	<hr/>

Haven Services Limited

Notes (continued)

Fixed asset/investments (continued)

Subsidiary undertakings	Country of origin or incorporation	Principal activity	Class and percentage of shares held
Ellerash Ltd	England	Nursing Home operator in United Kingdom	Wholly owned £1 ordinary shares
Careline	England	Provider of homecare in United Kingdom	Wholly owned £1 ordinary shares

On 12 February 1996 Haven Services Limited acquired the whole of the issued share capital of Careline Limited. The book value of the assets and liabilities acquired in Careline was as follows. A fair value adjustment of £100,000 was required on acquisition, but no changes in accounting policies were required:

	Book value £000	Fair value adjustment £000	Fair value £000
Net assets acquired			
Tangible fixed assets	29	-	29
Current assets	184	(36)	148
Current liabilities excluding bank overdraft	(266)	(64)	(330)
Bank overdraft	(121)	-	(121)
	<u>(174)</u>	<u>(100)</u>	<u>(274)</u>
 Goodwill			 339
 Satisfied by cash			 <u>65</u>

11 Stocks

	Group		Company	
	1996 £000	1995 £000	1996 £000	1995 £000
Stock for resale	200	-	50	-
Other	6	4	1	1
	<u>206</u>	<u>4</u>	<u>51</u>	<u>1</u>

Haven Services Limited

Notes (continued)

12 Debtors

	Group		Company	
	1996	1995	1996	1995
	£000	£000	£000	£000
Amounts falling due within one year				
Trade debtors	598	445	273	371
Amounts owed by subsidiary undertakings	-	-	319	115
Amounts owed by group undertakings	810	416	1,136	419
Other debtors	86	53	86	53
Prepayments	64	47	38	39
	<u>1,558</u>	<u>961</u>	<u>1,852</u>	<u>997</u>

13 Creditors: amounts falling due within one year

	Group		Company	
	1996	1995	1996	1995
	£000	£000	£000	£000
Bank loans	58	42	-	-
Trade creditors	94	125	39	111
Other creditors including taxation and social security:				
Corporation tax	244	221	219	186
Taxation and social security	288	133	190	122
Other creditors	196	119	183	119
Accruals and deferred income	210	275	65	234
	<u>1,090</u>	<u>915</u>	<u>696</u>	<u>772</u>

14 Creditors: amounts falling due after more than one year

	Group		Company	
	1996	1995	1996	1995
	£000	£000	£000	£000
Bank loan, repayable by instalments within five years	<u>648</u>	<u>711</u>	<u>-</u>	<u>-</u>

The bank loan outstanding at 30 September 1996 is repayable by instalments over 5 years and is secured by a first charge over the nursing home at Little Holland Hall.

Haven Services Limited

Notes (continued)

15 Deferred taxation

	1996		1995	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Group				
Difference between accumulated depreciation and capital allowances	-	(22)	-	(40)
Other timing differences	-	(1)	-	(2)
	<u>-</u>	<u>(23)</u>	<u>-</u>	<u>(42)</u>
Company				
Difference between accumulated depreciation and capital allowances	-	(11)	-	(11)
Other timing differences	-	(1)	-	(2)
	<u>-</u>	<u>(12)</u>	<u>-</u>	<u>(13)</u>

16 Called up share capital

	1996 £000	1995 £000
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>300</u>	<u>300</u>

Haven Services Limited

Notes (continued)

17 Reserves

	Revaluation reserve	Capital reserve	Profit and loss account
Group	£000	£000	£000
At beginning of year	352	254	791
Retained profit for year	-	-	236
Revaluation of investment properties	(7)	-	-
Goodwill written off on acquisition of Careline	-	(254)	(85)
	<hr/>	<hr/>	<hr/>
At end of year	345	-	942
	<hr/>	<hr/>	<hr/>

The capital reserve represented negative goodwill on the acquisition of Ellerash Limited. The net cumulative goodwill written off through the group accounts at 30 September 1996 was £85,000 (1995: net cumulative negative goodwill recognised of £254,000).

	Revaluation reserve	Profit and loss account
Company	£000	£000
At beginning of year	352	623
Retained profit for year	-	138
Revaluation of investment properties	(7)	-
	<hr/>	<hr/>
At end of year	345	761
	<hr/>	<hr/>

As permitted by section 230 of the Companies Act 1985 a separate profit and loss account dealing with the results of the company has not been presented.

Haven Services Limited

Notes (continued)

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	1996 £000	1995 £000	1996 £000	1995 £000
Profit for the financial year	582	460	484	389
Dividends	(346)	(202)	(346)	(202)
	<hr/>	<hr/>	<hr/>	<hr/>
	236	258	138	187
Goodwill written off on acquisition of Careline	(339)	-	-	-
Other recognised gains and losses	(7)	60	(7)	60
	<hr/>	<hr/>	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(110)	318	131	247
Opening shareholders' funds	1,697	1,379	1,275	1,028
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	1,587	1,697	1,406	1,275
	<hr/>	<hr/>	<hr/>	<hr/>

19 Commitments

The annual payments committed under non-cancellable operating leases are set out below:

	1996		1995	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	-	8	12	-
In two to five years	46	59	-	59
After five years	15	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	61	67	12	59
	<hr/>	<hr/>	<hr/>	<hr/>

20 Pension scheme

The Group operated a defined contribution pension scheme. The group also had an Inland Revenue approved defined contribution scheme. On 1 August 1996, this scheme was changed to a defined contribution group personal pension plan. Contributions to this scheme are charged to the profit and loss account evenly throughout the year. The assets of this scheme are held separately from those of the group in an independently administered fund. The pension cost charge for the year represents contributions payable by the group to the fund and amounted to £53,000 (1995: £46,000).

Haven Services Limited

Notes *(continued)*

21 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Care UK plc, a company incorporated and registered in England and Wales which is the ultimate parent company. Copies of the group financial statements of Care UK plc are available from its registered office at Crown House, Stephenson Road, Severalls Park, Colchester, Essex, CO4 4QR.