

Haven Services Limited

Directors' report and consolidated
financial statements

30 September 1995

Registered number 1941650



Haven Services Limited

Directors' report and financial statements

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Haven Services Limited

Chairman's Statement

It gives me great pleasure to report on another successful year for Haven Services Limited.

Profits before tax increased from £588,000 to £687,000 and net assets increased to £1,697,000.

All divisions within the Company increased their activity with the property management portfolio increasing to over 5,500 units under management.

Haven Monitoring entered into an agreement to monitor an additional 4,500 residential units for an independent retirement housing management company.

Haven Homecare continued to expand with further Social Services work being undertaken by its new agency in Chelmsford. A new agency in Enfield is due to commence early in 1996.

Our holding company Care UK plc has recently announced that, subject to shareholders' agreement, it has agreed with Commercial Union for an exchange of shares whereby Care UK plc will acquire the Commercial Union holding of 49.9% in Haven Services Limited in exchange for new shares in Care UK plc. I take this opportunity of thanking Commercial Union for their support over the last five years. The Company can look forward to a positive future as a wholly owned subsidiary of an exciting healthcare group.

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



JRS Bryant
Chairman

8 January 1996

Haven Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 1995.

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 £202,500 (67.5p per share) was recommended by the directors and paid during the year.

The profit retained within the group was £258,000.

Significant changes in fixed assets

Movements in fixed assets during the year are shown in notes 8 and 9 to the financial statements.

Directors and directors' interests

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

JRS Bryant	Chairman
RW Smith	
RS Clough	
PB Edmondson	
S Kenney	
DIW Reynolds	
JR Bowman	
MKP Grassby	

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.

Messrs DIW Reynolds and JR Bowman are employees of Commercial Union Employment Services Limited, which is a wholly owned subsidiary of Commercial Union plc. 49.9% of the share capital of the company is owned by Commercial Union Life Assurance Company Limited which is part of the Commercial Union group.

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	-	Not applicable
No.2 Executive Scheme				
S Kenney	4 March 1994	-	200,960	42.5p
RW Smith	4 March 1994	-	80,384	42.5p
New SAYE Scheme				
S Kenney	1 May 1995	-	7,392	56.0p
RW Smith	1 May 1995	-	4,928	56.0p

In addition PB Edmondson also holds 90,275 warrants of Care UK plc at 30 September 1995.

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 New SAYE Scheme are exercisable on the fifth anniversary of the date of the grant.

The market value of Care UK plc's shares at 30 September 1995 was 67p per share and the price range during the year was from 55p to 75p per share, after allowing for a share consolidation.

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.

Liability insurance

As permitted by the Companies Act 1985 the group maintains insurance cover for its directors against liabilities in relation to the group.

Haven Services Limited

Directors' report *(continued)*

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line and a vertical stroke.

RW Smith
Secretary

Crown House
Stephenson Road
Severalls Park
Colchester
Essex
CO4 4QR

8 January 1996

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 26.

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 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'J. M. G.', located above the printed name of the firm.

Chartered Accountants
Registered Auditors

8 January 1996

Haven Services Limited

Consolidated profit and loss account for the year ended 30 September 1995

	Note	1995 £000	1994 £000
Turnover			
Continuing activities	2/3	3,103	3,017
Discontinued activities	2/3	-	625
		<u>3,103</u>	<u>3,642</u>
Cost of sales		(794)	(1,404)
		<u>2,309</u>	<u>2,238</u>
Gross profit			
Administrative expenses	2/3	(1,581)	(1,650)
		<u>728</u>	<u>691</u>
Operating profit/(loss)			
Continuing activities		728	691
Discontinued activities		-	(103)
		<u>728</u>	<u>588</u>
Profit on sale of fixed asset investment		-	51
		<u>728</u>	<u>639</u>
Profit on ordinary activities before interest	3-5		
Interest receivable and similar income		32	19
Interest payable and similar charges	6	(73)	(70)
		<u>687</u>	<u>588</u>
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	7	(227)	(192)
		<u>460</u>	<u>396</u>
Profit for the financial year			
Dividend paid		(202)	-
		<u>258</u>	<u>396</u>
Retained profit for the financial year			
Retained profit brought forward		533	137
		<u>791</u>	<u>533</u>
Retained profit carried forward	17		
Retained profit for the financial year			
The company		187	324
Group undertakings		71	72
		<u>258</u>	<u>396</u>
	17		

Haven Services Limited

Statement of recognised gains and losses for the year ended 30 September 1995

	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Profit for the financial year	460	396	389	324
Unrealised surplus on revaluation of investment properties	60	116	60	116
Total recognised gains and losses	<u>520</u>	<u>512</u>	<u>449</u>	<u>440</u>

Other than the unrealised 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 1995

	Note	1995 £000	1994 £000
Fixed assets			
Tangible assets	8	1,346	1,271
Investments	9	727	540
		<u>2,073</u>	<u>1,811</u>
Current assets			
Stocks	10	4	7
Debtors	11	961	754
Cash at bank and in hand		285	534
		<u>1,250</u>	<u>1,295</u>
Creditors: amounts falling due within one year	12	(915)	(975)
Net current assets		<u>335</u>	<u>320</u>
Total assets less current liabilities		<u>2,408</u>	<u>2,131</u>
Creditors: amounts falling due after more than one year	13	(711)	(752)
Net assets		<u>1,697</u>	<u>1,379</u>
Capital and reserves			
Called up share capital	15	300	300
Revaluation reserve	17	352	292
Capital reserve	17	254	254
Profit and loss account	17	791	533
Equity shareholders' funds		<u>1,697</u>	<u>1,379</u>

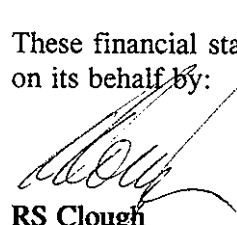
Haven Services Limited

Balance sheet

at 30 September 1995

	Note	1995 £000	1994 £000
Fixed assets			
Tangible assets	8	119	40
Investments	9	727	540
		<u>846</u>	<u>580</u>
Current assets			
Stocks	10	1	3
Debtors	11	997	774
Cash at bank and in hand		203	511
		<u>1,201</u>	<u>1,288</u>
Creditors: amounts falling due within one year	12	(772)	(840)
Net current assets		<u>429</u>	<u>448</u>
Net assets		<u>1,275</u>	<u>1,028</u>
Capital and reserves			
Called up share capital	15	300	300
Revaluation reserve	17	352	292
Profit and loss account	17	623	436
Equity shareholders' funds		<u>1,275</u>	<u>1,028</u>

These financial statements were approved by the board of directors on 8 January 1996 and were signed on its behalf by:


RS Clough
Director

Haven Services Limited

Consolidated cash flow statement for the year ended 30 September 1995

	Note	1995		1994	
		£000	£000	£000	£000
Net cash inflow from operating activities	20		751		492
Return on investments and servicing of finance					
Interest received		32		19	
Interest paid		(73)		(70)	
Dividend paid		(202)		-	
Net cash outflow from returns on investment and servicing of finance			(243)		(51)
			508		441
Taxation					
UK corporation tax paid		(252)		(5)	
Tax paid			(252)		(5)
Investing activities					
Purchase of tangible fixed assets		(242)		(195)	
Sale of tangible fixed assets		-		13	
Sale of fixed asset investment		-		270	
Net cash (outflow)/inflow from investing activities			(242)		88
Net cash inflow before financing			14		524
Financing					
Repayment of amounts borrowed	21	(263)		(87)	
Net cash outflow from financing			(263)		(87)
(Decrease)/increase in cash and cash equivalents	22		(249)		437

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.

Basis of consolidation

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

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:

Fixtures, fittings and		
equipment	-	25 % per annum
Nursing home equipment	-	10 % per annum
Motor vehicles	-	25 % per annum

No depreciation is provided on freehold land.

No depreciation is provided on freehold 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's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 **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)

3 Profit on ordinary activities before taxation

	1995	1994	1994	1994
	Total	Continuing	Dis - continued	Total
	£000	£000	£000	£000
Turnover	3,103	3,017	625	3,642
Cost of sales	(794)	(886)	(518)	(1,404)
Gross profit	2,309	2,131	107	2,238
Administrative expenses	(1,581)	(1,440)	(210)	(1,650)
Operating profit/(loss)	728	691	(103)	588

1995
£000

1994
£000

Profit on ordinary activities before taxation is stated after charging

Auditors' remuneration:

Audit	9	9
Depreciation and other amounts written off tangible owned fixed assets:	40	67
Rentals payable under operating leases:		
Hire of plant and machinery	68	90
Leasehold property rentals	-	12
Directors emoluments (see note 4)	174	161

Haven Services Limited

Notes *(continued)*

4 Remuneration of directors

	1995 £000	1994 £000
Directors' emoluments were analysed as follows:		
Fees	-	-
Other remuneration - paid by the company	85	83
Other remuneration - paid by the parent company	81	73
Pension costs - paid by the company	8	5
	<hr/>	<hr/>
	174	161
	<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 £9,000 (1994: £3,000 to the current chairman, £2,500 to the previous chairman) and those of the highest paid director were £72,000 (1994: £60,000)

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

	Number of directors	
	1995	1994
£0 - £ 5,000	3	4
£5,001 - £10,000	1	1
£15,001 - £20,000	1	-
£20,001 - £25,000	1	-
£35,001 - £40,000	1	1
£45,001 - £50,000	-	1
£55,001 - £60,000	-	1
£70,001 - £75,000	1	-

Haven Services Limited

Notes *(continued)*

5 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	
	1995	1994
Office staff	45	38
Care services staff	95	93
Resident managers/deputies/visiting managers	343	321
	<hr/>	<hr/>
	483	452
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1995	1994
	£000	£000
Wages and salaries	2,510	2,309
Social security costs	150	133
Other pension costs (see note 19)	46	46
	<hr/>	<hr/>
	2,706	2,488
	<hr/>	<hr/>

6 Interest payable and similar charges

	1995	1994
	£000	£000
On bank loans, overdrafts and other loans wholly repayable within five years	73	70
	<hr/>	<hr/>

Haven Services Limited

Notes (continued)

7 Taxation

	1995 £000	1994 £000
UK corporation tax at 33% (1994: 33%) on the profit for the year on ordinary activities	203	192
Adjustment relating to an earlier year	24	-
	<u>227</u>	<u>192</u>

8 Tangible fixed assets

	Freehold Land and buildings £	Plant and machinery £	Fixtures fittings and equipment £	Total £
Group				
<i>Cost or valuation</i>				
At beginning of year	1,147	214	286	1,647
Additions	-	21	94	115
Disposals	-	-	(55)	(55)
	<u>1,147</u>	<u>235</u>	<u>325</u>	<u>1,707</u>
At end of year	<u>1,147</u>	<u>235</u>	<u>325</u>	<u>1,707</u>
<i>Depreciation and diminution in value</i>				
At beginning of year	-	151	225	376
Charge for year	-	13	27	40
Disposals	-	-	(55)	(55)
	<u>-</u>	<u>164</u>	<u>197</u>	<u>361</u>
At end of year	<u>-</u>	<u>164</u>	<u>197</u>	<u>361</u>
<i>Net book value</i>				
At 30 September 1995	<u>1,147</u>	<u>71</u>	<u>128</u>	<u>1,346</u>
At 30 September 1994	<u>1,147</u>	<u>63</u>	<u>61</u>	<u>1,271</u>

Haven Services Limited

Notes (continued)

8 Tangible fixed assets (continued)

	Motor vehicles	Fixtures fittings and equipment	Total
Company	£000	£000	£000
<i>Cost or valuation</i>			
At beginning of year	-	228	228
Additions	20	87	107
Disposals	-	(55)	(55)
	<hr/>	<hr/>	<hr/>
At end of year	20	260	280
	<hr/>	<hr/>	<hr/>
<i>Depreciation and diminution in value</i>			
At beginning of year	-	188	188
Charge for year	4	24	28
Disposals	-	(55)	(55)
	<hr/>	<hr/>	<hr/>
At end of year	4	157	161
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 1995	16	103	119
	<hr/>	<hr/>	<hr/>
At 30 September 1994	-	40	40
	<hr/>	<hr/>	<hr/>

Haven Services Limited

Notes (continued)

9 Fixed asset investments

	Freehold investment properties	Shares in group undertakings	Other investments other than loans	Total
	£000	£000	£000	£000
Group				
<i>Cost</i>				
At beginning of year	533	-	7	540
Additions	127	-	-	127
Revaluation in year	60	-	-	60
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	720	-	7	727
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
<i>Cost</i>				
At beginning of year	533	-	7	540
Additions	127	-	-	127
Revaluation in year	60	-	-	60
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	720	-	7	727
	<hr/>	<hr/>	<hr/>	<hr/>

The company's 100% owned subsidiary undertaking, Ellerash Limited which has been included in the consolidated accounts, is registered in England and Wales. It owns and operates the group's nursing home at Little Holland Hall, Holland on Sea, Essex.

10 Stocks

	Group		Company	
	1995	1994	1995	1994
	£000	£000	£000	£000
Goods for resale	4	7	1	3
	<hr/>	<hr/>	<hr/>	<hr/>

Haven Services Limited

Notes (continued)

11 Debtors

	Group		Company	
	1995	1994	1995	1994
	£000	£000	£000	£000
Amounts falling due within one year				
Trade debtors	445	361	371	300
Amounts owed by subsidiary undertaking	-	-	115	86
Amounts owed by group undertakings	416	313	419	316
Other debtors	53	48	53	49
Prepayments	47	32	39	23
	<u>961</u>	<u>754</u>	<u>997</u>	<u>774</u>

12 Creditors: amounts falling due within one year

	Group		Company	
	1995	1994	1995	1994
	£000	£000	£000	£000
Bank loans	42	44	-	-
Other loans	-	110	-	110
Trade creditors	125	57	111	39
Amounts owed to parent undertaking	-	110	-	110
Other creditors including taxation and social security:				
Corporation tax	221	246	186	225
Taxation and social security	133	131	122	119
Other creditors	119	166	119	155
Accruals and deferred income	275	111	234	82
	<u>915</u>	<u>975</u>	<u>772</u>	<u>840</u>

Haven Services Limited

Notes (continued)

13 Creditors: amounts falling due after more than one year

	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Bank loan	711	752	-	-
	<u>711</u>	<u>752</u>	<u>-</u>	<u>-</u>

Analysis

	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Repayable within five years, by instalments				
Bank loan	711	752	-	-
	<u>711</u>	<u>752</u>	<u>-</u>	<u>-</u>

The bank loan outstanding at 30 September 1995 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)

14 Deferred taxation

	1995		1994	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Group				
Difference between accumulated depreciation and capital allowances	-	(40)	-	12
Other timing differences	-	(2)	-	(6)
	<u>-</u>	<u>(42)</u>	<u>-</u>	<u>6</u>
	-	(42)	-	6
Company				
Difference between accumulated depreciation and capital allowances	-	(11)	-	(10)
Other timing differences	-	(2)	-	(5)
	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>(15)</u>
	-	(13)	-	(15)

15 Called up share capital

	1995 £000	1994 £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)

16 Reconciliation of movements in shareholders' funds

	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Profit for the financial year	460	396	389	324
Dividends	(202)	-	(202)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	258	396	187	324
Other recognised gains and losses	60	116	60	116
	<hr/>	<hr/>	<hr/>	<hr/>
Net addition to shareholder's funds	318	512	247	440
Opening shareholders' funds	1,379	867	1,028	588
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	1,697	1,379	1,275	1,028
	<hr/>	<hr/>	<hr/>	<hr/>

17 Reserves

	Revaluation reserve	Capital reserve	Profit and loss account
Group	£000	£000	£000
At beginning of year	292	254	533
Retained profit for year	-	-	258
Revaluation of investment properties	60	-	-
	<hr/>	<hr/>	<hr/>
At end of year	352	254	791
	<hr/>	<hr/>	<hr/>

The capital reserve represents negative goodwill on the acquisition of Ellerash Limited.

Haven Services Limited

Notes (continued)

17 Reserves (continued)

	Revaluation reserve	Profit and loss account
Company	£000	£000
At beginning of year	292	436
Retained profit for year	-	187
Revaluation of investment properties	60	-
	<hr/>	<hr/>
At end of year	352	623
	<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.

18 Commitments

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

	1995		1994	
Group and company	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	12	-	-	39
In two to five years	-	59	24	4
	<hr/>	<hr/>	<hr/>	<hr/>
	12	59	24	43
	<hr/>	<hr/>	<hr/>	<hr/>

19 Pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the fund and amounted to £46,000 (1994: £46,000).

Haven Services Limited

Notes (continued)

20 Reconciliation of operating profit to net cash inflow from operating activities

	1995 £000	1994 £000
Operating profit	728	588
Depreciation charge	40	67
Decrease in stocks	3	102
(Increase) in debtors	(207)	(9)
Increase/(decrease) in creditors	187	(256)
	<hr/>	<hr/>
Net cash inflow from operating activities	751	492
	<hr/>	<hr/>

21 Analysis of changes in financing during the year

	1995 £000	1994 £000
Bank and other loans		
At beginning of the year	1,016	1,103
Cash outflow from financing	(263)	(87)
	<hr/>	<hr/>
At end of year	753	1,016
	<hr/>	<hr/>

22 Analysis of changes in cash and cash equivalents

	Cash at bank and in hand £000
Balance at 30 September 1993	97
Movement in year	437
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Balance at 30 September 1994	534
Movement in year	(249)
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Balance at 30 September 1995	285
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Haven Services Limited

Notes *(continued)*

23 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, and holds 50.1% of the share capital. The remaining 49.9% is owned by Commercial Union Life Assurance Company Limited. On 14 December 1995 Care UK plc announced that subject to shareholders' agreement, it has been agreed for Care UK plc to acquire the Commercial Union holding in Haven Services Limited. 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.