

MOORE NURSING HOMES LIMITED

DIRECTORS' REPORT

Directors: J G Moore  
E E Moore  
A M Bailey

Secretary: J Woolley

Registered office: Byecross House, Georgeham, Braunton, Devon

The directors present their report for the year ended 31 March 1988.

ACCOUNTS AND DIVIDENDS

The directors present the audited accounts of the company for the year ended 31 March 1988. Trading commenced on 1 January 1988 when the former partnership trade of The Moore Nursing Group was transferred to the company. The loss for the year attributable to shareholders amounts to £27,953 and is dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The principal activity of the company consists of the ownership and management of nursing homes.

FIXED ASSETS

Capital expenditure which took place during the year consisted of the transfer of assets from J G & E E Moore formerly trading as The Moore Nursing Group at a net book value of approximately £2,252,000 and further expenditure during the year as shown in note 7 on the accounts. In the directors' opinion the existing use open market value of the freehold property is in excess of cost shown in the balance sheet but in the absence of a formal valuation are unable to state by how much.

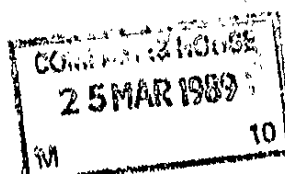
DIRECTORS

The directors of the company during the year ended 31 March 1988 were those listed above.

DIRECTORS INTERESTS

According to the register maintained as required under the Companies Act, the directors' interests in the ordinary share capital of the company are as follows:-

J G Moore  
E E Moore  
A M Bailey



75  
20  
5  

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£100

## MOORE NURSING HOMES LIMITED

## DIRECTORS' REPORT (Continued)

## AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the annual general meeting.

By order of the board

Secretary

*J. Woolley*

2 March 1989



Ernst & Whinney  
Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS OF MOORE NURSING HOMES LIMITED

We have audited the accounts set out on pages 4 to 11 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1988 and of the loss and source and application of funds for the year then ended and comply with the Companies Act 1985.

*Ernst & Whinney*

Barnstaple

2 March 1989

MOORE NURSING HOMES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31 MARCH 1988

	Note	1988 £	1987 £
TURNOVER	2	189,201	-
OPERATING COSTS	3	171,341	-
OPERATING PROFIT	4	17,860	-
Interest payable and similar charges	5	53,813	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(35,953)	-
Taxation	6	8,000	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(27,953)	-
Dividends		-	-
RETAINED LOSS FOR THE YEAR		£(27,953)	£-

MOORE NURSING HOMES LIMITED  
BALANCE SHEET - 31 MARCH 1988

	Note	1988 £	1987 £
<b>FIXED ASSETS</b>			
Tangible assets	7	2,427,103	178,913
Investments	10	636,761	-
		<u>3,063,864</u>	<u>176,913</u>
<b>CURRENT ASSETS</b>			
Stocks	8	13,176	-
Debtors	9	58,026	100
Cash		6	-
		<u>71,208</u>	<u>100</u>
<b>CREDITORS - amounts falling due within one year</b>			
Trade and other creditors	11	60,626	17,500
Bank loan and overdraft	12	1,929,843	-
		<u>1,990,469</u>	<u>17,500</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,919,261)</u>	<u>(17,400)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,144,603</u>	<u>159,413</u>
<b>CREDITORS - amounts falling due after more than one year</b>			
	13	-	159,413
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15	66,000	-
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>£1,078,603</u>	<u>£100</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	100	100
Capital reserve	16	1,106,456	-
Profit and loss account		(27,953)	-
		<u>£1,078,603</u>	<u>£100</u>

EW Ernst & Whinney

*John G. Moore*

*John G. Moore*

)  
) Directors  
)

2 March 1989

## MOORE NURSING HOMES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31 MARCH 1983

	1988 £	1987 £
<b>SOURCES OF FUNDS</b>		
<b>FROM OPERATIONS</b>		
Loss before taxation	(35,953)	-
Items not involving the movement of funds:		
Depreciation	24,314	-
Surplus on disposal of fixed assets	(3,276)	-
Total absorbed by operations	(14,915)	-
<b>FUNDS FROM OTHER SOURCES</b>		
Issue of share capital	-	100
Proceeds on disposal of fixed assets	15,300	-
Capital reserve	1,106,456	-
Deferred taxation provision	74,000	159,413
TOTAL SOURCES OF FUNDS	1,180,841	159,513
<b>FUNDS APPLIED</b>		
Investment in fixed assets	2,923,289	176,913
DECREASE IN WORKING CAPITAL	£(1,742,448)	£(17,400)
<b>Arising from movements in:-</b>		
Stocks	13,176	-
Debtors	57,926	100
Trade and other creditors	116,287	(17,500)
Liquid funds	(1,929,837)	-
	£(1,742,448)	£(17,400)

## MOORE NURSING HOMES LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1988

## 1 ACCOUNTING POLICIES

## (a) Accounting convention

The accounts are prepared under the historical cost convention.

## (b) Depreciation

The cost of fixed assets is depreciated over the expected useful lives of the assets as follows:

Freehold property	-	2% of cost in equal annual amounts
Motor vehicles	-	25% of net book value
Fixtures, fittings plant and equipment	-	10% of net book value

## (c) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete items.

## (d) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

Ernst &amp; Whinney

## 2 TURNOVER

Turnover relates to the income received from residents for the period from the commencement of trade on 1 January 1988.

## 3 OPERATING COSTS

	1988 £	1987 £
Increase in stocks	13,176	-
Consumables	11,608	-
Staff costs - wages and salaries	98,677	-
- social security costs	8,071	-
Depreciation	24,314	-
Other operating charges	15,495	-
	<u>£171,341</u>	<u>£-</u>

Staff costs include remuneration to the directors of £5,750, excluding employer's national insurance contributions.

## MOORE NURSING HOMES LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1988 (Continued)

4	OPERATING PROFIT is stated after charging	1988 £	1987 £
	Depreciation of tangible fixed assets	24,314	-
	Auditors' remuneration	1,500	-
	Directors' remuneration and N.I.	6,329	-
	Surplus on disposal of fixed assets	(3,276)	-
		<u>          </u>	<u>          </u>
5	INTEREST PAYABLE AND SIMILAR CHARGES	1988 £	1987 £
	Bank loan and overdraft	52,416	-
	- repayable within 5 years	1,397	-
	Hire purchase	<u>          </u>	<u>          </u>
		£53,813	£-
		<u>          </u>	<u>          </u>
6	TAXATION	1988 £	1987 £
	The credit based on the results for the year comprises:-		
	UK Corporation tax		
	Current	-	-
	Deferred	8,000	-
		<u>          </u>	<u>          </u>
		£8,000	£-
		<u>          </u>	<u>          </u>



MOORE NURSING HOMES LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1988 (Continued)

Ernst & Whinney

7 TANGIBLE FIXED ASSETS	Freehold Property £	Motor Vehicles £	Fixtures Fittings, Plant and Equipment £	Total £
Cost				
At 31 March 1987	176,913	-	-	176,913
Transfers from partnership	1,652,271	98,571	624,740	2,375,582
Additions during the year	25,001	-	7,036	32,037
Disposals	-	(19,900)	-	(19,900)
At 31 March 1988	<u>1,854,185</u>	<u>78,671</u>	<u>631,776</u>	<u>2,564,632</u>
Depreciation				
At 31 March 1987	-	-	-	-
Transferred from partnership	-	22,991	98,101	121,092
Charge for year	7,000	3,972	13,342	24,314
Disposals	-	(7,877)	-	(7,877)
At 31 March 1988	<u>7,000</u>	<u>19,086</u>	<u>111,443</u>	<u>137,529</u>
Net book amounts at 31 March 1987	<u>£176,913</u>	<u>£-</u>	<u>£-</u>	<u>£176,913</u>
Net book amounts at 31 March 1988	<u>£1,847,185</u>	<u>£59,585</u>	<u>£520,333</u>	<u>£2,427,103</u>

8 STOCKS

In the opinion of the directors the replacement cost of stocks is approximately equal to the balance sheet value.

9 DEBTORS	1988 £	1987 £
Due within one year:		
Trade debtors	25,743	-
Prepayments and accrued income	32,283	100
	<u>£58,026</u>	<u>£100</u>

## MOORE NURSING HOMES LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1988 (Continued)

10	FIXED ASSET INVESTMENTS	1988 £	1987 £
	Georgeham Building Company Limited	<u>£636,761</u>	<u>£-</u>

Funds have been advanced to the above company in respect of stage payments on the construction of a nursing home, in Taunton, on land owned by Moore Nursing Homes Limited. J G and E E Moore are the controlling shareholders of Georgeham Building Company Limited.

11	TRADE AND OTHER CREDITORS	1988 £	1987 £
	Due within one year:		
	Trade creditors	4,377	17,500
	Other taxation and Social Security	11,169	
	Accruals and deferred income	45,080	
		<u>£60,626</u>	<u>£17,500</u>

## 12 BANK LOAN AND OVERDRAFT

The bank loan and overdraft are secured by a debenture over the company's assets and by a mortgage over the freehold property together with personal guarantees from the directors.

13	CREDITORS - amounts falling due after more than one year	1988 £	1987 £
	The Moore Nursing Group - partnership	<u>£-</u>	<u>£159,413</u>

## 14 CALLED UP SHARE CAPITAL

	Authorised Ordinary shares of £1 each	<u>£10,000</u>
	Issued and fully paid Ordinary shares of £1 each	<u>£100</u>

## MOORE NURSING HOMES LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1988 (Continued)

15	PROVISIONS FOR LIABILITIES AND CHARGES	1988	1987
	Deferred taxation (@ 35%)	£	£
	Accelerated capital allowances	75,800	-
	Losses	(9,800)	-
		<u>£66,000</u>	<u>£-</u>

An opening deferred taxation provision of £74,000 was created on transfer of former partnership trade into the company, as explained in note 16.

## 16 CAPITAL RESERVE

The capital reserve represents the excess of the net book value of net assets transferred, excluding any goodwill over the nominal value of shares issued to J G & E E Moore at 1 January 1988, as adjusted to create the opening deferred taxation provision of £74,000.

## 17 EMPLOYEES

The average number of employees including the full time working directors in each week in the year since the commencement of trading was 86.

## 18 CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities at the balance sheet date.

## 19 CAPITAL COMMITMENTS

The directors have authorised and committed capital expenditure in respect of the construction of a nursing home in Taunton, as referred to in note 10. The eventual total of this expenditure will be approximately £3,000,000.