

Eskgrove Healthcare Limited

Directors' report and financial statements

31 December 1998

Registered number 2006031



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

Principal activities and business review

The company has not traded in the year.

Directors and directors' interests

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

D Brosnan
O McGartoll
M Parsons
D Duncan


None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company.

The directors' interests in the shares of the parent company are detailed in the directors' report of that company.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG will therefore continue in office.

By order of the board


Owen McGartoll
Secretary

Suite 201
The Chambers
Chelsea Harbour
London
SW10 0XF
16 March 1999

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 of the profit or loss for that year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 company and to prevent and detect fraud and other irregularities.



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Report of the auditors to the members of Eskgrove Healthcare Limited

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on page 2 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 company'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 the company's affairs as at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

16 March 1999

Balance sheet
at 31 December 1998

	<i>Note</i>	1998 £000	1997 £000
Fixed assets			
Investments	2	2,829	2,829
Current assets			
Debtors due after one year	3	1,306	1,306
Total assets less current liabilities		<u>4,135</u>	<u>4,135</u>
Creditors: amounts falling due after more than one year	4	<u>(10,428)</u>	<u>(10,428)</u>
Net liabilities		<u>(6,293)</u>	<u>(6,293)</u>
Capital and reserves			
Called up share capital	5	10	10
Profit and loss account	1	<u>(6,303)</u>	<u>(6,303)</u>
Shareholders' funds		<u>(6,293)</u>	<u>(6,293)</u>

These financial statements were approved by the board of directors on 16 March 1999 and were signed on its behalf by:


Owen McGartoll
Director

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 company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No.1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Barchester Healthcare plc, and its cash flows are included within the consolidated cash flow statement of that company.

Profit and loss account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

2 Fixed asset investments

<i>Cost</i>	Shares in subsidiary undertaking £000
At 31 December 1997 and 31 December 1998	2,829
	<hr/> <hr/>

The company owns 100% of the ordinary share capital of Barchester Healthcare (Hull) Limited, a company registered in England, which is non-trading.

The company is exempt from the requirement to prepare group accounts.

3 Debtors: due after one year

	1998 £000	1997 £000
Amounts owed by group undertakings	1,306	1,306
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

4 Creditors: amounts falling due after more than one year

	1998 £000	1997 £000
Amounts owed to parent and fellow subsidiary undertakings	10,428	10,428
	<u>10,428</u>	<u>10,428</u>

The amounts owed to the parent and fellow subsidiary undertakings are interest free.

5 Share capital

	1998 £000	1997 £000
<i>Authorised</i>		
10,000 ordinary shares of £1 each	10	10
	<u>10</u>	<u>10</u>
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	10	10
	<u>10</u>	<u>10</u>

6 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary undertaking of Barchester Healthcare plc, a company incorporated in Great Britain and registered in England.

The largest group in which the results of the company are consolidated is that headed by Barchester Healthcare plc. The consolidated accounts of Barchester Healthcare plc are available to the public and may be obtained from:

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