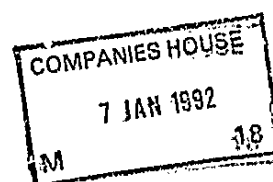


MOORE NURSING HOMES LIMITED

ACCOUNTS FOR THE YEAR ENDED

31 MARCH 1991

REGISTERED NO: 2006031



GLOVER PEARCE & ROSS
CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

DIRECTORS' REPORT

Directors: J G Moore
E E Moore
A M Bailey (resigned 3 January 1991)

Secretary: J Woolley

Registered office: Byecross House, Georgeham, Braunton, Devon

The directors present their report for the year ended 31 March 1991.

RESULTS AND DIVIDENDS

The directors present the audited accounts of the group for the year ended 31 March 1991. The loss for the year attributable to shareholders amounts to £1,568,682 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 group consists of the ownership and management of nursing homes.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The construction at Truro of a third purpose-built nursing home was completed during the year and this home was operational in July 1990. High interest rates have had a major impact on profitability during the year and the directors are negotiating with bankers in order to re-organise the financial structure of the group.

FIXED ASSETS

Additions and disposals during the year are detailed in Note 8 to the accounts.

DISABLED EMPLOYEES

The group give every consideration to applications for employment from disabled persons where the requirements of the job may be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

DIRECTORS

The directors of the company during the year ended 31 March 1991 were those listed above.

ROSS

GLOVER PEARCE
CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

DIRECTORS' INTERESTS

500 £1 ordinary shares formerly held by A M Bailey were transferred to J G Moore in June 1991.

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

	£
J G Moore	8,000
E E Moore	2,000
	<hr/>
	£10,000

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Glover Pearce & Ross will be submitted at the Annual General Meeting.

By order of the board

J G Moore

J G MOORE

Director

21 August 1991

GLOVER PEARCE & ROSS
CHARTERED ACCOUNTANTS

GLOVER PEARCE
CHARTERED ACCOUNTANTS

ROSS

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BIDEFORD EX39 2PZ

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BANK CHAMBERS CROSS ST

BARNSTAPLE EX31 1BE

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

We have audited the accounts set out on pages 4 to 16 in accordance with Auditing Standards.

The accounts have been prepared on a going concern basis. This basis may not be appropriate because the group made a loss after taxation of £1,568,682 during the year ended 31 March 1991 and at that date its current liabilities exceeded its current assets by £12,790,521. Further, the group's ability to continue trading is dependent on a re-financing agreement being reached with its bankers.

Should the group be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

In addition, as explained in note 2(b) to the accounts no provision has been made for the depreciation of freehold buildings. This is not in accordance with Statement of Standard Accounting Practice No 12 and of Schedule 4 to the Companies Act 1985. In our opinion a provision of £182,000 should have been made; the effect of the accounting policy has been to understate the group's and company's loss before and after tax by this amount.

Subject to the group being able to continue trading and except for the effects of non-provision of depreciation described above, in our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31 March 1991 and of the loss and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Glover Pearce & Ross

Chartered Accountants

Barnstaple

21 August 1991



PARTNERS: H.M.J. GLOVER
S.D. PEARCE B.C. ROSS
MANAGERS: P.A. DEAN
M.J. CHANCE C.E. CLARK

Authorised by the Institute of
Chartered Accountants in England
and Wales to carry out investment
business.

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1991

	Note	1991 £	1990 £
TURNOVER	3	2,356,977	1,511,927
OPERATING COSTS	4	<u>2,542,376</u>	<u>1,619,810</u>
OPERATING LOSS	5	(185,399)	(107,883)
Interest payable and similar charges	6	<u>(1,383,283)</u>	<u>(748,584)</u>
RETAINED LOSS FOR THE YEAR		<u>£(1,568,682)</u>	<u>£(856,467)</u>

MOVEMENT ON RESERVES

Balance as previously stated		(1,084,248)	(397,761)
Prior year adjustment	21	<u>105,622</u>	<u>169,980</u>
At 31 March 1990 - deficit		(978,626)	(227,781)
Retained loss for the year		<u>(1,568,682)</u>	<u>(856,467)</u>
At 31 March 1991 - deficit		<u>£(2,547,308)</u>	<u>£(1,084,248)</u>

No profit and loss account is presented for Moore Nursing Homes Limited as provided by section 230 of the Companies Act.

The loss dealt with in the profit and loss account of the parent company was £1,540,623 (1990 - £837,660).

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

GROUP BALANCE SHEET - 31 MARCH 1991

	Note	1991 £	1990 restated £
FIXED ASSETS			
Tangible assets	8	11,428,071	6,838,541
Investments	9	-	1,959,148
		<u>11,428,071</u>	<u>8,797,689</u>
CURRENT ASSETS			
Investments	10	-	126,448
Stocks	11	28,126	22,934
Debtors	12	313,178	162,171
Bank and cash		95	1,732
		<u>341,399</u>	<u>313,285</u>
CREDITORS - amounts falling due within one year			
Trade and other creditors	13	1,331,439	278,878
Bank loans and overdraft	14	11,800,481	5,694,266
		<u>13,131,920</u>	<u>5,973,144</u>
NET CURRENT LIABILITIES		<u>(12,790,521)</u>	<u>(5,659,859)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,362,450)</u>	<u>3,137,830</u>
CREDITORS - amounts falling due after more than one year			
	15	68,402	3,000,000
TOTAL ASSETS LESS LIABILITIES		<u>£(1,430,852)</u>	<u>£137,830</u>
CAPITAL AND RESERVES			
Called up share capital	17	10,000	10,000
Capital reserve	19	1,106,456	1,106,456
Profit and loss account - deficit		(2,547,308)	(978,626)
		<u>£(1,430,852)</u>	<u>£137,830</u>

X *J G Moore* X

J G MOORE - DIRECTOR

21 August 1991

ROSS
GLOVER PEARCE
CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED - COMPANY

BALANCE SHEET - 31 MARCH 1991

	Note	1991 £	1990 restated £
FIXED ASSETS			
Tangible assets	8	11,175,213	6,586,173
Investments	9	-	1,959,148
Subsidiary undertaking	22	1,000	1,000
		<u>11,176,213</u>	<u>8,546,321</u>
CURRENT ASSETS			
Investments	10	-	126,448
Stocks	11	28,126	22,934
Debtors	12	296,865	148,313
Bank and cash		95	900
		<u>325,086</u>	<u>298,595</u>
CREDITORS - amounts falling due within one year			
Trade and other creditors	13	1,264,954	219,013
Bank loans and overdraft	14	11,551,929	5,469,266
		<u>12,816,883</u>	<u>5,688,279</u>
NET CURRENT LIABILITIES		<u>(12,491,797)</u>	<u>(5,389,684)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,315,584)</u>	<u>3,156,637</u>
CREDITORS - amounts falling due after more than one year			
	15	68,402	3,000,000
TOTAL ASSETS LESS LIABILITIES		<u>£(1,383,986)</u>	<u>£156,637</u>
CAPITAL AND RESERVES			
Called up share capital	17	10,000	10,000
Capital reserve	19	1,106,456	1,106,456
Profit and loss account - deficit		(2,500,442)	(959,819)
		<u>£(1,383,986)</u>	<u>£156,637</u>

x John B Moore x
J G MOORE - DIRECTOR

21 August 1991

ROSS
GLOVER PEARCE
CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1991

	1991 £	1990 £
SOURCES OF FUNDS		
FROM OPERATIONS		
Loss before taxation	(1,568,682)	(856,467)
Items not involving the movement of funds:		
Depreciation	218,560	255,295
Deficit/(surplus) on disposal of fixed assets	8,462	(3,479)
Total absorbed by operations	(1,341,660)	(604,651)
FUNDS FROM OTHER SOURCES		
Hire purchase	141,169	-
Proceeds on disposal of fixed assets	31,300	7,860
	(1,169,191)	(596,791)
FUNDS APPLIED		
Hire purchase	36,007	3,624
Investment in fixed assets	2,888,704	2,723,059
DECREASE IN WORKING CAPITAL	£(4,093,902)	£(3,323,474)
Arising from movements in:		
Short term investments	(126,448)	(112,977)
Stocks	5,192	(3,587)
Debtors	151,007	102,164
Trade and other creditors	(1,015,801)	(80,509)
Liquid funds	(3,107,852)	(3,228,565)
	£(4,093,902)	£(3,323,474)

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991

1 FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared on a going concern basis. Given recent discussions with the group's various bankers, the directors have reason to believe that adequate funding arrangements will continue to be made available to enable the group companies to meet their liabilities as they fall due.

2 ACCOUNTING POLICIES

(a) Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards except for the non-depreciation of freehold property which contravenes Statement of Standard Accounting Practice No 12.

(b) Depreciation

Freehold property and investment properties are not depreciated. The cost of other fixed assets are depreciated over the expected useful lives of the assets as follows:-

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.

(e) Capitalisation of interest

The cost of financing property developments prior to the date of their opening is included in the cost of the project and capitalised. For this purpose the interest rate applied to funds provided for property development is arrived at by reference to the actual rate payable on borrowings for development purposes.

A property ceases to be treated as being in the course of development as the first resident is accommodated.

(f) Basis of consolidation

The group accounts consolidate the accounts of Moore Nursing Homes Limited and its wholly owned subsidiary undertaking Brookdot Limited, a property investment company, using the acquisition method of consolidation. Moore Nursing Homes Limited acquired 1000 ordinary £1 shares in Brookdot Limited at par on formation.

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

2 ACCOUNTING POLICIES (Continued)

(g) Investment properties

Properties held for investment potential are revalued annually in accordance with Statement of Standard Accounting Practice No 19. It is the intention that such valuations will be carried out by independent external valuers at least every five years, as required by Statement of Standard Accounting Practice No 19, and in the intervening years by the Directors. These valuations will be adopted in the accounts and surpluses or deficiencies arising reflected in the property revaluation reserve.

(h) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

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

3 TURNOVER

Turnover relates to the income received from residents of the group's nursing homes and a nominal amount of rental income from an investment property.

Rental income forms an immaterial proportion of turnover and the directors do not consider the level of such income to be sufficient to warrant separate disclosure as required by Schedule 4 (55) to the Companies Act 1985.

4 OPERATING COSTS

	1991 £	1990 £
Increase/(Decrease) in stocks	5,192	(3,587)
Consumables	195,802	120,415
Staff costs - wages and salaries	1,483,602	938,824
- social security costs	107,600	70,323
Depreciation	218,560	255,295
Other operating charges	374,117	245,799
Legal and professional fees	188,856	28,179
Exceptional item (Note 10)	(31,353)	(35,438)
	<u>£2,542,376</u>	<u>£1,619,810</u>

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

4 OPERATING COSTS

Staff costs include the following amounts excluding employer's national insurance contributions:-

	£
Directors remuneration	44,101
Compensation for loss of office	1,500
	<u>£45,601</u>

Remuneration of £23,351 was paid to the highest paid director (1990 - £46,500). The remaining directors received remuneration within the following ranges:-

	1991 No	1990 No
£5,001 - £10,000	1	1
£10,001 - £15,000	1	-
£20,001 - £25,000	-	1

5 OPERATING LOSS

is stated after charging/(crediting)

	1991 £	1990 £
Hire of fixtures and fittings under operating leases	7,745	-
Depreciation of tangible fixed assets	218,560	255,295
Auditors' remuneration	9,000	3,950
Directors' remuneration and N.I.	57,439	82,573
Deficit/(surplus) on disposal of fixed assets	<u>8,462</u>	<u>(3,479)</u>

Depreciation of tangible fixed assets includes the sum of £22,238 which relates to assets held under hire purchase contracts.

6 INTEREST PAYABLE AND SIMILAR CHARGES

	1991 £	1990 £
Bank loans and overdraft		
- repayable within five years	1,372,020	745,890
Hire purchase	11,263	2,694
	<u>£1,383,283</u>	<u>£748,584</u>

7 TAXATION

The company is carrying forward losses of approximately £2.5 million for use in off-setting against future taxable profits.

ROSS

GLOVER PEARCE
CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

8 TANGIBLE FIXED ASSETS GROUP

	Freehold Property £	Motor Vehicles £	Fixtures Fittings, Plant and Equipment £	Total £
Cost				
At 31 March 1990	5,456,823	127,243	1,674,670	7,258,736
Additions during the year	4,126,520	72,307	649,025	4,847,852
Disposals	-	(68,422)	-	(68,422)
At 31 March 1991	<u>9,583,343</u>	<u>131,128</u>	<u>2,323,695</u>	<u>12,038,166</u>
Depreciation				
At 31 March 1990	-	53,722	366,473	420,195
Charge for year	-	22,838	195,722	218,560
Disposals	-	(28,660)	-	(28,660)
At 31 March 1991	<u>-</u>	<u>47,900</u>	<u>562,195</u>	<u>610,095</u>
Net book amounts at 31 March 1991	<u>£9,583,343</u>	<u>£83,228</u>	<u>£1,761,500</u>	<u>£11,428,071</u>
Net book amounts at 31 March 1990	<u>£5,456,823</u>	<u>£73,521</u>	<u>£1,308,197</u>	<u>£6,838,541</u>

Interest capitalised within the above figures amounts to £467,747.
Interest of £314,000 has been capitalised during the current year.

Of the total amount of freehold property, £757,713 represents freehold land (1990 - £753,930).

Freehold property also includes an amount of £252,858 representing an investment property held within the group by Brookdot Limited. It is the directors' opinion that open market value of this property was not significantly different to cost at the balance sheet date.

The net book value of assets held under hire purchase contracts comprises:-

	£
Motor vehicles	49,931
Fixtures, fittings, plant and equipment	102,255
	<u>£152,186</u>

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

8 TANGIBLE FIXED ASSETS
COMPANY

	Freehold Property £	Motor Vehicles £	Fixtures Fittings, Plant and Equipment £	Total £
Cost				
At 31 March 1990	5,204,455	127,243	1,674,670	7,006,368
Additions during the year	4,126,030	72,307	649,025	4,847,362
Disposals	-	(68,422)	-	(68,422)
At 31 March 1991	<u>9,330,485</u>	<u>131,128</u>	<u>2,323,695</u>	<u>11,785,308</u>
Depreciation				
At 31 March 1990	-	53,722	366,473	420,195
Charge for year	-	22,838	195,722	218,560
Disposals	-	(28,660)	-	(28,660)
At 31 March 1991	<u>-</u>	<u>47,900</u>	<u>562,195</u>	<u>610,095</u>
Net book amounts at 31 March 1991	<u>£9,330,485</u>	<u>£83,228</u>	<u>£1,761,500</u>	<u>£11,175,213</u>
Net book amounts at 31 March 1990	<u>£5,204,455</u>	<u>£73,521</u>	<u>£1,308,197</u>	<u>£6,586,173</u>

Interest capitalised within the above figures amounts to £467,747.
Interest of £314,000 has been capitalised during the current year.

Of the total amount of freehold property, £757,713 represents freehold land (1990 - £753,930).

The net book value of assets held under hire purchase contracts comprises:

	£
Motor vehicles	49,931
Fixtures, fittings, plant and equipment	102,255
	<u>£152,186</u>

9 FIXED ASSET INVESTMENTS

	1991 £	1990 £
Georgeham Building Company Limited	<u>£ -</u>	<u>£1,959,148</u>

Funds were advanced to the above company in respect of stage payments on the construction of a nursing home, in Truro, on land owned by Moore Nursing Homes Limited. J G and E E Moore are the controlling shareholders of Georgeham Building Company Limited. During the year £3,841,406 has been transferred to tangible fixed assets. This includes the sum of £187,406 representing capitalised interest brought forward from previous years.

ROSS

GLOVER PEARCE

CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

10 CURRENT ASSET INVESTMENTS

Residential dwellings were constructed for Moore Nursing Homes Limited by Georgeham Building Company Limited, a company controlled by J G and E E Moore on excess land at the nursing home site in Taunton. The one remaining house has been sold during the current year.

11 STOCKS

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

12 DEBTORS GROUP	1991 £	1990 £
Due within one year:		
Trade debtors	148,928	96,603
Amount due from connected company (Note 25)	138,222	40,000
Prepayments and accrued income	10,111	12,892
Other debtors	15,917	12,676
	<u>£313,178</u>	<u>£162,171</u>

COMPANY	1991 £	1990 £
Due within one year:		
Trade debtors	145,291	95,421
Amount due from connected company (Note 25)	138,222	40,000
Prepayments and accrued income	10,111	12,892
Other debtors	3,241	-
	<u>£296,865</u>	<u>£148,313</u>

13 TRADE AND OTHER CREDITORS GROUP	1991 £	1990 £
Due within one year:		
Trade creditors	327,792	73,169
Other taxation and Social Security	72,186	26,311
Hire purchase	44,954	8,194
Accruals and deferred income	256,376	132,877
Other creditors:		
Georgeham Building Company Limited	626,526	38,327
Director's current account	3,605	-
	<u>£1,331,439</u>	<u>£278,878</u>

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

13	TRADE AND OTHER CREDITORS COMPANY	1991 £	1990 £
	Due within one year:		
	Trade creditors	327,792	52,169
	Other taxation and Social Security	72,186	47,500
	Hire purchase	44,954	8,194
	Accruals and deferred income	253,377	109,657
	Amounts owed to subsidiary undertaking	1,493	1,493
	Georgeham Building Company Limited	561,547	-
	Director's current account	3,605	-
		<u>£1,264,954</u>	<u>£219,013</u>

14 BANK LOANS AND OVERDRAFT

The bank loans and overdraft are secured by a debenture over the company's assets and by mortgages over the freehold property.

15	CREDITORS - amounts falling due after more than one year	1991 £	1990 £
	Bank loan	-	3,000,000
	Hire purchase	68,402	-
		<u>£68,402</u>	<u>£3,000,000</u>

All liabilities under hire purchase contracts are due within 5 years.

16 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Obligations fall due as follows:	1991 £	1990 £
	Due within one year	44,954	8,194
	Due within two to five years	68,402	-
		<u>£113,356</u>	<u>£8,194</u>

17 CALLED UP SHARE CAPITAL

	1991 £	1990 £
Authorised Ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Issued and fully paid Ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>

18 PROVISIONS FOR LIABILITIES AND CHARGES
Deferred taxation

Timing differences in respect of accelerated capital allowances are covered by taxation losses, no provision is therefore necessary.

ROSS

GLOVER PEARCE
CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

19 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 and E E Moore at 1 January 1989 on incorporation of their former partnership trade.

20 EMPLOYEES

The average number of employees including the full time working directors in each week in the year was 260. (1990 - 136)

21 PRIOR YEAR ADJUSTMENT

During the year the group changed its accounting policy with regard to the depreciation of freehold property. The new policy is stated in Note 2(b). The prior year adjustment reflects the reversal of £105,622 relating to depreciation charged on freehold properties in previous years.

The prior year adjustment of £169,980 made in 1990 was required due to a change in accounting policy in order to capitalise the interest costs of funds advanced to Georgeham Building Company Limited as given in Note 2(e).

22 SUBSIDIARY UNDERTAKING

On 23 February 1989 a wholly owned U.K. subsidiary undertaking, Brookdot Limited, was formed. Brookdot Limited is a property investment company and is in receipt of nominal amounts of rental income.

Cost of investment: 1,000 Ordinary £1 shares	<u>£1,000</u>
--	---------------

23 CONTINGENT LIABILITIES GROUP

As part of the refinancing proposals referred to in Note 1, the group may become liable to pay compensation to Barclays Bank PLC, limited to an amount of £150,000. Any such compensation would reflect the release of security held by that bank over certain group assets in respect of advances made to Lanescene Limited, a company connected with the directors.

COMPANY

- (a) The company has entered into a section 52 bond with Taunton Deane Borough Council in respect of repairs to be made to property comprising part of the Manor Nursing Home in Taunton. The bond reflects a potential liability of £175,000 and expires in August 1992.
- (b) The company has guaranteed the borrowings of its wholly owned subsidiary undertaking Brookdot Limited which, at the balance sheet date, amounted to £248,552.

24 OTHER FINANCIAL COMMITMENTS

- (a) Capital expenditure authorised but not contracted for at the balance sheet date was £20,000 for the group and the company.
- (b) At 31 March 1991 the group and the company had commitments under operating leases expiring within one year for fixtures and fittings amounting to £7,745.

ROSS

GLOVER PEARCE

CHARTERED ACCOUNTANTS

MOORE NURSING HOMES LIMITED AND SUBSIDIARY UNDERTAKING

NOTES ON THE ACCOUNTS - 31 MARCH 1991 (Continued)

25 PARTICULARS OF TRANSACTIONS INVOLVING DIRECTORS

During the year, the company entered into transactions with Lanescene Limited, a company controlled by the directors of Moore Nursing Homes Limited. At no time during the year did the level of these transactions exceed the balance disclosed within Note 12 as due from connected company.

26 POST BALANCE SHEET EVENTS

- (a) Since the year end a re-financing package has been negotiated with the company's bankers. This package involves the conversion of £11.5 million current loan liabilities into long term liabilities, leaving the balance of monies owed to the bank as a secured overdraft.
- (b) Georgeham Building Company Limited (see Note 9) is entering into a voluntary arrangement with its creditors whereby it has been suggested that Moore Nursing Homes Limited will only be required to settle 30% of its liability to Georgeham Building Company Limited to enable the latter to settle its agreed creditors. This will mean that the creditor of £561,547 shown in note 13 (COMPANY) will be reduced to approximately £170,000 and the value of the nursing home at Truro included in fixed assets will also be reduced by the same amount. When this arrangement is complete there will be no further claims against Moore Nursing Homes Limited in respect of this liability.

As the above events do not qualify as adjusting post balance sheet events under the definitions provided by Statement of Standard Accounting Practice No 17, no provisions have been made in the accounts.

ROSS

GLOVER PEARCE
CHARTERED ACCOUNTANTS