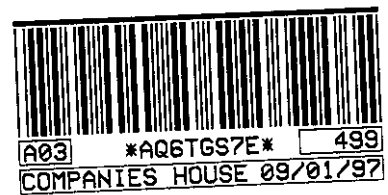


Executive HealthCare Limited

Annual report

for the year ended 30 June 1996

Registered no: 2104155



Executive HealthCare Limited

Annual report for the year ended 30 June 1996

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Executive HealthCare Limited**Directors and advisers****Directors**

K A Macdonald-Smith (Chairman)
K W Kennison

Secretary

Mrs J Thomason

Registered auditors

Reeves & Neylan
37 St Margaret's Street
Canterbury
Kent CT1 2TU

Bankers

Bank of Scotland Plc
Centrebank Division
Business Banking
Teviot House
41 South Gyle Crescent
Edinburgh EH12 9DR

Registered office

Radio House
John Wilson Business Park
Whitstable
Kent CT5 3QP

Executive HealthCare Limited

Directors' report for the year ended 30 June 1996

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

Results and dividends

The trading loss for the year after taxation amounted to £383 (1995: loss of £12,014). The directors do not recommend the payment of a dividend.

Principal activities

The principal activity of the company is that of providing consultancy and administrative services to industrial and commercial companies in respect of private health care schemes.

Review of business

The business has been consolidated during the year and a gradual expansion is anticipated.

Directors' responsibilities

As directors, we are required under company law 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 of the company for that period. In preparing those financial statements, we 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.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies' Act 1985. We are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors and their interests

The present membership of the board is set out on page 1.

The director's interests in the ordinary share capital of the company as at 30 June 1996 and 1 July 1995 was:-

	1996	1995
	Ordinary £1 shares	Ordinary £1 shares
K W Kennison	1,800	1,800

By order of the board



Mrs J Thomason
Secretary
2 September 1996

Report of the auditors to the members of Executive HealthCare Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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.

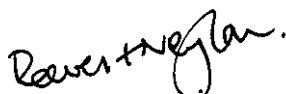
Basis of opinion

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 30 June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies' Act 1985.



Reeves & Neylan
Chartered Accountants & Registered Auditors
Canterbury
3 September 1996

Executive HealthCare Limited

Profit and loss account for the year ended 30 June 1996

	Note	1996 £	1995 £
Turnover	1	614,082	614,425
Administrative expenses		<u>650,138</u>	<u>653,129</u>
Operating loss		(36,056)	(38,704)
Interest receivable		31,969	28,119
Interest payable		<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation	2	(4,087)	(10,585)
Tax on loss on ordinary activities	4	<u>3,704</u>	<u>(1,429)</u>
Loss for the financial year		(383)	(12,014)
Retained profit brought forward		<u>51,951</u>	<u>63,965</u>
Retained profit carried forward		<u><u>51,568</u></u>	<u><u>51,951</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

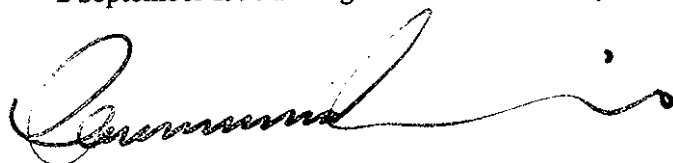
The notes on pages 8 to 12 form part of these financial statements.

Executive HealthCare Limited

Balance sheet
at 30 June 1996

	Note	1996 £	£	1995 £	£
Fixed assets	5		58,299		78,246
Current assets					
Debtors	6	14,154		16,185	
Cash at bank and in hand		<u>228,219</u>		<u>209,979</u>	
		242,373		226,164	
Creditors: amounts falling due within one year	7	<u>245,104</u>		<u>248,459</u>	
Net current liabilities			(2,731)		(22,295)
Total assets less current liabilities			<u>55,568</u>		<u>55,951</u>
Capital and reserves					
Called up share capital	8		4,000		4,000
Reserves	9		<u>51,568</u>		<u>51,951</u>
Attributable to equity shareholders			<u>55,568</u>		<u>55,951</u>

These financial statements were approved by the board of directors at a meeting held on 2 September 1996 and signed on their behalf by:-



Dr K A Macdonald-Smith
Director

The notes on pages 8 to 12 form part of these financial statements.

Executive HealthCare Limited**Cash flow statement
for the year ended 30 June 1996**

		1996 £	1995 £
Net cash (outflow)/inflow from operating activities	(a)	(13,531)	95,364
Return on investments and servicing of finance			
Interest paid		-	-
Interest received		31,969	26,690
Net cash inflow from returns on investments and servicing of finance		31,969	26,690
Taxation			
UK corporation tax received/(paid)		3,924	(1,326)
Tax received/(paid)		3,924	(1,326)
Investing activities			
Payments to acquire tangible fixed assets		(4,122)	(19,474)
Receipts from sales of tangible fixed assets		-	5,000
Net cash outflow from investing activities		(4,122)	(14,474)
Net cash inflow before and after financing		18,240	106,254
Increase in cash and cash equivalents	(b)	18,240	106,254

The notes to this cash flow statement are set out on page 7.

Executive HealthCare Limited

Notes to the cash flow statement
for the year ended 30 June 1996

(a) Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	1996 £	1995 £
Operating loss	(36,056)	(38,704)
Depreciation	20,074	24,610
Loss on sale of tangible fixed assets	3,995	4,770
Decrease/(Increase) in debtors	2,031	(200)
(Decrease)/Increase in creditors	(23,123)	110,225
Increase/(Decrease) in deferred revenue	19,548	(5,337)
Net cash (outflow)/inflow from operating activities	(13,531)	95,634

(b) Analysis of changes in cash and cash equivalents during the year

	1996 £	1995 £
Balance at 1 July 1995	209,979	103,725
Net cash inflow	18,240	106,254
Balance at 30 June 1996	228,219	209,979

Executive HealthCare Limited

Principal accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention. The particular policies adopted are described below:

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows:-

Computer equipment and software	over 4 years
Office equipment, fixtures and fittings	over 10 years

Deferred taxation

Deferred taxation is provided on the liability method on timing differences arising due to the inclusion of capital allowances in different periods to depreciation provisions. No deferred taxation liability arises in the year ended 30 June 1996.

Turnover

Turnover represents the amounts receivable for services provided to clients during the period. No credit is taken to the profit and loss account in respect of receipts for services to be rendered in a subsequent accounting period. Amounts received for this are credited to deferred income.

Pension costs

Pension costs of the period are charged to the profit and loss account on the basis of amounts paid in the period to pension plans.

Executive HealthCare Limited

Notes to the financial statements for the year ended 30 June 1996

1 Turnover

Turnover is stated net of value added tax.

All turnover arises in the EC.

2 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation has been arrived at after charging:-

	1996 £	1995 £
Depreciation & loss on sale	24,069	29,380
Auditors' remuneration	3,000	3,000
Operating lease payments	42,840	42,840
	<u> </u>	<u> </u>

3 Staff costs (including directors' remuneration)

	1996 £	1995 £
Wages & salaries	410,842	402,452
Social security costs	39,790	37,419
Pension costs	54,653	66,570
	<u> </u>	<u> </u>
	505,285	506,441
	<u> </u>	<u> </u>

The average number of employees during the year including directors was 18 (1995:20).

Included in the above are the following amounts in respect of directors:-

	1996 £	1995 £
Remuneration	234,000	227,250
Directors' pension premiums	54,653	66,570
Benefits in kind	1,381	1,237
	<u> </u>	<u> </u>
	290,034	295,057
	<u> </u>	<u> </u>

The chairman and highest paid director of the company received emoluments of £136,421 (1995: £135,925) exclusive of pension contributions.

4 Taxation

	1996 £	1995 £
Corporation tax at 25%	(220)	-
Previous years refunds/(charges)	3,924	-
Tax attributable to investment income taxed at source	-	(1,429)
	<u> </u>	<u> </u>
	3,704	(1,429)
	<u> </u>	<u> </u>

Executive HealthCare Limited

Notes to the financial statements
for the year ended 30 June 1996

5 Fixed assets

	Computer equipment and software £	Office equipment £	Total £
Cost			
At 1 July 1995	122,890	78,051	200,941
Additions	3,705	417	4,122
Disposals	54,902	2,875	57,777
At 30 June 1996	71,693	75,593	147,286
Depreciation			
At 1 July 1995	96,501	26,194	122,695
Provision for year	12,529	7,545	20,074
Disposals	52,894	888	53,782
At 30 June 1996	56,136	32,851	88,987
Net book value			
At 30 June 1996	15,557	42,742	58,299
At 30 June 1995	26,389	51,857	78,246

6 Debtors

	1996 £	1995 £
Trade debtors	6,189	8,950
Other debtors	2,027	2,063
Prepayments	5,938	5,172
	14,154	16,185

7 Creditors: amounts falling due within one year

	1996 £	1995 £
Trade creditors	2,248	10,950
Corporation tax	220	-
Other taxes & social security costs	24,903	30,699
Accruals	4,000	5,500
Deferred income	118,056	98,508
Monies held on behalf of clients	17,677	10,006
Outstanding directors' remuneration	78,000	85,000
Other creditors	-	7,796
	245,104	248,459

Executive HealthCare Limited

Notes to the financial statements for the year ended 30 June 1996

7 Creditors : amounts falling due within one year (cont'd)

Deferred income relates to amounts received in advance in respect of administration fees.

Monies held on behalf of clients represent amounts held by the company where the handling of monies necessitates the use of the company's own bank account.

8 Called up share capital

Allotted, called up and fully paid:

	1996 £	1995 £
4,000 ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

Authorised:

	1996 £	1995 £
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

9 Revenue reserves

	1996 £	1995 £
Balance at 1 July 1995	51,951	63,965
Net loss for the year	<u>(383)</u>	<u>(12,014)</u>
Balance at 30 June 1996	<u>51,568</u>	<u>51,951</u>

10 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Loss for the financial year	<u>(383)</u>	<u>(12,014)</u>
Net depletion to shareholders' funds	<u>(383)</u>	<u>(12,014)</u>
Opening shareholders' funds at 1 July 1995	55,951	67,965
Closing shareholders' funds at 30 June 1996	<u>55,568</u>	<u>55,951</u>

Executive HealthCare Limited**Notes to the financial statements
for the year ended 30 June 1996****11 Obligations under operating leases**

Under the terms of existing operating leases the company is obliged to make the following lease rentals during the year ending 30 June 1997:

Leases due to expire:-

	£
Within 1 - 2 years	12,690
Within 2 - 5 years	<u>30,150</u>

12 Pension costs

The company operates a defined contribution scheme. The contributions paid to the pension scheme during the year were £54,653 (1995: £66,570).

There were no contributions prepaid or due to the pension scheme at the balance sheet date.