

REGISTERED NO. 2130273

WARWICKSHIRE NURSING & CARE AGENCY LIMITED

FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED

30th SEPTEMBER 2000



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WARWICKSHIRE NURSING & CARE AGENCY LIMITED

Financial Statements for the 18 months ended 30 September 2000

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WARWICKSHIRE NURSING & CARE AGENCY LIMITED

Directors and Advisers

Directors

D I Johnson

Secretary & Registered Office

C F Murphy

Brooms Road
Stone Business Park
Stone
Staffordshire
ST15 0TL

Registered Auditors

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

WARWICKSHIRE NURSING & CARE AGENCY LIMITED

Directors' Report for the 18 months ended 30 September 2000

The directors present their report and the audited financial statements for the 18 months ended 30 September 2000.

Principal activities

The principal activity of the company is the provision of health care services to the community.

The profit and loss account for the year is set out on page 5.

Review of business and future developments

Both the level of business and the year end financial position remain satisfactory.

Following the financial year end, the business was formally to Allied Healthcare (UK) Limited (formerly Allied Medicare Limited) and the company became dormant.

Dividends

The directors do not recommend the payment of a final dividend. (1999: £40,000)

Directors

The following directors served during the year under review:

RM Fahy	(resigned 2nd August 1999)
DJ Fahy	(resigned 2nd August 1999)
D I Johnson	
C L Kernahan	(resigned 5th March 2001)


The interests of the directors in the shares of the company as at 31st March 1999 were RM Fahy 50 and DJ Fahy 50.

None of the directors serving during the period had any beneficial interests in the ordinary shares of the company at 30 September 2000.

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst and Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

by order of the board


C F Murphy
Secretary

30 JUL 2001

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
DIRECTORS' REPORT
for the 18 months ended 30 September 2000
Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- * select suitable accounting policies and 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 accounts; and
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 accounts comply with the Companies Act 1985. They 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.

WARWICKSHIRE NURSING & CARE AGENCY LIMITED

Report of the auditors to the members of Warwickshire Nursing & Care Agency Limited

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies laid out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.


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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 September 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London


30 JUL 2001

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE 18 MONTHS ENDED 30th SEPTEMBER 2000

	Note	Period Ended 30 Sept 2000 £	Period Ended 31 March 1999 £
Turnover	2	2,604,324	1,768,966
Cost of sales		(1,881,582)	(1,284,314)
Gross profit		<u>722,742</u>	<u>484,652</u>
Administrative expenses		(281,158)	(420,390)
Operating profit	5	<u>441,584</u>	<u>64,262</u>
Interest receivable		0	(2,151)
Profit on ordinary activities before taxation		<u>441,584</u>	<u>62,111</u>
Tax on profit on ordinary activities	6	(190,800)	(13,756)
Profit for the financial period		<u>250,784</u>	<u>48,355</u>
Dividends	7	(30,000)	(130,000)
Retained profit for the period	14	<u>220,784</u>	<u>(81,645)</u>

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 2000

	Note	30 Sept 2000 £	31 Mar 1999 £
Fixed assets			
Tangible assets	8	0	23,873
		<u>0</u>	<u>23,873</u>
Current assets			
Debtors	9	429,520	315,411
Cash at bank and in hand		18,947	67,379
		<u>448,467</u>	<u>382,790</u>
Creditors: amounts falling due within one year	10	(161,400)	(369,780)
Net current assets		<u>287,067</u>	<u>13,010</u>
Total assets less current liabilities		287,067	36,883
Provisions for liabilities and charges	11	0	29,400
Net assets		<u><u>287,067</u></u>	<u><u>66,283</u></u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	286,967	66,183
Shareholders' Funds	14	<u><u>287,067</u></u>	<u><u>66,283</u></u>


Director

30 JUL 2001

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
NOTES TO THE ACCOUNTS
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important policies is set out below.

1.1 Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

1.2 Fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost, or valuation, of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Motor Vehicles	25% - reducing balance
Fixtures and fittings	33% - 10% reducing balance

1.3 Leases

Rentals paid under operating leases are charged to income as incurred on a straight line basis.

1.4 Deferred Taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or an asset will crystallise.

1.5 Cashflow statement and related party disclosures

The company is a wholly owned subsidiary of Transworld Healthcare (UK) Limited with effect from 2nd August 1999 and is included in the consolidated financial statements of Transworld Healthcare (UK) Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard No.1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transactions with entities that are part of the Transworld Healthcare Inc group.

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
NOTES TO THE ACCOUNTS
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2000

2. Turnover

Turnover consists of sales made in the United Kingdom and is derived solely from the company's principal activity.

3. Directors emoluments

	30 Sept 2000	31 Mar 1999
	£	£
Aggregate directors' emoluments	6,200	231,201

4. Employee information

Staff costs during the year were as follows:

	30 Sept 2000	31 Mar 1999
	£	£
Wages and salaries	1,503,089	1,280,231
Social security costs	85,246	91,380
Other pension costs	0	146,000
	1,588,335	1,517,611

The average number of employees of the company during the year was 129 (1999 : 165)

5. Operating profit

Operating profit is stated after charging;	30 Sept 2000	31 Mar 1999
	£	£
Profit on disposal of fixed assets	5,116	0
Depreciation	2,500	6,997
Operating lease charges - land & buildings	9,000	6,000
Auditors remuneration	6,010	3,000

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
NOTES TO THE ACCOUNTS
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2000

6. Tax on profit on ordinary activities

		30 Sept 2000	31 Mar 1999
		£	£
UK corporation tax at 30%	current	161,400	42,900
	prior years	0	256
Deferred taxation	current	0	(29,400)
	prior years	29,400	0
		<hr/>	<hr/>
		190,800	13,756
		<hr/>	<hr/>

7. Dividends

	30 Sept 2000	31 Mar 1999
	£	£
Interim dividend	30,000	90,000
Final dividend	0	40,000
	<hr/>	<hr/>
	30,000	130,000
	<hr/>	<hr/>

8. Tangible fixed assets

	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1 April 1999	29,097	31,913	61,010
Additions	0	0	0
Disposals	(29,097)	(31,913)	(61,010)
	<hr/>	<hr/>	<hr/>
At 30 September 2000	0	0	0
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 1999	21,587	15,550	37,137
Charge for the period	626	1,874	2,500
Disposals	(22,213)	(17,424)	(39,637)
	<hr/>	<hr/>	<hr/>
At 30 September 2000	0	0	0
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2000	0	0	0
	<hr/>	<hr/>	<hr/>
At 31 March 1999	7,510	0	16,363
	<hr/>	<hr/>	<hr/>
	0	0	23,873
	<hr/>	<hr/>	<hr/>

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
NOTES TO THE ACCOUNTS
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2000

9 Debtors

	30 Sept 2000	31 Mar 1999
	£	£
Trade debtors	0	309,172
Dividends receivable	0	0
Amount due from group company	429,520	0
Other debtors	0	0
Prepayments and accrued income	0	6,239
	<hr/>	<hr/>
	429,520	315,411
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	30 Sept 2000	31 Mar 1999
	£	£
Trade creditors	0	5,998
Corporation tax	161,400	16,570
Other taxation and social security	0	75,927
Other creditors	0	14,382
Accruals and deferred income	0	216,903
Proposed dividend	0	40,000
	<hr/>	<hr/>
	161,400	369,780
	<hr/>	<hr/>

11 Provisions for liabilities and charges

	Provided	Provided	Not	Not
	30/09/00	31/03/99	Provided	Provided
	£	£	£	£
Deferred taxation				
Depreciation in excess of cap allowances	0	(29,400)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
NOTES TO THE ACCOUNTS
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2000

30 Sept 2000 31 Mar 1999

12 Called up share capital

Authorised	£	£
10,000 ordinary shares of 10p each	1,000	1,000
	<hr/>	
Allotted, issued and fully paid		
1,000 ordinary shares of 10p each	100	100
	<hr/>	

13 Reserves

	Profit and Loss Account
	£
Balance at 1 April 1999	66,183
Profit retained for the period	220,784
	<hr/>
Balance at 30 September 2000	286,967

14 Reconciliation of movements in shareholders funds

Reconciliation of movements in shareholders funds		30 Sept 2000
		£
Profit for the financial period		250,784
Dividends		(30,000)
		<hr/>
Net addition to shareholders funds		220,784
Opening shareholders funds		66,283
		<hr/>
Closing shareholders funds		287,067

WARWICKSHIRE NURSING & CARE AGENCY LIMITED
NOTES TO THE ACCOUNTS
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2000

15 Operating lease commitments

At 30 September 2000 the company was not committed to making any payments during the next year in respect of operating leases.

16 Pension schemes

The company operates a defined contribution pension scheme for the benefit of the directors and employees.

The assets of the scheme are administered by trustees in funds independent from those of the company.

17 Group Guarantees

In accordance with the terms of a refinancing arrangement carried out during the year by Transworld Healthcare (UK) Limited, a parent company, all subsidiary companies in the group have given guarantees relating to the payment of the debt.

18 Parent undertakings and controlling party

The immediate parent company is Allied Healthcare (UK) Limited, (formerly Allied Medicare Limited), a company incorporated in England

The parent undertaking of the smallest group of undertakings for which accounts are drawn up and of which the company is a member is Allied Healthcare Group Limited (formerly Transworld Holdings (UK) Limited)

The ultimate parent company and controlling party is Transworld Healthcare Inc., a company registered in the United States of America. This company is the parent undertaking of the largest group of undertakings for which accounts are drawn up and of which the company is a member. Copies of the company's financial statements are available from 11 Skyline Drive, Hawthorne, New York 10532, USA.