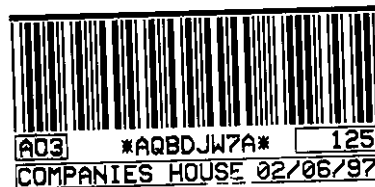


Co House

Company Registration No. 2141256 (England and Wales)

CYGNET HEALTH CARE PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1996



CYGNET HEALTH CARE PLC

COMPANY INFORMATION

Directors

K A R Wilson
J C Hughes
J B Randle
R Holmes

Secretary

R C Dinham

Company number

2141256

Registered office

Godden Green Clinic, Godden Green
Sevenoaks
Kent
TN15 0JR

Auditors

Noel & Co
4, Parliament Close, Prestwood
Great Missenden
Buckinghamshire
HP16 9DT

Bankers

Midland Bank plc
54 High Street
Epsom
Surrey
KT19 8DS

3i plc
91 Waterloo Road
London
SE1 8XP

Solicitors

Pollecoff Rangeley
125/135 City Road
London
EC1V 1JB

CYGNET HEALTH CARE PLC

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CYGNET HEALTH CARE plc

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 OCTOBER 1996

Corporate Goals

The goal of Cygnet Health Care plc is to grow at an accelerated rate through dedication to delivery of quality of care, service and added value. Ongoing investment in the training and development of our staff is central to our objective of generating sustainable growth.

The Company is currently focused on the acute psychiatric and elderly care markets. A continuing objective is to broaden the range of specialist services within these areas.

Trading performance

1995/96 has seen a year of mixed performance with considerable swings in the performance of individual units during a period of rapid change. The cost of this change significantly depressed the results for last financial year but has left the Company well placed for progress in the new financial year. Continuing uncertainty exists over the long term trading prospects of Stamford Wing operating in the Royal Masonic Hospital, the latter being in receivership. Cygnet continues to defend its tenancy in the Hospital and, in the meantime, Stamford Wing is trading at acceptable levels.

The results for the year ended 31st October 1996 show a profit before taxation of £305,000 compared with £816,000 in the previous year, the latter including property profits of £585,000. Excluding property profits, profitability increased by £74,000 during 1995/96.

Long term loans of £316,000 (1994/95: £727,000) were repaid during the year. Gearing reduced to 111% from 140% at the end of 1994/95.

Property Review

An extension to the premises at the Bowden House joint venture hospital, providing a 10 bed psychiatric intensive care unit, gymnasium and additional therapy areas, was completed and commissioned in January 1997.

In May 1997, the Company completed the purchase of the Westlands nursing home which will provide a 14 bed psychiatric nursed hostel as an adjunct to the Bowden House joint venture.

Psychiatric Care Review

The Company's acute psychiatric business divides broadly into two parts with the private pay and insured business having reduced in size while the NHS market showed continued growth.

The traditional private pay and insured market declined by 15% during the year in the face of continued pressure from private medical insurers to reduce costs through raising admission thresholds, exclusion of psychiatric benefits in some cases and reducing length of stay. Total admissions reduced by 7% and average length of stay for private patients declined by 9% as compared with 1994/95. The managed care system under which insured in-patient treatment is pre-authorised continues to require active management in the face of continuing modification by the insurers. This activity exposes the very substantial differences between the various insurances on offer in an increasingly competitive market. In particular, there is a contradiction between policies which are marketed as "comprehensive" but exclude psychiatry. The Company is actively working with the industry to educate the buying public as to the broad range of medical conditions which fall under the heading of psychiatry and the benefit of truly comprehensive policies.

CYGNET HEALTH CARE plc

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 OCTOBER 1996

The Company's NHS acute psychiatric care business saw an 11% increase in services provided during the year. The growth of this activity reflects continuing investment in building close working relationships with the NHS and a broadening of the referral base

The value of the services which the independent sector provides to the NHS appears to be increasingly accepted. There is a powerful argument that the use of independent sector beds to provide overflow facilities promotes optimal utilisation of NHS facilities, allowing the NHS to avoid the cost of carrying empty beds.

We continue to demonstrate the cost effectiveness of the services we provide to the NHS on a per episode basis. The high quality of our facilities, with intensive treatment and restful atmosphere, unquestionably promotes reduced length of stay. Consequently, an episode of treatment in one of the Company's hospitals usually costs less to the NHS than treatment in one of its own hospitals.

In addition, our follow up surveys of every discharged patient show that the NHS users of our facilities overwhelmingly prefer our service to that of NHS providers.

Elderly Care Review

The long stay residential and nursing care market remained difficult during the year in the face of continuing reduction in the availability of government assisted funding for new residents and pressure to reduce prices for existing state funded residents. The result was a 6% reduction in the number of admissions although this was partially offset by a 4% increase in lengths of stay. The Company continues to focus on the higher end of the private pay market which, in financial terms, has successfully mitigated the impact of reduced occupancy.

Employees

Our employees are our greatest asset. Their skills, commitment, dedication and determination in meeting the challenges presented by a rapidly changing marketplace have been critical to the further progress made during the year.

I would like to thank each member of staff, both personally and on behalf of the Cygnet Board, for their continuing enthusiasm, loyalty and dedication.

Prospects

Whilst the financial results show only modest improvement in the Company's fortunes, much has been achieved during the year to broaden the base for the future and strengthen the underlying positions of most units. With further repayment of debt, gearing levels have now reduced to levels where the Company is able to consider expansion in areas which capitalise on existing market opportunities.

K A R Wilson
Chairman

CYGNET HEALTH CARE PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1996

The directors present their report and financial statements for the year ended 31 October 1996.

Principal activities and review of the business

The principal activity of the company continued to be that of acquiring, developing and operating psychiatric and elderly health care facilities.

The bed capacity of the company's facilities provides for 164 short stay psychiatric patients and 93 long stay elderly care. Since the year end an additional 10 bed psychiatric intensive care unit has been opened and property acquired to develop a 14 bed psychiatric nursed hospital. Acute psychiatric units are based at Godden Green Clinic, Sevenoaks; Harrogate Clinic, Harrogate; Lindisfarne Suite, Nuffield Hospital, Newcastle; Stamford Wing, Royal Masonic Hospital, London and Bowden House, Harrow on the Hill (joint venture). Elderly care units are based at Tabley House, Knutsford and Tupwood Gate Nursing Home, Caterham.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 November 1995:

K A R Wilson
J C Hughes
J B Randle
R Holmes

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	New ordinary shares of 1p each	
	31 October 1996	1 November 1995
K A R Wilson	-	-
J C Hughes	1,000	1,000
J B Randle	-	-
R Holmes	-	-

	A Ordinary shares of 50p each	
	31 October 1996	1 November 1995
K A R Wilson	187,500	187,500
J C Hughes	332,325	512,325
J B Randle	-	-
R Holmes	-	-

	New Preference shares of £1 each	
	31 October 1996	1 November 1995
K A R Wilson	-	-
J C Hughes	200,000	200,000
J B Randle	-	-
R Holmes	-	-

CYGNET HEALTH CARE PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1996

	New Deferred shares of 50p each	
	31 October 1996	1 November 1995
K A R Wilson	67,500	67,500
J C Hughes	570,325	570,325
J B Randle	-	-
R Holmes	-	-

At 31 October 1996 immediate relatives of Mr J C Hughes held 722,500 shares (1995:559,200) comprising 568,600 A ordinary shares (1995:405,300) and 153,900 new deferred shares (1995:153,900). Mr KAR Wilson holds options over 100 new ordinary shares (1995:100).

Creditor payment policy

It is company policy to pay approved liabilities to creditors promptly and within agreed terms.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Noel & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

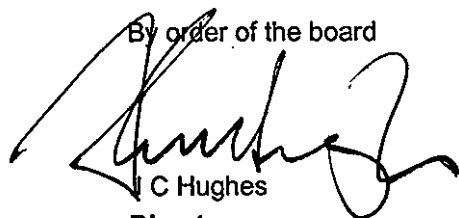
Directors' responsibilities

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 of the company for that period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 financial statements 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.

By order of the board



J C Hughes

Director

12 May 1997

CYGNET HEALTH CARE PLC

AUDITORS' REPORT TO THE SHAREHOLDERS OF CYGNET HEALTH CARE PLC

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 10.

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.

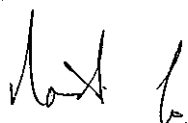
Basis of opinion

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 October 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Noel & Co

12 May 1997

Chartered Accountants
Registered Auditor

4, Parliament Close, Prestwood
Great Missenden
Buckinghamshire
HP16 9DT

CYGNET HEALTH CARE PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1996

	Notes	1996 £	1995 £
Turnover	2	5,419,629	5,387,726
Administrative expenses		(4,737,471)	(4,672,818)
Operating profit	3	682,158	714,908
Profit on sale of property		-	585,134
Profit on ordinary activities before interest		682,158	1,300,042
Other interest receivable and similar income	4	2,843	3,701
Interest payable and similar charges	5	(380,115)	(487,957)
Profit on ordinary activities before taxation		304,886	815,786
Tax on profit on ordinary activities	6	174,075	(175,000)
Profit on ordinary activities after taxation	14	478,961	640,786

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CYGNET HEALTH CARE PLC

BALANCE SHEET AS AT 31 OCTOBER 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	7	7,598,458	7,706,036
Current assets			
Stocks	8	9,737	9,362
Debtors	9	718,047	564,970
Cash at bank and in hand		106,478	286,598
		<u>834,262</u>	<u>860,930</u>
Creditors: amounts falling due within one year	10	<u>(1,877,821)</u>	<u>(1,858,528)</u>
Net current liabilities		<u>(1,043,559)</u>	<u>(997,598)</u>
Total assets less current liabilities		6,554,899	6,708,438
Creditors: amounts falling due after more than one year	11	<u>(3,000,948)</u>	<u>(3,633,448)</u>
		<u>3,553,951</u>	<u>3,074,990</u>
Capital and reserves			
Called up share capital	13	6,202,611	6,202,611
Share premium account	14	146,933	146,933
Revaluation reserve	14	1,225,740	1,225,740
Profit and loss account	14	<u>(4,021,333)</u>	<u>(4,500,294)</u>
Shareholders' funds	15	<u>3,553,951</u>	<u>3,074,990</u>
Equity interests		1,427,689	948,728
Non-equity interests		<u>2,126,262</u>	<u>2,126,262</u>
		<u>3,553,951</u>	<u>3,074,990</u>

The financial statements were approved by the Board on 12 May 1997


J C Hughes
Director


K A R Wilson
Director

CYGNET HEALTH CARE PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 1996

	1996 £	1995 £
Net cash inflow from operating activities	549,398	1,075,359
Returns on investments and servicing of finance		
Interest received	2,843	3,701
Interest paid	(380,115)	(487,957)
Net cash outflow from returns on investments and servicing of finance	(377,272)	(484,256)
Taxation		
Corporation tax paid (including advance corporation tax)	(926)	-
Tax paid	(926)	-
Investing activities		
Payments to acquire tangible assets	(36,563)	(74,507)
Receipts from sales of tangible assets	1,493	710,721
Net cash (outflow)/inflow from investing activities	(35,070)	636,214
Net cash inflow before financing	136,130	1,227,317
Financing		
Repayment of long term bank loan	(316,250)	(726,869)
Net cash outflow from financing	(316,250)	(726,869)
(Decrease)/increase in cash and cash equivalents	(180,120)	500,448

CYGNET HEALTH CARE PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 1996

1	Reconciliation of operating profit to net cash inflow from operating activities	1996	1995
		£	£
	Operating profit	682,158	1,300,042
	Depreciation of tangible assets	142,053	139,316
	(Loss)/profit on disposal of tangible assets	596	(583,218)
	Increase in stocks	(375)	(1,136)
	(Increase)/decrease in debtors	(153,077)	83,459
	(Decrease)/Increase in creditors within one year	(121,957)	136,896
	Net cash inflow from operating activities	549,398	1,075,359

2	Analysis of changes in cash and cash equivalents during the year	1996	1995
		£	£
	Balance at 1 November 1995	286,598	(213,850)
	Net cash (outflow)/inflow	(180,120)	500,448
	Balance at 31 October 1996	106,478	286,598

3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1996	1995	Change in year
		£	£	£
	Cash at bank and in hand	106,478	286,598	(180,120)

4	Analysis of changes in financing during the year	Share capital	Loans and finance lease obligations
		£	£
	Balance at 1 November 1995	6,349,544	4,265,948
	Cash outflow from financing	-	(316,250)
	Balance at 31 October 1996	6,349,544	3,949,698

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts and the share of surplus from the joint venture at St Andrew's at Harrow, Bowden House.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	No provision
Land and buildings Leasehold	No provision
Fixtures, fittings & equipment	5 - 10 years
Motor vehicles	5 years

No depreciation is provided in respect of freehold or long leasehold land and buildings as it is the company's policy to maintain these so as to extend their useful lives.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

3	Operating profit	1996	1995
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	142,053	139,316
	Operating lease rentals	10,158	10,100
	Auditors' remuneration	12,500	12,500
	Remuneration of auditors for non-audit work	3,520	3,380
		<u> </u>	<u> </u>
4	Other interest receivable and similar income	1996	1995
		£	£
	Bank interest	2,843	3,701
		<u> </u>	<u> </u>
5	Interest payable	1996	1995
		£	£
	On bank loans and overdrafts	2,831	26,507
	On loans repayable after 5 years	377,284	461,450
		<u> </u>	<u> </u>
		380,115	487,957
		<u> </u>	<u> </u>
6	Taxation	1996	1995
		£	£
	U.K. corporation tax at 25% (1995 - 25%)	(175,000)	175,000
	Prior years		
	U.K. Corporation tax	925	-
		<u> </u>	<u> </u>

The company has estimated losses of £3,350,000 (1995 - £3,650,000) available for carry forward against future trading profits.

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

7 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 1995	5,294,202	2,005,304	1,212,652	67,321	8,579,479
Additions	-	-	17,063	19,500	36,563
Disposals	-	-	(5,515)	(21,823)	(27,338)
At 31 October 1996	5,294,202	2,005,304	1,224,200	64,998	8,588,704
Depreciation					
At 1 November 1995	-	85,971	720,154	67,317	873,442
On disposals	-	-	(3,428)	(21,821)	(25,249)
Charge for the year	-	14,398	123,755	3,900	142,053
At 31 October 1996	-	100,369	840,481	49,396	990,246
Net book value					
At 31 October 1996	5,294,202	1,904,935	383,719	15,602	7,598,458
At 31 October 1995	5,294,202	1,919,333	492,497	4	7,706,036

Freehold properties were revalued on 8th March 1994 on the basis of an open market valuation for existing use by Erdman Lewis, International Property Consultants.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
Historical cost at 1 November 1995 and at 31 October 1996	3,681,819
Depreciation based on cost	
At 1 November 1995	-
Charge for the year	-
At 31 October 1996	-
Net book values	
At 31 October 1996	3,681,819
At 31 October 1995	3,681,819

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

8	Stocks	1996	1995
		£	£
	Finished goods and goods for resale	9,737	9,362
		<u> </u>	<u> </u>
9	Debtors	1996	1995
		£	£
	Trade debtors	674,024	513,055
	Other debtors	4,043	1,132
	Prepayments and accrued income	39,980	50,783
		<u> </u>	<u> </u>
		718,047	564,970
		<u> </u>	<u> </u>
10	Creditors: amounts falling due within one year	1996	1995
		£	£
	Bank loans and overdrafts	948,750	632,500
	Trade creditors	295,799	236,642
	Corporation tax	-	175,000
	Other taxes and social security costs	64,927	74,207
	Other creditors	238,136	235,527
	Accruals and deferred income	330,209	504,652
		<u> </u>	<u> </u>
		1,877,821	1,858,528
		<u> </u>	<u> </u>

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

11 Creditors: amounts falling due after more than one year	1996 £	1995 £
Bank loans	3,000,948	3,633,448
Analysis of loans		
Not wholly repayable within five years by instalments:		
Variable rate secured loan notes 1991-2002	2,504,067	2,710,317
Term loan	1,445,631	1,555,631
Included in current liabilities	(948,750)	(632,500)
	3,000,948	3,633,448
Loan maturity analysis		
Between one and two years	632,500	632,500
Between two and five years	1,897,500	1,897,500
In five years or more	471,448	1,103,448

The loan notes and the term loan are secured by fixed charges on the company's tangible fixed assets and by floating charges on all assets of the company.

The loan notes and the term loan are repayable by equal six monthly instalments from June 1993 to December 2002. Interest is payable on each loan at 3% above LIBOR.

12 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

13 Share capital	1996 £	1995 £
Authorised		
9,000 New ordinary shares of 1p each	90	90
30,562,500 A Ordinary shares of 50p each	15,281,250	15,281,250
800,000 New Preference shares of £1 each	800,000	800,000
25,000,000 New Deferred shares of 50p each	12,500,000	12,500,000
	<u>28,581,340</u>	<u>28,581,340</u>
 Allotted, called up and fully paid		
8,600 New ordinary shares of 1p each	86	86
8,152,526 A Ordinary shares of 50p each	4,076,263	4,076,263
800,000 New Preference shares of £1 each	800,000	800,000
2,652,524 New Deferred shares of 50p each	1,326,262	1,326,262
	<u>6,202,611</u>	<u>6,202,611</u>

The company has authority to issue warrants and options over 400 new ordinary shares. The options have been issued under an approved Inland Revenue Share Option Scheme. Warrants and options currently in issue are as follows:-

190 warrants, exercisable at £200 per share, between 30 September 1994 and 18 November 2001;
125 options, exercisable at £200 per share, between 30 September 1994 and 30 September 2001; and
43 options, exercisable at £250 per share, between 12 January 1999 and 12 January 2006.

The new ordinary shares rank *pari passu* with the A ordinary shares except that as a class they represent 89.5833% of the voting, income and capital rights applicable to the holders of all issued ordinary shares.

The A ordinary shares represent in total 10.4167% of the voting, income and capital rights applicable to the holders of all issued ordinary shares.

The new preference shares are redeemable at par by 31 December 2002.

The new deferred shares have no rights to dividends or to voting and only minimal rights in the event of a winding up.

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

14 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 November 1995	146,933	1,225,740	(4,500,294)
Retained profit for the year	-	-	478,961
Balance at 31 October 1996	146,933	1,225,740	(4,021,333)

15 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit for the financial year	478,961	640,786
Other recognised gains and losses	-	(55,000)
Net addition to shareholders' funds	478,961	585,786
Opening shareholders' funds	3,074,990	2,489,204
Closing shareholders' funds	3,553,951	3,074,990

16 Financial commitments

At 31 October 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1996 £	1995 £
Expiry date: In over five years	5,000	5,000

CYGNET HEALTH CARE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

17 Directors' emoluments	1996 £	1995 £
Remuneration	178,415	300,876
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	48,263	89,142
The highest paid director	111,525	194,109
Other directors' emoluments (excluding pension contributions) were in the following ranges:		
£5,001 - £10,000	2	2

The remuneration of the executive directors includes a basic remuneration that has remained unchanged since 1991 and a balance that is profit related.

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	1996 Number	1995 Number
Full time	147	152
Part time	98	105
	245	257

Employment costs

	£	£
Wages and salaries	2,942,579	3,079,655
Social security costs	246,242	266,325
Other pension costs	21,678	18,814
	3,210,499	3,364,794