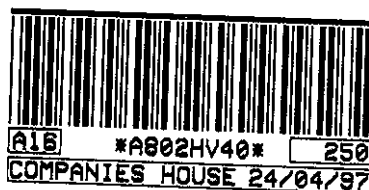


Moore Health Care Limited

Directors' report and financial statements

31 October 1996

Registered number 2413426



Moore Health Care Limited

Directors' report and financial statements

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Moore Health Care Limited

Directors' report

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

Principal activities and business review

The company did not trade during the year.

Directors and directors' interests

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

RP Shepherd	(resigned 4 March 1996)
RD Uttley	(resigned 4 March 1996)
JF Parker	(appointed 4 March 1996, resigned 9 September 1996)
JW Earnshaw	(appointed 4 March 1996, resigned 9 September 1996)
GA Wood	(appointed 9 September 1996)
M Connor	(appointed 9 September 1996)
M Birchall	(appointed 9 September 1996)
IV Symes	(appointed 9 September 1996)

The directors do not have any interests in the share capital of the company.

GA Wood, M Connor, M Birchall and IV Symes are directors of the ultimate parent undertaking, SAFA Group Limited. Their interests in the share capital of the ultimate parent undertaking are disclosed in that company's financial statements.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



PR Brown
Secretary

59 Hill Street
Liverpool
L8 5SA

Moore Health Care Limited

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 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; and
- 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 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.



Richmond House
1 Rumford Place
Liverpool L3 9QY

Auditors' report to the members of Moore Health Care Limited.

We have audited the financial statements on pages 4 to 7.

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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants
Registered Auditors*

12 Apr 1997

Moore Health Care Limited

Profit and loss account *for the year ended 31 October 1996*

	<i>Note</i>	1996 £	1995 £
Administrative expenses:			
Loan to fellow subsidiary waived		112,456	-
Taxation	2	-	-
		<hr/>	<hr/>
Retained profit for the financial year		112,456	-
		<hr/>	<hr/>

A statement of movements on reserves is given in note 4.

During the current and preceeding financial year the company did not trade.

Moore Health Care Limited

Balance sheet at 31 October 1996

	<i>Note</i>	1996 £	1995 £
Current assets			
Called up share capital not paid		2	-
Creditors: amounts owed to fellow subsidiary		-	(112,456)
		<hr/>	<hr/>
Net assets		2	(112,456)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	3	20,002	20,000
Profit and loss account	4	(20,000)	(132,456)
		<hr/>	<hr/>
Shareholders' funds		2	(112,456)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 12 March 1997 and were signed on its behalf by:

GA Wood
Director



Moore Health Care Limited

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 in accordance with applicable accounting standards and under the historical cost accounting rules.

2 Taxation

	1996 £	1995 £
Corporation tax	8,723	-
Group relief	(8,723)	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

3 Share capital

	1996 £	1995 £
Authorised		
Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
	1996 £	1995 £
Allotted and called up		
20,000 Ordinary shares of £1 each, fully paid	20,000	20,000
2 Ordinary shares of £1 each, unpaid	2	-
	<hr/>	<hr/>
	20,002	20,000
	<hr/>	<hr/>

During the year the company issued two ordinary shares of £1 each.

Moore Health Care Limited

Notes (continued)

4 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Retained profit for the financial year	112,456	-
Net share capital issued	2	-
Opening shareholders' funds	(112,456)	(112,456)
	<hr/>	<hr/>
Closing shareholders' funds	2	(112,456)
	<hr/>	<hr/>

5 Ultimate holding company

The company's ultimate holding company is SAFA Group Limited, a company incorporated in England and Wales.

6 Contingent liabilities

The company has guaranteed the bank loan and overdrafts of its ultimate parent company. The amount outstanding at the year end was £1,308,208 (1995: £Nil).