

HELPING HANDS CARE LIMITED

REPORT AND ACCOUNTS

for the period from

1ST NOVEMBER 1995 TO 31ST MAY 1996



Everett & Son  
CHARTERED ACCOUNTANTS

35 Paul Street  
London EC2A 4JU

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The following pages do not form part of the statutory accounts:

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DIRECTORS AND OTHER INFORMATION

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DIRECTORS:

I. Fozard  
G. Smith

SECRETARY:

DR Morris

REGISTERED AUDITORS:

Everett & Son,  
Chartered Accountants  
& Registered Auditors,  
35 Paul Street,  
London, EC2A 4JU

BANKERS:

Bank of Scotland  
St. Andrew's Chambers  
21 Park Row  
Leeds  
LS1 5JF

REGISTERED OFFICE:

Bridge House  
Outwood Lane  
Horsforth  
Leeds  
LS18 4UP

## DIRECTORS' REPORT

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The Directors present their Report together with the Accounts of the Company for the period from 1st November 1995 to 31st May 1996.

### PRINCIPAL ACTIVITY

The principal activity of the Company continued to be the franchising of domiciliary care.

### REVIEW OF THE BUSINESS

A summary of the result for the period's trading is disclosed in the accounts commencing on page 5 of these accounts.

The Directors consider that the profit achieved on ordinary activities before taxation and the current state of affairs of the Company to be acceptable.

Adequate finance has been obtained to take advantage of business opportunities and future development.

### DIVIDENDS

X During the period the Company paid dividends of £50,000 (31st October 1995 : £Nil).

X The Directors do not recommend the payment of a dividend.

### FUTURE DEVELOPMENTS

The Directors are currently looking for new outlets for sales which it is hoped will contribute significantly to the results.

### EVENTS SINCE THE END OF THE PERIOD

On 5th July 1996, the Company became a wholly owned subsidiary of Goldsborough Limited.

Since 31st May 1996 there have been no events which could materially affect the state of affairs of the Company as shown by the Accounts at that date, the profit for the period then ended or any of the figures in the Accounts or Notes thereto.

### DIRECTORS RESPONSIBILITIES

The Directors are required by the Companies Act to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

## DIRECTORS REPORT - CONTINUED

DIRECTORS RESPONSIBILITIES - Continued

- 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 enable them to ensure that the accounts comply with the Companies Act 1985. The Directors are 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

The Directors in office in the period and their beneficial interest in the issued ordinary share capital was as follows:

	<u>31.5.96</u>	<u>31.10.95</u>
B.A. Keene (Resigned 5th July 1996)	1	1
J.K. Elmore (Resigned 5th July 1996)	1	1
I. Fozard (Appointed 5th July 1996)	-	-
G. Smith (Appointed 5th July 1996)	-	-

CLOSE COMPANY

The Company is a close company within the meaning of the Taxes Act 1988.

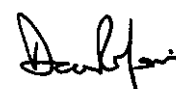
FIXED ASSETS

Movements of fixed assets during the period are recorded in the Notes to the Accounts.

AUDITORS

Everett & Son have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



D. Morris  
Secretary

31st October 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF HELPING HANDS CARE LIMITED

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

Respective Responsibilities of the Directors and Auditors

As described on pages 2 and 3 the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 the Company's affairs as at 31st May 1996 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Everett & Son

CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITORS

35 Paul Street,  
London, EC2A 4JU

31st October 1996

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1ST NOVEMBER 1995 TO 31ST MAY 1996

	Notes	Seven Months ended 31.5.96		Year ended 31.10.95	
		£	£	£	£
Turnover	1		208,115		237,595
Cost of sales			40,990		65,362
Gross profit			167,125		172,233
Administration expenses		28,904		55,341	
Other operating charges		138,522		81,480	
			167,426		136,821
Operating (Loss)/Profit	2		(301)		35,412
Interest receivable and similar income	3		-		1,728
			(301)		37,140
Interest payable and similar charges	4		415		594
(Loss)/Profit on ordinary activities before taxation			(716)		36,546
Taxation	7		2,114		9,136
(Loss)/Profit on ordinary activities after taxation			(2,830)		27,410
Dividends			50,000		-
Result attributable to shareholders transferred (from)/to reserves	13		£(52,830)		£27,410

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES


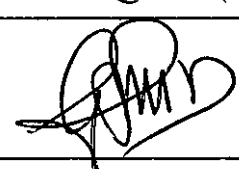
There were no recognised gains or losses other than the profit for the above two financial periods.

The notes on pages 7 to 12 form part of these accounts.

## BALANCE SHEET AS AT 31ST MAY 1996

	<u>Notes</u>	<u>31.5.96</u>	<u>31.10.95</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	8	20,827	26,334
<u>CURRENT ASSETS</u>			
Debtors	9	40,235	38,600
Cash at bank and in hand		30,625	21,886
		<u>70,860</u>	<u>60,486</u>
<u>CREDITORS</u> : Amounts falling due within one year	10	101,192	42,477
		<u>(30,332)</u>	<u>18,009</u>
<u>NET CURRENT (LIABILITIES)/ASSETS</u>			
		<u>(9,505)</u>	<u>44,343</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			
<u>CREDITORS</u> : Amounts falling due after one year	11	1,978	2,996
		<u>£(11,483)</u>	<u>£41,347</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	12	2	2
Profit and loss account	13	(11,485)	41,345
		<u>£(11,483)</u>	<u>£41,347</u>

Approved by the Board on 31st October 1996.

I. Fozard )

) Directors

G. Smith )



STATEMENT OF ACCOUNTING POLICIES

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Basis of Accounting

The Accounts have been prepared under the historical cost convention and applicable accounting standards.

Turnover

Turnover represents net invoiced sales, excluding Value Added Tax.

The Company receives its turnover from many individual franchisees throughout the U.K. and the amount of such income is correctly recorded and dealt with in the Company's accounts. The Company is able to account correctly for income on all returns from franchisees. The Company has established controls to ensure the completeness of those returns but there can be no absolute certainty that all income received by the individual franchisees has been reported to the Company.

The Company is continuing to establish more rigorous controls to ensure the completeness of income reported by franchisees.

Tangible Fixed Assets

The Company's policy is to provide depreciation at rates which are calculated to write off the cost of each tangible fixed asset less its estimated residual value over its estimated useful life:

Leasehold Improvements	Over the period of the lease
Fixtures, fittings and equipment	25% on written down value
Motor vehicle	25% on written down value

Deferred Taxation

Deferred taxation relating to capital allowances and other timing differences is provided in the accounts only in so far as a liability is likely to arise in the foreseeable future.

Assets held under Hire Purchase Contracts and Finance Leases

The Company capitalises assets held under lease purchase contracts and finance leases in accordance with SSAP 21 which includes the assets and relating liabilities in the Balance Sheet. Finance charges are allocated against profit in proportion to the reducing capital element outstanding.

## NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST NOVEMBER 1995 TO 31ST MAY 1996

1. TURNOVER

The turnover and operating profit is attributable to the following trade carried out entirely within the United Kingdom.

	Seven Months ended 31.5.96		Year ended 31.10.95	
	<u>Turnover</u>	<u>Operating</u>	<u>Turnover</u>	<u>Operating</u>
	£	Loss	£	Profit
		£		£
Franchising of domiciliary care	208,115	(301)	237,595	35,412
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

2. OPERATING PROFIT

This is stated after the following amounts:

	Seven Months ended 31.5.96		Year ended 31.10.95
	£		£
Depreciation	3,914		3,888
Auditors fees	2,500		3,812
	<u>          </u>		<u>          </u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

Rent received	£ -	£1,728
	<u>          </u>	<u>          </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

Hire purchase interest	£415	£594
	<u>          </u>	<u>          </u>

5. WAGES AND SALARIES (INCLUDING DIRECTORS)

Wages and salaries	13,046	35,259
Social security costs	330	1,081
	<u>          </u>	<u>          </u>
	£13,376	£36,340
	<u>          </u>	<u>          </u>

## NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST NOVEMBER 1995 TO 31ST MAY 1996 (CONTINUED)

	Seven Months ended 31.5.96	Year ended 31.10.95
5. <u>WAGES AND SALARIES (INCLUDING DIRECTORS)</u> (Continued)		
The average weekly number of employees (including the Directors) during the period was as follows:		
	<u>Number</u>	<u>Number</u>
Office and Management	3	3
	<u>          </u>	<u>          </u>
6. <u>DIRECTORS</u>		
<u>Emoluments</u>		
Remuneration for management services	£3,050	£14,750
	<u>          </u>	<u>          </u>
7. <u>TAXATION</u>		
Corporation tax @ 24/25%	£2,114	£9,136
	<u>          </u>	<u>          </u>

## NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST NOVEMBER 1995 TO 31ST MAY 1996 (CONTINUED)

8. TANGIBLE FIXED ASSETS

	<u>Leasehold Property</u> £	<u>Motor Vehicle</u> £	<u>Fixtures, Fittings &amp; Equipment</u> £	<u>Total</u> £
At 1st November 1995	14,668	11,003	5,361	31,032
Disposals	-	-	(2,123)	(2,123)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 1996	£14,668	£11,003	£3,238	£28,909
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>				
At 1st November 1995	-	2,751	1,947	4,698
Charge for the period	2,445	1,203	266	3,914
Eliminated on disposal	-	-	(530)	(530)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 1996	£2,445	£3,954	£1,683	£8,082
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Book Values</u>				
At 31st May 1996	£12,223	£7,049	£1,555	£20,827
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st October 1995	£14,668	£8,252	£3,414	£26,334
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of the motor vehicle held under a hire purchase agreement is £7,049 (31st October 1995: £8,252), and the depreciation charge for the period was £1,203 (31st October 1995: £2,751).

## NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST NOVEMBER 1995 TO 31ST MAY 1996 (CONTINUED)

	<u>31.5.96</u> £	<u>31.10.95</u> £
9. <u>DEBTORS</u>		
Trade Debtors	26,767	25,914
Other Debtors and Prepayments	13,468	12,686
	<hr/>	<hr/>
	£40,235	£38,600
	<hr/>	<hr/>
All due within one year.		
10. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade Creditors	19,507	16,011
Other Creditors and Accruals	15,323	6,353
Social Security and Other Taxes	2,146	7,298
Corporation Tax	11,250	9,136
Hire Purchase Creditor	2,966	3,679
Dividend Payable	50,000	-
	<hr/>	<hr/>
	£101,192	£42,477
	<hr/>	<hr/>
11. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>		
Hire Purchase Creditor	£1,978	£2,996
	<hr/>	<hr/>

## NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST NOVEMBER 1995 TO 31ST MAY 1996 (CONTINUED)

	<u>31.5.96</u> £	<u>31.10.95</u> £
12. <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
100 Ordinary shares of £1 each	£100	£100
	—	—
<u>Allotted, Issued and Fully Paid</u>		
2 Ordinary shares of £1 each	£ 2	£ 2
	—	—
13. <u>PROFIT AND LOSS ACCOUNT</u>		
As at 1st November 1995	41,345	13,935
Result for Period	(52,830)	27,410
	—	—
	£(11,485)	£41,345
	—	—
14. <u>RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS FUNDS</u>		
(Loss)/Profit for the period	(2,830)	27,410
<u>Less: Dividends</u>	(50,000)	-
	—	—
	(52,830)	27,410
Shareholders funds brought forward	41,347	13,937
	—	—
Shareholders funds carried forward	£(11,483)	£41,347
	—	—