

HELPING HANDS CARE LIMITED

REPORT AND ACCOUNTS

for the year ended

31ST MAY 1997

Everett & Son
CHARTERED ACCOUNTANTS

35 Paul Street
London EC2A 4JU



DIRECTORS AND OTHER INFORMATION

DIRECTORS:

I. Fozard
G. Smith

SECRETARY:

D. 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

The Directors present their Report together with the Accounts of the Company for the year ended 31st May 1997.

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 year'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 developments.

DIVIDENDS

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

Since 31st May 1997 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 year 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 year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year.

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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT - CONTINUED

DIRECTORS' RESPONSIBILITIES - Continued

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 year and their beneficial interest in the issued ordinary share capital was as follows:

	<u>31.5.1997</u>	<u>31.5.1996</u>
B.A. Keene (Resigned 5th July 1996)	-	1
J.K. Elmore (Resigned 5th July 1996)	-	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.

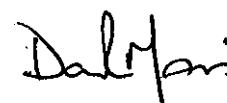
FIXED ASSETS

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

AUDITORS

Everett & Son have expressed their wish to resign from office and a resolution to appoint KPMG as their replacement will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



D. Morris
Secretary

11th March 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF HELPING HANDS CARE LIMITED

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 1997 and of its result for the year 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

11th March 1998

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAY 1997

	<u>Notes</u>	<u>Year ended</u> <u>31.5.1997</u>		<u>Seven Months</u> <u>ended 31.5.1996</u>	
		£	£	£	£
Turnover	1		179,308		208,115
Cost of sales			16,154		40,990
Gross profit			163,154		167,125
Administration expenses		87,632		28,904	
Other operating charges		15,732		138,522	
			103,364		167,426
Operating Profit/(Loss)	2		59,790		(301)
Interest receivable and similar income	3		2,760		-
			62,550		(301)
Interest payable and similar charges	4		685		415
Profit/(Loss) on ordinary activities before taxation			61,865		(716)
Taxation	7		20,210		2,114
(Loss)/Profit on ordinary activities after taxation			41,655		(2,830)
Dividends			-		50,000
Result attributable to shareholders transferred (from)/to reserves	13		£41,655		£(52,830)

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

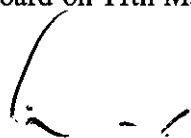
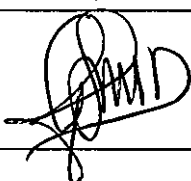
There were no recognised gains or losses other than the profit for the above two financial periods.

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

BALANCE SHEET AS AT 31ST MAY 1997

	<u>Notes</u>	<u>31.5.1997</u>	<u>31.5.1996</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	8	16,777	20,827
<u>CURRENT ASSETS</u>			
Debtors	9	119,455	40,235
Cash at bank and in hand		50,198	30,625
		<u>169,653</u>	<u>70,860</u>
<u>CREDITORS: Amounts falling due within one year</u>	10	156,258	101,192
		<u></u>	<u></u>
<u>NET CURRENT ASSETS/(LIABILITIES)</u>		13,395	(30,332)
		<u></u>	<u></u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		30,172	(9,505)
<u>CREDITORS: Amounts falling due after one year</u>	11	-	1,978
		<u></u>	<u></u>
		£30,172	£(11,483)
		<u></u>	<u></u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	12	2	2
Profit and loss account	13	30,170	(11,485)
		<u></u>	<u></u>
<u>TOTAL SHAREHOLDERS' FUNDS</u>		£30,172	£(11,483)
		<u></u>	<u></u>

Approved by the Board on 11th March 1998.

I. Fozard)

) Directors

G. Smith)

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

STATEMENT OF ACCOUNTING POLICIES

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	33% on cost

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 YEAR ENDED 31ST MAY 1997

1. TURNOVER

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

	Year ended ended 31.5.1997		Seven Months ended 31.5.1996	
	<u>Turnover</u>	<u>Operating Profit</u>	<u>Turnover</u>	<u>Operating Loss</u>
	£	£	£	£
Franchising of domiciliary care	179,308	59,790	208,115	(301)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

2. OPERATING PROFIT

This is stated after the following amounts:

	Year ended 31.5.1997 £	Seven Months ended 31.5.1996 £
Depreciation	9,547	3,914
Auditors fees	3,500	2,500
	<u> </u>	<u> </u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31.5.1997 £	Seven Months ended 31.5.1996 £
Hire income from fellow group undertaking	£2,760	£ -
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31.5.1997 £	Seven Months ended 31.5.1996 £
Bank interest	33	-
Interest on late tax	652	-
Hire purchase interest	-	415
	<u> </u>	<u> </u>
	£685	£415
	<u> </u>	<u> </u>

5. WAGES AND SALARIES

	Year ended 31.5.1997 £	Seven Months ended 31.5.1996 £
Wages and salaries	52,312	13,046
Social security costs	1,563	330
	<u> </u>	<u> </u>
	£53,875	£13,376
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY 1997 (CONTINUED)

	Year ended <u>31.5.1997</u>	Seven Months <u>ended 31.5.1996</u>
5. <u>WAGES AND SALARIES</u> (Continued)		
The average monthly number of employees (including the Directors) during the year was as follows:		
	<u>Number</u>	<u>Number</u>
Office and Management	5	3
	<u> </u>	<u> </u>
6. <u>DIRECTORS</u>		
<u>Emoluments</u>		
Remuneration for management services	£ -	£3,050
	<u> </u>	<u> </u>
7. <u>TAXATION</u>		
Overprovision in prior years	(6)	-
Corporation tax @ 24-33 %	20,216	2,114
	<u> </u>	<u> </u>
	£20,210	£2,114
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY 1997 (CONTINUED)

8. TANGIBLE FIXED ASSETS

	Short Leasehold <u>Property</u> £	Motor <u>Vehicle</u> £	Fixtures, Fittings & <u>Equipment</u> £	<u>Total</u> £
At 1st June 1996	14,668	11,003	3,238	28,909
Additions	-	-	5,497	5,497
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 1997	£14,668	£11,003	£8,735	£34,406
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>				
At 1st June 1996	2,445	3,954	1,683	8,082
Charge for the year	4,840	3,631	1,076	9,547
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 1997	£7,285	£7,585	£2,759	£17,629
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Book Values</u>				
At 31st May 1997	£7,383	£3,418	£5,976	£16,777
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st June 1996	£12,223	£7,049	£1,555	£20,827
	<hr/>	<hr/>	<hr/>	<hr/>

The motor vehicle is held under a Loan Finance agreement.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY 1997 (CONTINUED)

	Year ended 31.5.1997	Seven Months ended 31.5.1996
	£	£
9. <u>DEBTORS</u>		
Trade Debtors	81,785	26,767
Other Debtors and Prepayments	33,145	13,468
Amounts owed by Fellow Group Undertakings	4,525	-
	<hr/>	<hr/>
	£119,455	£40,235
	<hr/>	<hr/>
All due within one year.		
10. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade Creditors	9,099	19,507
Other Creditors and Accruals	9,479	15,323
Social Security and Other Taxes	4,943	2,146
Corporation Tax	7,716	11,250
Loan Finance	2,184	2,966
Dividend Payable	-	50,000
Amount owed to Fellow Group Undertaking	122,837	-
	<hr/>	<hr/>
	£156,258	£101,192
	<hr/>	<hr/>
11. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>		
Loan Finance	£ -	£1,978
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY 1997 (CONTINUED)

	Year ended 31.5.1997	Seven Months ended 31.5.1996
	£	£
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 June 1996	(11,485)	41,345
Result for Year	41,655	(52,830)
	—	—
As at 31st May 1997	£30,170	£(11,485)
	—	—
14. <u>RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS FUNDS</u>		
Profit/(Loss) for the period	41,655	(2,830)
<u>Less: Dividends</u>	-	(50,000)
	—	—
Shareholders funds brought forward	41,655 (11,483)	(52,830) 41,347
	—	—
Shareholders funds carried forward	£30,172	£(11,483)
	—	—

15. ULTIMATE CONTROLLING PARTY

From 1st June 1996 to 4th July 1996 there was no overall controlling party.

From 4th July 1996 to 31st May 1997 the Company was a 100% subsidiary of Goldsbrough Limited. During this period the ultimate parent company was Goldsbrough Healthcare PLC, a company with no overall controlling party.

On 5th August 1997 Goldsbrough Healthcare PLC became a 100% subsidiary of BUPA Limited. As a consequence, the Group accounts which will encompass these accounts will be those prepared by BUPA Limited for the period ended 31st December 1997. The group accounts of BUPA Limited will be available from BUPA House, 15-19 Bloomsbury Way, London, WC1 2BA.