

HELPING HANDS CARE LIMITED

(Registered No. 2757588)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999



REPORT OF THE DIRECTORS

for the year ended 31 December 1999

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

Principal activity and review of the business

The principal activity of the Company is the provision of domiciliary care. The directors consider the development of the Company during the year to be satisfactory, and do not foresee any significant changes in the forthcoming year.

Results and dividends

The profit for the year, after taxation, amounted to £198,276 (1998 - £44,539).

No dividend is proposed for the year (1998 - £ nil).

Directors and directors' interests

The names of persons who were directors at any time during the year are as follows:

J P Davies

M Ellerby

G Smith

N R Taylor - appointed 4 February 1999

A D Walford - appointed 4 February 1999

F A Kee - resigned 4 February 1999

There were no directors' interests in the shares of the Company at 31 December 1999.

Year 2000

The Company was part of BUPA's comprehensive Year 2000 programme to minimise the impact of the millennium bug on our customers, which was successfully concluded. As a result of the care taken in addressing the real risks associated with the millennium bug, our customers and service suffered no adverse effects over the critical period. We are continuing to monitor possible impact during 2000 and contingency plans are in place to assist with any future issue that may arise.

The Group incurred total expenditure of £9.2m in 1999 and £8.1m in 1998. The cost to the Company of ensuring millennium compliance has not been material.

HELPING HANDS CARE LIMITED

REPORT OF THE DIRECTORS

for the year ended 31 December 1999 - continued

Auditors


Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

Registered Office :

Bridge House
Outwood Lane
Horsforth
Leeds
LS18 4UP

9 March 2000

By Order of the Board



M Ellerby
Director

HELPING HANDS CARE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditors' report set out on page 4, is made for the purpose of clarifying the respective responsibilities of the directors and the auditors in the preparation of the financial statements.

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 ; 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 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.

HELPING HANDS CARE LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF HELPING HANDS CARE LIMITED

We have audited the financial statements set out on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Leeds

9 March 2000

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

HELPING HANDS CARE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1999

	<i>Note</i>	1999 £	1998 £
Turnover		230,097	162,690
Operating expenses		(31,821)	(91,319)
Operating profit		<u>198,276</u>	<u>71,371</u>
Interest receivable and similar income	4	-	95
Interest payable and similar charges	5	-	(801)
Profit on ordinary activities before taxation	6	<u>198,276</u>	<u>70,665</u>
Tax on profit on ordinary activities	7	-	(26,126)
Retained profit for the financial year		<u>198,276</u>	<u>44,539</u>

The operating profit is all derived from continuing operations.

There were no recognised gains and losses other than the profit for the financial year.

There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation.

HELPING HANDS CARE LIMITED

BALANCE SHEET

as at 31 December 1999

	No	1999 £	1998 £
Current assets			
Consumable stocks		-	5,627
Debtors		319,239	51,009
Debtors due within one year	8	44,675	40,168
Debtors due after one year	8	274,564	10,841
Cash at bank and in hand		28,455	99,225
		<hr/>	<hr/>
		347,694	155,861
Creditors: amounts falling due within one year	9	(1,449)	(9,534)
		<hr/>	<hr/>
Net current assets		346,245	146,327
		<hr/>	<hr/>
Total assets less current liabilities		346,245	146,327
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	10	(62,804)	(61,162)
		<hr/>	<hr/>
		283,441	85,165
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	283,439	85,163
		<hr/>	<hr/>
Equity shareholders' funds		283,441	85,165
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 9 March 2000 and were signed on its behalf by

N R Taylor
Director



The accounting policies and notes on pages 8 to 13 form part of these financial statements.

HELPING HANDS CARE LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the year ended 31 December 1999

	1999	1998
	£	£
Profit for the financial year and net addition to shareholders' funds	198,276	44,539
Opening shareholders' funds	85,165	40,626
Closing shareholders' funds	<u>283,441</u>	<u>85,165</u>

HELPING HANDS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, applicable SORPs and under the historical cost accounting convention and on a going concern basis.

As the Company is a wholly owned subsidiary undertaking it is exempt from the requirements of Financial Reporting Standard No.8 to disclose details of transactions with other members of the BUPA group of companies.

(b) Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of The British United Provident Association Limited, and its cash flows are included within the consolidated cash flow statement of that company.

(c) Turnover

Turnover represents income received from franchisees of which the basis for calculating is a percentage of the franchisees total turnover. Payments received to discontinue as a franchisee are included within turnover in the year payment is received.

(d) Fixed assets and depreciation

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

Leasehold land and buildings	- term of the lease
Motor vehicles	- 3 to 10 years
Fixtures, fittings & equipment	- 3 to 10 years

(e) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that a liability will crystallise. No payment is made for group relief claimed or surrendered.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost means purchase price, less trade discounts, calculated on an average basis. Net realisable value means estimated selling price, less trade discounts, and less all costs to be incurred in marketing, selling and distribution.

HELPING HANDS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

2. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Bupa Care Services Limited, a company registered in England and Wales.

The ultimate holding company is The British United Provident Association Limited (BUPA), in whose accounts these financial statements are consolidated. A copy of BUPA's consolidated financial statements are available to the public from The Registrar of Companies, Cardiff, CF4 3UZ.

3. STAFF COSTS AND DIRECTORS' REMUNERATION

Employees

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	Number of employees	
	1999	1998
Office and Management	-	3
	<hr/>	<hr/>
The aggregate payroll costs of these persons were as follows:	1999	1998
	£	£
Wages and salaries	-	26,953
Social security costs	-	805
	<hr/>	<hr/>
	-	27,758
	<hr/>	<hr/>

Staff costs are borne by a fellow group undertaking.

No remuneration was paid to any of the directors for the year (1998 - £nil).

HELPING HANDS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £	1998 £
Bank interest	-	95
	<hr/> -	<hr/> 95

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Bank Interest	-	801
	<hr/> -	<hr/> 801

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
<i>Profit on ordinary activities is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets :		
Owned	-	3,775
Leased	-	4,560
	<hr/> -	<hr/> 8,335

The tangible fixed assets of the company were transferred to another group company during 1998 therefore there is no depreciation charge in the current year, however depreciation was charged during the previous year as shown above.

HELPING HANDS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation charge is based on the result for the year:		
UK corporation tax at 30.25% (1998 - 31%)	-	24,050
Taxation underprovided in previous periods		
UK corporation tax	-	2,076
	<hr/> -	<hr/> 26,126

The current year's UK corporation tax charge has been eliminated due to surrender of group relief from a related party, for which no payment has been made. The current year UK Corporation tax charge would otherwise have amounted to £59,915.

8. DEBTORS

	1999 £	1998 £
Amounts falling due within one year:		
Trade debtors	9,603	15,775
Corporation tax	7,712	7,712
Other debtors and prepayments	27,360	16,681
	<hr/> 44,675	<hr/> 40,168
Amounts falling due after more than one year:		
Amounts owed by fellow Group undertakings	274,564	10,841
	<hr/>	<hr/>

HELPING HANDS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 1999**

9. CREDITORS - amounts falling due within one year :

	1999 £	1998 £
Trade creditors	355	940
Taxation and social security	-	8,594
Other creditors and accruals	1,094	-
	<u>1,449</u>	<u>9,534</u>

10. CREDITORS - amounts falling due after more than one year :

	1999 £	1998 £
Amounts owed to parent undertaking	62,804	61,162
	<u>62,804</u>	<u>61,162</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts provided for deferred taxation and potential deferred tax (assets) and the amounts not provided for are set out below:

	Provided 1999	1998	Not provided 1999	1998
Accelerated capital allowances	-	-	(187)	(250)
	<u>-</u>	<u>-</u>	<u>(187)</u>	<u>(250)</u>

HELPING HANDS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

12. SHARE CAPITAL

	1999 £	1998 £
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

13. RESERVES

	Profit and loss account £
At 1 January 1999	85,163
Retained profit	198,276
At 31 December 1999	<u>283,439</u>

14. CONTINGENT LIABILITIES

The Company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft of certain other Group undertakings.
Under a group registration the Company is jointly and severally liable for value added tax due by certain other group companies.