

Company Registration Number: 2847005

REGISTRARS COPY

HEALTH & CARE SERVICES (NW) LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 1995

PANNELL KERR FORSTER

Chartered Accountants



HEALTH & CARE SERVICES (NW) LIMITED

1.

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 1995

DIRECTORS

C. W. Bown
M. Hartlebury

SECRETARY

C. W. Bown

REGISTERED OFFICE

"The Granary"
Ossington Road
Norwell
Nr Newark
Notts
NG23 6JW

SOLICITORS

Mishcon De Reya
London

AUDITORS

Pannell Kerr Forster
Sheffield

BANKERS

Barclays Bank plc
Lincoln

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DIRECTORS' REPORT

1. RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £125,763. The directors recommend that no dividend be paid.

2. PRINCIPAL ACTIVITY

The company's principal activity during the year was the operation of residential nursing homes and the provision of specialist services at the homes.

3. DIRECTORS

The directors at the end of the year, neither of whom had any interest in the share capital of the company, are set out below. Both directors are also directors of the ultimate parent company and therefore disclosure of their interest in the parent company is not required.

C. W. Bown
M. Hartlebury

4. 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;
- * 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 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.

HEALTH & CARE SERVICES (NW) LIMITED,

DIRECTORS' REPORT

5. STATUS

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

6. SMALL COMPANY REPORTING EXEMPTIONS

The directors have taken advantage, in the preparation of this report, of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board

14 June 1996

C. W. BOWN

Norwell

Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF
HEALTH & CARE SERVICES (NW) LIMITED

4.

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 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. 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 affairs of the company as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

14 June 1996

Sheffield



PANNELL KERR FORSTER

Chartered Accountants
Registered Auditors

HEALTH & CARE SERVICES (NW) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	2	1,134,422	524,467
Cost of sales		<u>572,919</u>	<u>300,151</u>
GROSS PROFIT		561,503	224,316
Administrative expenses		<u>325,642</u>	<u>102,092</u>
OPERATING PROFIT		235,861	122,224
Interest receivable and similar income		19,973	1,807
Interest payable		<u>(76,306)</u>	<u>(47,545)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	179,528	76,486
Tax on ordinary activities	4	<u>53,765</u>	<u>24,350</u>
PROFIT FOR THE FINANCIAL YEAR		<u>125,763</u>	<u>52,136</u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those shown above.

BALANCE SHEET

31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Tangible assets	5	962,852	1,009,024
CURRENT ASSETS			
Debtors	6	214,242	76,320
Cash at bank and in hand		<u>99,658</u>	<u>282,405</u>
		313,900	358,725
CREDITORS - Amounts falling due within one year	7	<u>280,352</u>	<u>337,112</u>
NET CURRENT ASSETS		<u>33,548</u>	<u>21,613</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		996,400	1,030,637
CREDITORS - Amounts falling due after more than one year	7	801,500	969,500
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	<u>17,000</u>	<u>9,000</u>
		<u>818,500</u>	<u>978,500</u>
NET ASSETS		<u>177,900</u>	<u>52,137</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	<u>177,899</u>	<u>52,136</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>177,900</u>	<u>52,137</u>

The company has taken advantage in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

Approved by the board on 14 June 1996

C. W. BOWN - Director



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible fixed assets and depreciation

Tangible assets are depreciated over their estimated useful lives at the following annual rates:-

Leasehold land and buildings	-	2% straight line
Fixtures and fittings	-	25% reducing balance

Deferred taxation

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

Turnover

Turnover represents sales at invoice value and income from residents.

Cash flow statement

The company has taken advantage of the exemption provided by Financial Reporting Standard No.1, as a wholly owned subsidiary, not to prepare a cash flow statement.

2. TURNOVER

The company engages in only one class of business and all sales were within the United Kingdom.

	<u>1995</u> £	<u>1994</u> £
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The profit on ordinary activities before taxation is after charging:		
Auditors' remuneration		
Audit fee	3,000	3,525
Depreciation written off tangible fixed assets	48,764	26,379
	=====	=====
Directors' emoluments	160,000	20,000
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

	<u>1995</u> £	<u>1994</u> £
4. TAX ON ORDINARY ACTIVITIES		
Corporation tax payable on the results for the year at 33% (1994: 27%)	45,800	15,350
Deferred taxation	<u>8,000</u>	<u>9,000</u>
	53,800	24,350
Adjustment in respect of previous year	<u>(35)</u>	<u>-</u>
	<u>53,765</u>	<u>24,350</u>

5. FIXED ASSETS - TANGIBLE

	<u>Leasehold land and buildings</u> £	<u>Plant and machinery etc</u> £	<u>Total</u> £
<u>Cost</u>			
At 1 January 1995	893,744	141,659	1,035,403
Additions	<u>2,592</u>	<u>-</u>	<u>2,592</u>
At 31 December 1995	<u>896,336</u>	<u>141,659</u>	<u>1,037,995</u>
<u>Depreciation</u>			
At 1 January 1995	8,772	17,607	26,379
Charge for year	<u>17,751</u>	<u>31,013</u>	<u>48,764</u>
At 31 December 1995	<u>26,523</u>	<u>48,620</u>	<u>75,143</u>
<u>Net book amounts</u>			
At 31 December 1995	<u>869,813</u>	<u>93,039</u>	<u>962,852</u>
At 1 January 1995	<u>884,972</u>	<u>124,052</u>	<u>1,009,024</u>

	<u>1995</u> £	<u>1994</u> £
6. DEBTORS		
Due within one year:		
Trade debtors	77,127	74,885
Other debtors	875	1,435
Amount due from related undertaking	<u>136,240</u>	<u>-</u>
	<u>214,242</u>	<u>76,320</u>

HEALTH & CARE SERVICES (NW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

	<u>1995</u> £	<u>1994</u> £
7. CREDITORS		
Amounts falling due within one year:		
Bank loans	18,500	16,500
Trade creditors	5,757	8,197
Corporation tax	45,800	15,350
Other creditors	114,295	40,065
Directors' current accounts	96,000	12,000
Amount due to related undertaking	<u>-</u>	<u>245,000</u>
	<u>280,352</u>	<u>337,112</u>
Amounts falling due after more than one year:		
Bank loans - repayable in one to two years	20,500	18,500
- repayable in two to five years	73,500	67,500
- repayable after five years	707,500	733,500
Health & Care Services (UK) Limited	<u>-</u>	<u>150,000</u>
	<u>801,500</u>	<u>969,500</u>

The bank loans are secured by a first legal mortgage over the premises, and over certain book debts.

The bank loans are repayable by quarterly instalments over a period of 20 years, the final repayment being in 2014. Interest is payable at 3% above bank base rate.

	£	£
8. DEFERRED TAXATION		
At 1 January 1995	9,000	-
Charged to profit and loss account	<u>8,000</u>	<u>9,000</u>
At 31 December 1995	<u>17,000</u>	<u>9,000</u>
Deferred taxation has been fully provided in respect of:		
Accelerated capital allowances	<u>17,000</u>	<u>9,000</u>

9. CALLED UP SHARE CAPITAL

There was no change in share capital during the year.

	<u>Authorised</u> £	<u>Allotted and fully paid</u> £
Ordinary shares of £1 each	<u>50,000</u>	<u>1</u>

HEALTH & CARE SERVICES (NW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

10. RESERVES

Profit and
loss account
 £

At 1 January 1995	52,136
Profit for the year	<u>125,763</u>
At 31 December 1995	<u>177,899</u>

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
At 1 January 1995	52,137	-
Issued share capital	-	1
Profit for the year	<u>125,763</u>	<u>52,136</u>
At 31 December 1995	<u>177,900</u>	<u>52,137</u>

12. ULTIMATE PARENT COMPANY

The ultimate parent company is Health & Care Services (UK) Limited, which is registered in Great Britain.