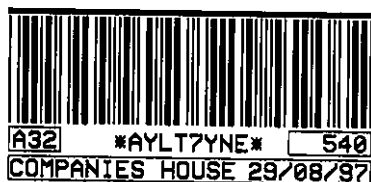


YEW CARE LIMITED
FINANCIAL STATEMENTS

31st OCTOBER 1996

Registered number: 2934020

ANTRAMS
REPORTING ACCOUNTANTS
BRIGHTON



YEW CARE LIMITED
FINANCIAL STATEMENTS
for the year ended 31st October 1996

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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YEW CARE LIMITED
COMPANY INFORMATION
31st October 1996

INCORPORATED	In England on 31st May 1994
NUMBER	2934020
CHAIRPERSON	Mrs E.A.Davies
OTHER DIRECTOR	S.B.Davies
SECRETARY	Mrs E.A.Davies
REGISTERED OFFICE	Westerham Place Quebec Square WESTERHAM Kent TN16 1TE
BANKERS	Midland Bank PLC Sun Pier Medway Street CHATHAM Kent ME4 4DN
ACCOUNTANTS	Antrams Norwood House 9 Dyke Road BRIGHTON East Sussex BN1 3FE



YEW CARE LIMITED
DIRECTORS' REPORT
31st October 1996

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

Principal activity

The principal activity of the company in the period under review was the provision of residential care home services.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st October 1996 Ordinary shares	1st November 1995 Ordinary shares
Mrs E.A.Davies	1	1
S.B.Davies	1	1

Reporting Accountants


The directors consider that for the year ended 31st October 1996 the company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985. Under the provisions of the Act, the directors have appointed Antrams as Reporting Accountants.

Their report is shown on page 3 of the financial statements.

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board


Mrs E.A. Davies
Secretary

Westerham Place
Quebec Square
WESTERHAM
Kent TN16 1TE

15 AUG 1997



YEW CARE LIMITED
ACCOUNTANTS' REPORT

Accountants' report to the members
on the unaudited financial statements of
Yewcare Limited

We report on the financial statements for the year ended 31st October 1996 set out on pages 4 to 8.

Respective responsibilities of directors and reporting accountants

As described on page 5 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Antams

ANTRAMS
Reporting Accountants

Norwood House
9 Dyke Road
BRIGHTON
East Sussex BN1 3FE

Date: 20th August 1997



YEW CARE LIMITED

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PROFIT AND LOSS ACCOUNT

for the year ended 31st October 1996

	Note	1996 £	1995 £
Turnover		208,871	63,794
Cost of sales		(69,024)	(22,327)
Gross profit		139,847	41,467
Net operating expenses			
Administrative expenses		(42,594)	(44,848)
Operating profit/(loss)	2	97,253	(3,381)
Interest payable and similar charges		(62,004)	(57,927)
Profit/(loss) on ordinary activities before taxation		35,249	(61,308)
Tax on profit on ordinary activities		-	-
Profit/(loss) on ordinary activities after taxation		35,249	(61,308)
retained for the financial year			

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

There are no recognised gains and losses in 1996 or 1995 other than the profit/(loss) for each year.



YEW CARE LIMITED

BALANCE SHEET

at 31st October 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	3	919,732	931,503
Current assets			
Debtors	4	1,470	-
Cash at bank and in hand		14,908	2,641
		<u>16,378</u>	<u>2,641</u>
Creditors: amounts falling due within one year	5	(93,147)	(141,462)
Net current liabilities		<u>(76,769)</u>	<u>(138,821)</u>
Total assets less current liabilities		<u>842,963</u>	<u>792,682</u>
Creditors: amounts falling due after more than one year	6	(869,020)	(853,990)
Net assets		<u><u>(26,057)</u></u>	<u><u>(61,308)</u></u>
Capital and reserves			
Called up share capital	7	2	-
Profit and loss account		(26,059)	(61,308)
Total shareholders' funds	8	<u><u>(26,057)</u></u>	<u><u>(61,308)</u></u>

continued



YEW CARE LIMITED

BALANCE SHEET
(continued)

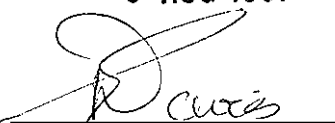
at 31st October 1996

The directors consider that for the year ended 31st October 1996 the company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 4 to 8 were approved by the board of directors on **15 AUG 1997**



Mrs E.A. Davies
Chairman



YEW CARE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1996

1 Accounting policies**Basis of preparation**

The financial statements have been prepared on a going concern basis because the amounts owed by the company to the directors exceeds the company's net liabilities and the directors have undertaken to continue to support the company.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	None
Fixtures and fittings	25% on net book value
Short Life Assets	25% and 50% on net book value

No depreciation has been provided on the company's freehold buildings, on the basis that they continue to undergo substantial renovation and improvement and this is contrary to the requirements of Statement of Standard Accounting Practice number 12.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Operating profit/(loss)

	1996 £	1995 £
Operating profit/(loss) is stated after charging		
Directors' remuneration	6,049	5,900
Depreciation of tangible fixed assets (Note 3)		
Owned assets	16,481	20,317
	<u> </u>	<u> </u>

