

Speciality Care (Weald Hall) Limited**Directors' report and financial statements****30 June 1995**

Registered number 2953416



Speciality Care (Weald Hall) Limited

Directors' report and financial statements

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Speciality Care (Weald Hall) Limited

Directors' report

The directors present their annual report and the audited financial statements for the period ended 30 June 1995.

Incorporation and change of name

The company was incorporated on 22 July 1994 and commenced trading on 12 August 1994.

Share capital

On incorporation the authorised share capital of the company comprised 1,000 ordinary shares of £1 each, 2 of which were issued and fully paid.

Principal activities

The principal activities of the company during the period were the provision of nursing home facilities for the care of the frail elderly.

Proposed dividend and transfer to reserves

The directors recommend that a first and final ordinary dividend of £40,000, representing £20,000 per share be paid.

After deducting the total ordinary dividends of £40,000, the profit for the period retained in the company is £1,799.

Significant changes in fixed assets

Changes in fixed assets are set out in notes 7 to the financial statements.

Directors and directors' interests

The directors who held office during the period were as follows:

TF Nicholson
DG Cormack
DM Harte

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company at 30 June 1995. Their interests in the shares of the company's parent company, Speciality Care PLC, are disclosed in the financial statements of that company.

Speciality Care (Weald Hall) Limited

Directors' report

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



DG Cormack
Secretary

Hamilton House
1 Temple Avenue
LONDON
EC4Y OHA

29 November 1995

Speciality Care (Weald Hall) Limited

Directors' responsibilities

in respect of the preparation of financial statements

Company law requires the directors to prepare financial statements for each financial period 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the auditors to the members of Speciality Care (Weald Hall) Limited

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

As described above 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 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 affairs of the company at 30 June 1995 and of the profit of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors
Bradford

29 November 1995

Speciality Care (Weald Hall) Limited

Profit and loss account

for the 11 month period ended 30 June 1995

	Note	1995 £
Turnover		491,872
Cost of sales		(330,679)
Gross profit		161,193
Administrative expenses		(49,634)
Operating profit		111,559
Interest payable and similar charges	4	(54,760)
Profit on ordinary activities before taxation	2-3	56,799
Tax on profit on ordinary activities	5	(15,000)
Profit for the financial period		41,799
Dividends	6	(40,000)
Retained profit for the financial period		1,799

There were no recognised gains or losses other than the profit for the period.

All of the turnover and operating profit for the period relates to acquisitions in the period.

Reconciliation of movements in shareholders' funds

for the period ended 30 June 1995

	1995 £
Profit for the financial period	41,799
Dividends	(40,000)
	1,799
New share capital subscribed	2
Net addition to and closing shareholders' funds	1,801

Speciality Care (Weald Hall) Limited

Balance sheet at 30 June 1995

	Note	1995	£
Fixed assets			
Tangible assets	7	1,713,219	
Current assets			
Stocks	8	2,111	
Debtors	9	58,085	
Cash at bank and in hand		1,506	
		<u>61,702</u>	
Creditors: amounts falling due within one year	10	<u>(973,120)</u>	
Total net current liabilities		<u>(911,418)</u>	
Total assets less current liabilities		<u>801,801</u>	
Creditors: amounts falling due after more than one year	11	<u>(800,000)</u>	
Provisions for liabilities and charges	12	<u>-</u>	
Net assets		<u>1,801</u>	
Capital and reserves			
Called up equity share capital	13	2	
Profit and loss account		1,799	
Shareholders' funds - equity		<u>1,801</u>	

These financial statements were approved by the board of directors on 29 November 1995 and were signed on its behalf by:


TF Nicholson
Director

Speciality Care (Weald Hall) Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of certain land and freehold property.

The company is exempt from the requirement of Financial Reporting Standard No.1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Speciality Care PLC and its cash flows are included within the consolidated cash flow statement of that company.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	Nil% per annum
Plant, equipment and motor vehicles	-	15% per annum to 33.33% per annum

No depreciation is provided on freehold property on the basis that the directors consider it essential to maintain the buildings to such a standard that their residual values are at least equal to their book value.

Goodwill

Goodwill relating to a business purchased by the company, is amortised over the directors' estimate of its useful life.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Speciality Care (Weald Hall) Limited

Notes (continued)

1 **Accounting policies (continued)**

Stocks

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

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services during the period. Turnover is attributed to the provision of nursing home facilities for the care of the frail elderly.

2 Profit on ordinary activities before taxation

1995
£

Profit on ordinary activities before taxation is stated

after charging

Auditors' remuneration
Depreciation and other amounts written
off tangible fixed assets:
Owned

8,030

Auditors' administration is discharged by Speciality Care PLC, the parent company.

Speciality Care (Weald Hall) Limited

Notes (continued)

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees 1995
Health care (including part time employees)	39
Administration	1
Directors	2
	<hr/>
	42
	<hr/>

The aggregate payroll costs of these persons were as follows:

	1995 £
Wages and salaries	257,307
Social security costs	15,264
	<hr/>
	272,571
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4 Interest payable and similar charges

	1995 £
On bank loans, overdrafts and other loans wholly repayable within five years	54,760
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5 Taxation

	1995 £
UK corporation tax at 25% on the profit for the period on ordinary activities	15,000
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6 Dividends

	1995 £
Ordinary shares:	
First and final proposed at £20,000 per share	40,000
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Speciality Care (Weald Hall) Limited

Notes (continued)

7 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Total £
<i>Cost or valuation</i>			
Additions and at end of period	<u>1,613,604</u>	<u>107,645</u>	<u>1,721,249</u>
<i>Depreciation and diminution in value</i>			
Charge for period and at end of period	<u>-</u>	<u>8,030</u>	<u>8,030</u>
<i>Net book value</i>			
At 30 June 1995	<u>1,613,604</u>	<u>99,615</u>	<u>1,713,219</u>

The cost of land and buildings includes capitalised personnel costs of £14,916 and interest capitalised of £22,000.

8 Stocks

	1995 £
Food, cleaning and sundry stocks	<u>2,111</u>

9 Debtors

	Due within one year £
Trade debtors	51,688
Other debtors	3,543
Prepayments and accrued income	<u>2,854</u>
	<u>58,085</u>

Speciality Care (Weald Hall) Limited

Notes (continued)

10 Creditors: amounts falling due within one year

	1995 £
Bank loan	800,000
Trade creditors	8,552
Amounts due to parent and fellow subsidiary undertakings	133,871
Other creditors including taxation and social security:	
Corporation tax	15,000
Other creditors	6,918
Accruals and deferred income	8,779
	<u>973,120</u>

The bank loan is secured by a first legal charge over the land and buildings of the company and a debenture incorporating a fixed and floating charge on all the other assets and undertakings of the company.

11 Creditors: amounts falling due after more than one year

	1995 £
Amounts due to parent and fellow subsidiary undertakings	<u>800,000</u>

12 Provisions for liabilities and charges

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1995	
	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation of capital allowances	<u>-</u>	<u>5,000</u>

13 Called up share capital

	1995 £
<i>Authorised</i>	
Ordinary shares of £1 each	<u>1,000</u>
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	<u>2</u>

Speciality Care (Weald Hall) Limited

Notes *(continued)*

14 Commitments

Capital commitments at the end of the financial period for which no provision has been made.

1995

£

Contracted

200,000

Authorised but not contracted

-

15 Ultimate parent company

On 22 July 1994 the entire share capital of Speciality Care (Weald Hall) Limited was acquired by Speciality Care PLC, a company registered in England and Wales. Speciality Care PLC is the ultimate parent company.