



ELIZABETH HOUSE REST HOME LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the period from 9th May 1996 to 30th September 1997

Company number : 3196374

BENTLEY JENNISON

CHARTERED ACCOUNTANTS

ELIZABETH HOUSE REST HOME LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the period ended 30th September 1997

Directors Mr. P. H. Fradley
 Mrs. S. Fradley

Secretary Mrs S. Fradley

Registered office Elizabeth House
 Sandy Hill
 Werrington
 ST9 OHB

CONTENTS

Pages	1	Directors' report
	2	Accountants' report
	3	Profit and loss account
	4	Statement of total recognised gains and losses and note of historical cost profits and losses
	5	Balance sheet
	6 - 10	Notes to the accounts

The following page does not form part of
the statutory financial statements :

11 Detailed profit and loss account

ELIZABETH HOUSE REST HOME LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the period ended 30th September 1997.

PRINCIPAL ACTIVITY

The principal activity of the company is retirement home for the elderly.

The company was incorporated on 9 May 1996 and commenced to trade on 7 October 1996.

DIRECTORS

The directors who held office during the period and their beneficial interest in the shares of the company were as follows:-

Ordinary shares of £1 each	30th September 1997
Mr. P. H. Fradley (appointed 20 July 1996)	1
Mrs. S. Fradley (appointed 20 July 1996)	1
Mr. J. A. Ball (appointed 9 May 1996 & resigned 20 July 1996)	

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 6/3/98 and signed on its behalf by:



Mrs S. Fradley

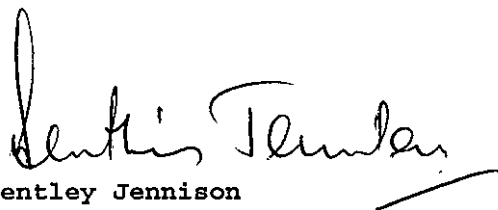
Secretary

ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF
ELIZABETH HOUSE REST HOME LIMITED

As described on the balance sheet on page 5 you are responsible for the compilation of the accounts for the period ended 30th September 1997, set out on pages 3 to 10, and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled the unaudited accounts from the accounting records and information and explanations supplied to us.

We have not conducted an audit on the accounts in accordance with Auditing Standards and accordingly we express no opinion thereon. Our work does not provide any assurance that the accounting records are free from material misstatement.



Bentley Jennison
Chartered Accountants

6/3/98

5 Ridge House
Ridge House Drive
Festival Park
Stoke on Trent ST1 5SJ

ELIZABETH HOUSE REST HOME LIMITED

Profit and loss account for the period ended 30th September 1997

	Notes	£
TURNOVER	2	101,704
Administrative expenses		(101,678)
OPERATING PROFIT	3	26
Interest payable and similar charges		(19,826)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(19,800)
Tax on loss on ordinary activities		-
LOSS FOR THE FINANCIAL PERIOD		(19,800)

All of the company's operations are classed as continuing.

ELIZABETH HOUSE REST HOME LIMITED**Statement of total recognised gains and losses
for the period ended 30th September 1997**

	£
Loss for the financial period	(19,800)
Unrealised surplus on revaluation of properties	19,270
	<hr/>
Total recognised gains and losses relating to the period	(530)
	<hr/> <hr/>

**Note of historical cost profits and losses
for the period ended 30th September 1997**

There was no material difference between the result shown in the profit and loss account on page 3 and the result on an unmodified historical cost basis.

ELIZABETH HOUSE REST HOME LIMITED

Balance sheet at 30th September 1997

	Notes	£
FIXED ASSETS		
Tangible assets	4	313,091
CURRENT ASSETS		
Debtors	6	6,478
		6,478
CREDITORS : Amounts falling due within one year	7	(21,361)
NET CURRENT LIABILITIES		(14,883)
TOTAL ASSETS LESS CURRENT LIABILITIES		298,208
CREDITORS : Amounts falling due after more than one year	8	(298,736)
NET LIABILITIES		(528)
CAPITAL AND RESERVES		
Called up share capital	9	2
Revaluation reserve		19,270
Profit and loss account		(19,800)
SHAREHOLDERS' FUNDS	10	(528)

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with section 221; and
- ii) preparing accounts 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 this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 6/3/98 and signed on its behalf by:

Mrs. S. Fradley

S. Fradley

Director

ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the period ended 30th September 1997

1 ACCOUNTING POLICIES**Basis of accounting**

The accounts have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

The accounts have been prepared on a going concern basis based on the assumption that the support of the directors and the bank will continue. The company's results are expected to improve in the forthcoming year as the company becomes established. Occupancy rates gradually increased in the period ended 30 September 1997 and full occupancy was achieved in October 1997. The company has continued to operate with full occupancy since October 1997.

Depreciation

Depreciation is calculated to write off fixed assets over their estimated useful lives as follows:

Fixtures & fittings	15% reducing balance
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Land is not depreciated. Freehold properties are maintained to ensure that their value does not diminish over time. The maintenance costs are charged to the profit and loss account in the period incurred. In the directors' opinion depreciation would be immaterial and has not been charged.

Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated in accordance with the company's depreciation policy. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease or hire purchase contract and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Deferred taxation

Provision is made for deferred taxation using the liability method to the extent that it is considered likely that a liability will crystallise in the foreseeable future.

2 TURNOVER

The company's turnover represents the value, excluding value added tax of goods and services supplied to customers in the United Kingdom during the period.

ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the period ended 30th September 1997

3 OPERATING PROFIT

	1997 £
Operating profit is stated after charging :	
Operating leases	
Hire of plant and machinery	1,060
Depreciation of tangible fixed assets (note 4)	
Owned assets	6,392
Leased assets	331
	<u> </u>

4 TANGIBLE FIXED ASSETS

	Fixtures and fittings	Freehold land and buildings	Total
Cost or valuation	£	£	£
Additions	44,814	255,730	300,544
Surplus on revaluation	-	19,270	19,270
	<u>44,814</u>	<u>275,000</u>	<u>319,814</u>
30th September 1997			
Depreciation			
Charge for period	6,723	-	6,723
	<u>6,723</u>	<u>-</u>	<u>6,723</u>
30th September 1997			
Net book value			
30th September 1997	<u>38,091</u>	<u>275,000</u>	<u>313,091</u>

The net book amount of fixed assets includes £24,320 in respect of assets held under finance leases and hire purchase contracts the depreciation of which is shown in note 3.

ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the period ended 30th September 1997

5 LAND AND BUILDINGS

	1997 £
Net book value comprises :	
Freehold	275,000
	<u>275,000</u>
Historic cost and aggregate depreciation based on cost of land and buildings included at valuation :	
Cost	255,730
Net book value	<u>255,730</u>

Land and buildings were revalued in November 1996 by Louis Taylor, Independent Chartered Surveyors, on an open market value for existing use basis.

6 DEBTORS

	1997 £
Amounts falling due within one year:-	
Trade debtors	6,429
Other debtors	49
	<u>6,478</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £
Bank loan and overdraft	9,190
Trade creditors	665
Social security and other taxes	888
Other creditors	4,849
Obligations under finance leases and hire purchase contracts	5,769
	<u>21,361</u>

The bank borrowing is secured.

ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the period ended 30th September 1997

8 CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

	1997 £
Bank loan	159,672
Directors loans	124,999
Obligations under finance leases and hire purchase contracts	14,065
	<u>298,736</u>

Maturity of debt

In one year or less or on demand	9,190
Between one and two years	4,749
Between two and five years	33,024
In 5 years or more by instalments	121,899
	<u>168,862</u>

Obligations under finance leases and
hire purchase contracts :

Within one year	5,769
Within one to two years	5,649
Within two to five years	8,416
	<u>19,834</u>

The bank borrowing is secured.

9 CALLED UP SHARE CAPITAL

	1997 Number of shares	£
Authorised		
Equity shares		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted called up and fully paid		
Equity shares		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

ELIZABETH HOUSE REST HOME LIMITED

Notes to the accounts for the period ended 30th September 1997

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £
(Loss)/profit for the financial period	(19,800)
New share capital subscribed	2
Net (reduction) in/addition to shareholders' funds	<u>(19,798)</u>
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u>(528)</u>

11 RELATED PARTIES

Control relationship

The company is controlled by the directors who own 100.00% of the issued ordinary share capital. Details of their individual shareholdings are shown on page 1.

The following loans from directors were outstanding during the period:

	30 September 1997 £	9 May 1996 £	Maximum Overdrawn £
Mr Fradley	62,500	-	-
Mrs Fradley	62,499	-	-
	<u> </u>	<u> </u>	<u> </u>