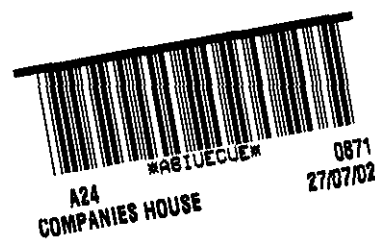


Registered number
3446822

CLOISTERS CARE LIMITED

Report and Accounts

31 October 2001



CLOISTERS CARE LIMITED
Report and accounts
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CLOISTERS CARE LIMITED
Company Information

Directors

D A Popat
K A Popat
D W Rogers

Secretary

K A Popat

Auditors

KMA Associates
Trafalgar House
Grenville Place
London NW7 3SA

Bankers

Bank of Scotland plc
7 Leopold Street
Sheffield
S1 2FF

Registered office

Finance House
34 Railway Approach
Harrow
Middlesex HA3 5AA

Registered number

3446822

CLOISTERS CARE LIMITED

Directors' Report

The directors present their report and accounts for the year ended 31 October 2001.

Principal activities and review of the business

The company's principal activity during the year continued to be that of operation, development and provision of accommodation for people in the community. Both the level of business and the period end financial position were as expected in the light of current trading conditions. The directors anticipate the level of activity to increase further in the year ended 31 October 2002.

Dividends

The directors do not recommend payment of a dividend.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2001	2000
D A Popat	500,000	500,000
K A Popat	500,000	500,000
D W Rogers	-	-

Political and charitable donations

During the year, the company made various charitable contributions totaling £5.001.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts 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.

Auditors

A resolution to reappoint KMA Associates as auditors will be put to the members at the Annual General Meeting.


This report was approved by the board on July 2002.


D A Popat
Director

CLOISTERS CARE LIMITED

Independent auditors' report to the shareholders of CLOISTERS CARE LIMITED

We have audited the accounts of Cloisters Care Limited for the year ended 31 October 2001 which comprise pages 4 to 13. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KMA Associates
Registered auditors

Trafalgar House
Grenville Place
London NW7 3SA


19th July 2002

CLOISTERS CARE LIMITED
Profit and Loss Account
for the year ended 31 October 2001

	Notes	2001 £	2000 £
Turnover	2	1,376,091	1,272,633
Cost of sales		(1,032,081)	(1,016,261)
Gross profit		<u>344,010</u>	<u>256,372</u>
Distribution costs		-	-
Administrative expenses		(222,524)	(186,792)
Other operating income		36,339	35,827
Operating profit	2	<u>157,825</u>	<u>105,407</u>
Exceptional items:			
loss on the disposal of investments	3	(803,362)	-
		<u>(803,362)</u>	<u>-</u>
		(645,537)	105,407
Income from investments		821,840	-
Interest receivable		111	596
Interest payable	5	(120,795)	(145,204)
Profit/(loss) on ordinary activities before taxation		<u>55,619</u>	<u>(39,201)</u>
Tax on profit/(loss) on ordinary activities	6	(14,620)	-
Retained profit/(loss) for the financial year	14	<u>40,999</u>	<u>(39,201)</u>

Continuing operations

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

CLOISTERS CARE LIMITED**Statement of total recognised gains and losses
for the year ended 31 October 2001**

	Notes	2001 £	2000 £
Profit/(loss) for the financial year		40,999	(39,201)
Total recognised gains and losses since last accounts		<u>40,999</u>	<u>(39,201)</u>

CLOISTERS CARE LIMITED
Balance Sheet
as at 31 October 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	7	2,367,013	2,437,178
Investments	8	100	803,462
		<u>2,367,113</u>	<u>3,240,640</u>
Current assets			
Debtors	9	53,473	126,643
Cash at bank and in hand		<u>356,580</u>	<u>-</u>
		410,053	126,643
Creditors: amounts falling due within one year	10	(326,216)	(344,385)
Net current assets/(liabilities)		<u>83,837</u>	<u>(217,742)</u>
Total assets less current liabilities		<u>2,450,950</u>	<u>3,022,898</u>
Creditors: amounts falling due after more than one year	11	(1,608,836)	(2,221,783)
		<u>842,114</u>	<u>801,115</u>
Capital and reserves			
Called up share capital	13	1,000,000	1,000,000
Profit and loss account	14	(157,886)	(198,885)
Shareholders' funds:			
Equity		<u>842,114</u>	<u>801,115</u>
Non-equity		<u>-</u>	<u>-</u>
	15	<u>842,114</u>	<u>801,115</u>

D A Popat

Director

Approved by the board on 9 July 2002

CLOISTERS CARE LIMITED
Cash Flow Statement
for the year ended 31 October 2001

	Notes	2001 £	2000 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		157,825	105,407
Depreciation charges		147,466	136,020
Decrease/(increase) in debtors		73,170	(44,893)
Decrease in creditors		(117,262)	(358,850)
Net cash inflow/(outflow) from operating activities		<u>261,199</u>	<u>(162,316)</u>

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operating activities		261,199	(162,316)
Returns on investments and servicing of finance	16	701,156	(144,608)
Taxation		-	-
Capital expenditure	16	<u>(77,301)</u>	<u>(92,581)</u>
		885,054	(399,505)
Financing	16	(452,862)	409,878
Increase in cash		<u>432,192</u>	<u>10,373</u>

Reconciliation of net cash flow to movement in net debt

Increase in cash in the period		432,192	10,373
Decrease/(increase) in debt and lease financing		452,862	(409,878)
Change in net debt	17	<u>885,054</u>	<u>(399,505)</u>
Net debt at 1 November		<u>(2,364,062)</u>	<u>(1,964,557)</u>
Net debt at 31 October		<u>(1,479,008)</u>	<u>(2,364,062)</u>

CLOISTERS CARE LIMITED
Notes to the Accounts
for the year ended 31 October 2001

1 Accounting policies

Accounting convention

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

Turnover

Turnover represents the total invoice value of goods sold and services rendered during the year.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Leasehold land and buildings	over the lease term
Plant and machinery	25% straight line

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2 Operating profit

	2001 £	2000 £
This is stated after charging:		
Depreciation of owned fixed assets	147,466	136,020
Operating lease rentals - plant and machinery	570	4,196
Operating lease rentals - land buildings	39,950	32,583
Auditors' remuneration	<u>3,000</u>	<u>4,700</u>

CLOISTERS CARE LIMITED
Notes to the Accounts
for the year ended 31 October 2001

3	Exceptional items	2001 £	2000 £
	Investment in subsidiary undertaking written off	(803,362)	-
		<u>(803,362)</u>	<u>-</u>
4	Staff costs	2001 £	2000 £
	Wages and salaries	644,352	601,986
	Social security costs	51,502	47,591
	Other pension costs	-	1,876
		<u>695,854</u>	<u>651,453</u>
	Average number of employees during the year	Number	Number
	Nursing home	52	57
	Head office	2	2
		<u>54</u>	<u>59</u>
5	Interest payable	2001 £	2000 £
	Bank loans and overdrafts	120,795	145,204
	Other loans	-	-
		<u>120,795</u>	<u>145,204</u>
6	Taxation	2001 £	2000 £
	Analysis of charge in period		
	Current tax:		
	UK corporation tax on profits of the period	14,620	-
	Adjustments in respect of previous periods	-	-
		<u>14,620</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>14,620</u>	<u>-</u>
	UK Corporation tax has been charged at 30%		

CLOISTERS CARE LIMITED
Notes to the Accounts
for the year ended 31 October 2001

7 Tangible fixed assets

	Freehold land and buildings £	Long leasehold land and buildings £	Plant and machinery £	Total £
Cost				
At 1 November 2000	302,320	2,007,802	434,454	2,744,576
Additions	17,525	16,260	43,516	77,301
At 31 October 2001	<u>319,845</u>	<u>2,024,062</u>	<u>477,970</u>	<u>2,821,877</u>
Depreciation				
At 1 November 2000	18,138	63,929	225,331	307,398
Charge for the year	6,419	21,555	119,492	147,466
At 31 October 2001	<u>24,557</u>	<u>85,484</u>	<u>344,823</u>	<u>454,864</u>
Net book value				
At 31 October 2001	<u>295,288</u>	<u>1,938,578</u>	<u>133,147</u>	<u>2,367,013</u>
At 31 October 2000	<u>284,182</u>	<u>1,943,873</u>	<u>209,123</u>	<u>2,437,178</u>

8 Investments

	Investments in subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 November 2000	803,462	-	803,462
Additions	-	-	-
Investment written off	(803,362)	-	(803,362)
At 31 October 2001	<u>100</u>	<u>-</u>	<u>100</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Manford Health Care Limited

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100

	30.04.01	30.04.00
	£	£
Aggregate capital and reserves	821,940	821,940

The company is exempt from obligations to prepare group financial statements as the group qualifies as a small group as defined by section 249 Companies Act 1985.

CLOISTERS CARE LIMITED
Notes to the Accounts
for the year ended 31 October 2001

9 Debtors	2001	2000
	£	£
Trade debtors	34,729	101,187
Other debtors	2,420	23,320
Prepayments and accrued income	16,324	2,136
	<u>53,473</u>	<u>126,643</u>

10 Creditors: amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	226,752	142,279
Trade creditors	30,714	70,227
Directors current account	10,256	15,813
Corporation tax	14,620	-
Other taxes and social security costs	14,382	27,357
Other creditors	11,521	24,389
Accruals and deferred income	17,971	64,320
	<u>326,216</u>	<u>344,385</u>

11 Creditors: amounts falling due after one year	2001	2000
	£	£
Bank loans	1,608,836	1,399,843
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	821,940
	<u>1,608,836</u>	<u>2,221,783</u>

12 Loans	2001	2000
	£	£
Loans not wholly repayable within five years:		
Bank Loan 1 Loan repayable over 15 years and interest charged at 1.75% above base rate	1,492,462	1,542,122
Bank Loan 2 Loan repayable over 10 years and interest charged at 1.75% above base rate	343,126	-
Loan from subsidiary company - no interest charged	-	821,940
	<u>1,835,588</u>	<u>2,364,062</u>
Analysis of maturity of debt:		
Within one year or on demand	226,752	142,279
Between one and two years	226,752	72,021
Between two and five years	680,256	252,664
After five years	701,828	1,897,098
	<u>1,835,588</u>	<u>2,364,062</u>

The bank loans are secured by a first legal charge over the freehold and leasehold property and on a personal guarantee given by the director Mr. D. A. Popat.

CLOISTERS CARE LIMITED

Notes to the Accounts

for the year ended 31 October 2001

13 Share capital			2001	2000
			£	£
Authorised:				
Ordinary shares of £1 each			1,000,000	1,000,000
			<u>1,000,000</u>	<u>1,000,000</u>
	2001	2000	2001	2000
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
			<u>1,000,000</u>	<u>1,000,000</u>
14 Profit and loss account			2001	2000
			£	£
At 1 November			(198,885)	(159,684)
Retained profit/(loss)			40,999	(39,201)
Transfer to capital redemption reserve			-	-
			<u>(157,886)</u>	<u>(198,885)</u>
At 31 October				
15 Reconciliation of movement in shareholders' funds			2001	2000
			£	£
At 1 November			801,115	840,316
Profit/(loss) for the financial year			40,999	(39,201)
			<u>842,114</u>	<u>801,115</u>
At 31 October				
16 Gross cash flows			2001	2000
			£	£
Returns on investments and servicing of finance				
Dividends received			821,840	-
Interest received			111	596
Interest paid			(120,795)	(145,204)
			<u>701,156</u>	<u>(144,608)</u>
Capital expenditure				
Payments to acquire tangible fixed assets			(77,301)	(92,581)
			<u>(77,301)</u>	<u>(92,581)</u>
Financing				
Loan repayments			493,095	1,600,000
Capital element of finance lease rental payments			(945,957)	(1,190,122)
			<u>(452,862)</u>	<u>409,878</u>

CLOISTERS CARE LIMITED
Notes to the Accounts
for the year ended 31 October 2001

17 Analysis of changes in net debt

	At 1 Nov 2000 £	Cash flows £	Non-cash changes £	At 31 Oct 2001 £
Cash at bank and in hand	-	356,580		356,580
Overdrafts	(75,612)	75,612		-
		432,192		
Debt due within 1 year	(66,667)	(160,085)		(226,752)
Debt due after 1 year	(2,221,783)	612,947		(1,608,836)
		452,862		
Total	(2,364,062)	885,054	-	(1,479,008)

CLOISTERS CARE LIMITED
Profit and Loss Account
for the year ended 31 October 2001
for the information of the directors only

	2001 £	2000 £
Sales	1,376,091	1,272,633
Cost of sales	(1,032,081)	(1,016,261)
Gross profit	<u>344,010</u>	<u>256,372</u>
Distribution costs	-	-
Administrative expenses	(222,524)	(186,792)
Rent receivable	36,339	35,827
Operating profit	<u>157,825</u>	<u>105,407</u>
Exceptional items	(803,362)	-
Income from investments	821,840	-
Interest receivable	111	596
Interest payable	(120,795)	(145,204)
Profit/(loss) before tax	<u>55,619</u>	<u>(39,201)</u>

CLOISTERS CARE LIMITED
Schedule to the Profit and Loss Account
for the year ended 31 October 2001
for the information of the directors only

	2001 £	2000 £
Sales		
Sales	1,376,091	1,272,633
	<u>1,376,091</u>	<u>1,272,633</u>
Cost of sales		
Food and Provisions	61,632	50,640
Medical Supplies	34,628	34,787
Cleaning & laundry	27,146	22,708
Residents services and activities	13,026	10,803
Wages and salaries	689,231	635,579
Staff pension	-	1,876
Agency staff	102,263	178,014
Light and heat	25,336	22,149
Leasing of plant and machinery	570	4,196
Rent	39,950	32,583
Rates	6,677	8,822
Repairs and renewals	24,641	10,383
Insurance	5,205	3,085
Garden	1,776	636
	<u>1,032,081</u>	<u>1,016,261</u>
Administrative expenses		
Wages and salaries	6,623	13,998
Staff training	5,266	2,423
Telephone	3,640	3,387
Printing, postage & stationery	7,357	3,832
Advertising	2,872	5,419
Travelling	658	450
Motor expenses	-	255
Uniforms	2,223	1,043
Subscriptions	241	160
Sundry expenses	645	350
Auditors remuneration	3,000	4,700
Accountancy fees	2,463	1,639
Entertainment	813	-
Legal and profesional fees	17,947	11,929
Bank charges	1,031	1,187
Provision for doubtful debts	15,278	-
Donation	5,001	-
Depreciation	147,466	136,020
	<u>222,524</u>	<u>186,792</u>
	<u>222,524</u>	<u>186,792</u>
Other operating income		
Rent receivable	36,339	35,827
	<u>36,339</u>	<u>35,827</u>