

Company Registration No. 4159705 (England and Wales)

ALI WAL HEALTHCARE LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



ALI WAL HEALTHCARE LIMITED

COMPANY INFORMATION

Director	O. ERTOSUN
Secretary	Z ERTOSUN
Company number	4159705
Registered office	5-15 CROMER STREET LONDON WC1H 8LS
Auditors	SAYMAN & PARTNERS 5-15 CROMER STREET LONDON WC1H 8LS
Bankers	BARCLAYS BANK 50 PALL MALL, PO BOX 15162 LONDON SW1A 1QB

ALI WAL HEALTHCARE LIMITED

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ALI WAL HEALTHCARE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2004

The director presents his report and financial statements for the year ended 31 March 2004.

Principal activities and review of the business

The principal activity of the company continued to be that of a nursing home for the elderly.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 3.

The director does not recommend payment of any dividends.

Director

The following director has held office since 1 April 2003:

O. ERTOSUN

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary Shares of £ 1 each	
	31 March 2004	1 April 2003
O. ERTOSUN	100	100

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that SAYMAN & PARTNERS be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board

Z ERTOSUN

Secretary

29 January 2005



ALIWAL HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALIWAL HEALTHCARE LIMITED

We have audited the financial statements of ALIWAL HEALTHCARE LIMITED on pages 3 to 8 for the year ended 31 March 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 director's report is not consistent with the financial statements, 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 the company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sayman & Partners

SAYMAN & PARTNERS

Registered Auditor

29 January 2005

5-15 CROMER STREET
LONDON
WC1H 8LS

ALI WAL HEALTHCARE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover	2	530,964	507,646
Cost of sales		(398,014)	(432,563)
Gross profit		132,950	75,083
Distribution costs		(4,960)	(1,872)
Administrative expenses		(186,836)	(134,698)
Other operating income		-	513
Operating loss	3	(58,846)	(60,974)
Interest payable and similar charges	4	(981)	(138)
Loss on ordinary activities before taxation		(59,827)	(61,112)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	11	(59,827)	(61,112)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

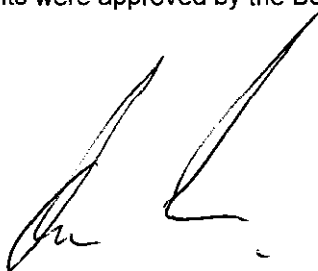
ALI WAL HEALTHCARE LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	6		19,352		17,614
Current assets					
Stocks	7	1,072		339	
Debtors	8	65,276		80,289	
Cash at bank and in hand		68		803	
		66,416		81,431	
Creditors: amounts falling due within one year	9	(263,762)		(217,212)	
Net current liabilities			(197,346)		(135,781)
Total assets less current liabilities			(177,994)		(118,167)
Capital and reserves					
Called up share capital	10	10,000		10,000	
Profit and loss account	11	(187,994)		(128,167)	
Shareholders' funds - equity interests	12	(177,994)		(118,167)	

The financial statements were approved by the Board on 29 January 2005

O. ERTOSUN
Director



ALI WAL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for services net of trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold	Over 10 years of lease term
Fixtures, fittings & equipment	25% on Reducing Balance

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss	2004	2003
	£	£

Operating loss is stated after charging:

Depreciation of tangible assets	5,085	5,871
Auditors' remuneration	3,232	3,231

4 Interest payable	2004	2003
	£	£

On bank loans and overdrafts	981	138
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ALI WAL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

5 Taxation

Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(59,827)</u>	<u>(61,112)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2003: 0.00%)	-	-
Effects of:		
Current tax charge	<u>-</u>	<u>-</u>

6 Tangible fixed assets

	Leasehold	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2003	-	31,313	31,313
Additions	6,823	-	6,823
At 31 March 2004	<u>6,823</u>	<u>31,313</u>	<u>38,136</u>
Depreciation			
At 1 April 2003	-	13,699	13699
Charge for the year	682	4,403	5085
At 31 March 2004	<u>682</u>	<u>18,102</u>	<u>18784</u>
Net book value			
At 31 March 2004	<u>6,141</u>	<u>13,211</u>	<u>19,352</u>
At 31 March 2003	<u>-</u>	<u>17,614</u>	<u>17,614</u>

7 Stocks

	2004 £	2003 £
Stocks	<u>1,072</u>	<u>339</u>

ALI WAL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

8 Debtors	2004	2003
	£	£
Trade debtors	23,176	60,659
Amounts owed by subsidiary undertakings	36,512	16,899
Other debtors	5,588	2,731
	<u>65,276</u>	<u>80,289</u>
9 Creditors: amounts falling due within one year	2004	2003
	£	£
Bank loans and overdrafts	22,384	5,726
Trade creditors	5,202	3,343
Amounts owed to subsidiary undertakings	154,989	126,761
Taxes and social security costs	-	2,944
Other Creditors and Related Party Balances	81,187	78,438
	<u>263,762</u>	<u>217,212</u>
10 Share capital	2004	2003
	£	£
Authorised		
10,000 Ordinary Shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
10,000 Ordinary Shares of £1 each	10,000	10,000
11 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 April 2003		(128,167)
Retained loss for the year		<u>(59,827)</u>
Balance at 31 March 2004		<u>(187,994)</u>

ALI WAL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

12 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Loss for the financial year	(59,827)	(61,112)
Opening shareholders' funds	(118,167)	(57,055)
Closing shareholders' funds	(177,994)	(118,167)

The negative shareholders' funds due largely to amounts owing to other companies within the group are adequately covered by the overall financial strength of the group's assets.

13 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Production	48	46
Administration	2	1
	50	47

Employment costs

	£	£
Wages and salaries	383,447	427,425

14 Control

The immediate parent company is Excelcare Holdings PLC, a company registered in England and Wales, and the ultimate parent company is Excelcare Group Limited, a company registered in Jersey, Channel Islands. Excelcare Holdings PLC prepares group financial statements and copies can be obtained from 5-15 Cromer Street, London, WC1H 8LS.

15 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.