

CARRICK CARE HOMES LIMITED

ABBREVIATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 APRIL 1998



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CARRICK CARE HOMES LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998**

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CARRICK CARE HOMES LIMITED

**COMPANY INFORMATION
AS AT 30 APRIL 1998**

DIRECTORS

Steven Ben Brodie
Patricia Elizabeth Brodie(Appointed 4/11/97)
Mark Anderson(Appointed 4/11/97)
Barbara McLennan(Appointed 4/11/97)

SECRETARY

Patricia Elizabeth Brodie

REGISTERED NUMBER

151487

BUSINESS ADDRESS

39 Victoria Road
Barrhead
GLASGOW
G78 1NQ

AUDITOR

William Duncan & Co.
Chartered Accountants
30 Miller Road
Ayr
KA7 2AY

SOLICITORS

AC White
Solicitors
123 Main Street
PRESTWICK
KA9 1LA

PRINCIPAL BANKERS

Clydesdale Bank
43 Alloway Street
AYR

CARRICK CARE HOMES LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 30 April 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of registered nursing homes providing accomodation and care for the elderly.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £263,792.

At the start of the year, the company acquired 3 established nursing homes from S.B Brodie. The 3 homes were added to with the addition of our Greenbank Home in November of this year. At the end of the year the company owns and operates 4 purpose built nursing homes.

Average occupancy has been above industry averages for the year and the directors expect this to continue into the future.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends.

POST BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 30 April 1998.

FUTURE DEVELOPMENTS

The company will continue to build and operate purpose built nursing homes for the elderly. We anticipate occupancy levels will remain above industry averages due to our high quality portfolio of properties.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		1998	1997
Steven Ben Brodie	Ordinary Shares of £1	150,000	2
Patricia Elizabeth Brodie	Ordinary shares of £1	-	-
Mark Anderson	Ordinary shares of £1	-	-
Barbara McLennan	Ordinary shares of £1	-	-

Directors appointed during the year :

Patricia Elizabeth Brodie(Appointed 4/11/97)

Mark Anderson(Appointed 4/11/97)

Barbara McLennan(Appointed 4/11/97)

CARRICK CARE HOMES LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 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;
- 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 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 financial statements 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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company did not make political contributions or charitable contributions that exceeded £200.

CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

AUDITOR

The auditor, William Duncan & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the board:



.....
Steven Ben Brodie
Director

Approved by the board: 30 October 1998

CARRICK CARE HOMES LIMITED

**AUDITOR'S REPORT TO THE DIRECTORS
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages 5 to 14 together with the full financial statements of CARRICK CARE HOMES LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1998.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITOR

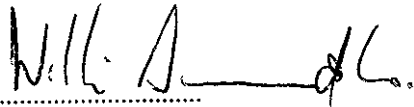
The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion, the company is entitled to deliver financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated financial statements on pages 5 to 14 have been properly prepared in accordance with that provision.



William Duncan & Co.
Chartered Accountants
& Registered Auditor
30 Miller Road
Ayr
KA7 2AY

30 October 1998

CARRICK CARE HOMES LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1998**

	Notes	1998 £	1997 £
GROSS PROFIT		1,011,577	-
Administrative expenses		465,987	-
OPERATING PROFIT	2	545,590	-
Investment income and interest receivable	3	1,053	-
Interest payable and similar charges	4	(282,851)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		263,792	-
PROFIT FOR THE FINANCIAL YEAR		263,792	-

Continuing operations

The company's activities were acquired during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 14 form part of these financial statements.

CARRICK CARE HOMES LIMITED**ABBREVIATED BALANCE SHEET
AT 30 APRIL 1998**

	Notes	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible assets	6		4,572,617		-
CURRENT ASSETS					
Debtors	7	156,937		2	
Cash at bank and in hand		71,239		-	
		<u>228,176</u>		<u>2</u>	
CREDITORS: amounts falling due within one year	8	(885,114)		-	
NET CURRENT LIABILITIES			(656,938)		2
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,915,679</u>		<u>2</u>
CREDITORS: amounts falling due after more than one year	9		(3,501,887)		-
NET ASSETS			<u>413,792</u>		<u>2</u>
CAPITAL AND RESERVES					
Called up share capital	13		150,000		2
Profit and loss account			<u>263,792</u>		-
TOTAL SHAREHOLDERS' FUNDS	14		<u>413,792</u>		<u>2</u>

The financial statements were approved by the board of directors on 30 October 1998 and signed on its behalf by:



Steven Ben Brodie
Director

The notes on pages 8 to 14 form part of these financial statements.

CARRICK CARE HOMES LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1998**

	Notes	1998 £	1997 £
Net cash inflow / (outflow) from operating activities	2	984,783	(2)
Returns on investments and servicing of finance	15	(281,798)	-
Capital expenditure	15	(4,619,127)	-
Cash outflow before use of liquid resources and financing		(3,916,142)	(2)
Financing	15	3,987,381	2
INCREASE / (DECREASE) IN CASH IN THE YEAR		71,239	-

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET(DEBT) / FUNDS**

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INCREASE / (DECREASE) IN CASH IN THE YEAR	71,239	-
Cash outflow from movement in debt and lease financing	(3,837,383)	-
Change in net debt resulting from cash flows	(3,766,144)	-
New hire purchase contracts	(4,256)	-
Movement in net debt in the year	(3,770,400)	-
Net(debt) / funds at 30 April 1998	(3,770,400)	-

The notes on pages 8 to 14 form part of these financial statements.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998****1. STATEMENT OF ACCOUNTING POLICIES**

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

Turnover

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

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Motor vehicles	25% on reducing balance
Equipment, fixtures and tools	15% on reducing balance

No depreciation is charged on freehold and long leasehold land.

Where zero depreciation of freehold buildings is appropriate

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

2. OPERATING PROFIT**Operating profit is stated:**

	1998 £	1997 £
After charging:		
Depreciation of owned fixed assets	48,638	-
Depreciation of assets on hire purchase	2,128	-
Auditor's remuneration	2,400	-
Hire of equipment	363	-

Reconciliation of operating profit to net cash inflow from operating activities

	1998 £	1997 £
Operating profit	545,590	-
Depreciation	50,766	-
Increase in debtors	(156,935)	(2)
Increase in creditors	545,360	-
Net cash inflow from operating activities	984,781	(2)

CARRICK CARE HOMES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998****3. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	1998 £	1997 £
Interest received and receivable		
Bank interest	<u>1,053</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1998 £	1997 £
On bank loans and overdrafts	<u>282,851</u>	<u>-</u>

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	1998 £	1997 £
Staff costs		
Wages and salaries	1,249,835	-
Social security costs	<u>89,996</u>	<u>-</u>
	<u>1,339,831</u>	<u>-</u>

The average number of employees during the year was made up as follows:

	1998 No.	1997 No.
Management & administration	8	1
Nursing & care	128	-
Others	<u>39</u>	<u>-</u>
	<u>175</u>	<u>1</u>

Directors' emoluments

	1998 £	1997 £
Remuneration for management services	<u>98,034</u>	<u>-</u>

CARRICK CARE HOMES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998****6. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost:				
Additions	3,527,639	1,087,232	8,512	4,623,383
Depreciation:				
Charge for year	-	48,638	2,128	50,766
Net book value:				
At 30 April 1998	3,527,639	1,038,594	6,384	4,572,617

1998
£

1997
£

Analysis of net book value of land and buildings:

Freehold	3,527,639	-
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Included above are assets held under finance leases or hire purchase contracts as follows:-

	1998 £	1997 £
Net book values:		
Motor vehicles	8,512	-
Depreciation charge for the year:		
Motor vehicles	(2,128)	-

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

7. DEBTORS

	1998 £	1997 £
Trade debtors	155,742	-
Other debtors	(2,090)	2
Prepayments and accrued income	3,285	-
	156,937	2

CARRICK CARE HOMES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998****8. CREDITORS: amounts falling due within one year**

	1998 £	1997 £
Net obligations under finance leases and hire purchase contracts	1,419	-
Trade creditors	75,936	-
Other taxes and social security costs	34,209	-
Directors' current accounts	3,904	-
Other creditors	757,531	-
Accruals and deferred income	12,115	-
	<u>885,114</u>	<u>-</u>
Secured creditors	<u>338,333</u>	<u>-</u>

9. CREDITORS: amounts falling due after more than one year

	1998 £	1997 £
Loans	3,501,887	-
	<u>3,501,887</u>	<u>-</u>
Secured creditors	<u>3,501,887</u>	<u>-</u>

10. BORROWINGS

	1998 £	1997 £
The company's borrowings are repayable as follows		
Up to one year and on demand	338,333	-
Between one and two years	338,333	-
Between two and five years	1,014,999	-
After five years	2,148,555	-
	<u>3,840,220</u>	<u>-</u>
Wholly repayable within five years	<u>1,691,665</u>	<u>-</u>
Included in current liabilities	<u>338,333</u>	<u>-</u>

CARRICK CARE HOMES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998****10. BORROWINGS - (continued)**

The company's borrowings consist of two long term bank loans. The interest rate for each loan is 1.75% above bank base rate. The payment terms for the loans, both of which have amounts falling due after five years, are as follows :

Loan 1 - repayable in monthly instalments of £35,278 over a period of 12 years.
Loan 2 - repayable in monthly instalments of £10,134 over a period of 10 years.

11. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1998 £	1997 £
The company's net obligations under finance leases and hire purchase contracts are repayable as follows:		
Included in current liabilities	(1,419)	-

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Not provided		Provided	
	1998 £	1997 £	1998 £	1997 £
Deferred tax is calculated at 21% analysed over the following timing differences:				
On the excess of capital allowances over depreciation	65,040	-	-	-

13. SHARE CAPITAL

	1998 £	1997 £
Authorised:		
Equity interests:		
150,000 Ordinary shares of £1 each	150,000	2
Allotted, called up and fully paid:		
Equity interests:		
150,000 Ordinary shares of £1 each	150,000	2

During the year the Company issued 149,998 Ordinary Shares of £1 for a cash consideration of £149,998.

CARRICK CARE HOMES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998****14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Profit for the financial year	263,792	-
New share capital subscribed	149,998	2
Net addition to shareholders' funds	413,790	2
Opening shareholders' funds	2	-
Closing shareholders' funds	413,792	2
Represented by:-		
Equity interests	413,792	2

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1998 £	1997 £
Returns on investments and servicing of finance		
Interest received	1,053	-
Interest paid	(282,851)	-
Net cash outflow from returns on investments and servicing of finance	(281,798)	-
Capital expenditure		
Purchase of tangible fixed assets	(4,619,127)	-
Net cash outflow from capital expenditure	(4,619,127)	-
Financing		
Issue of ordinary share capital	149,998	2
New long-term loans	3,981,345	-
Repayments of long-term loans	(141,125)	-
Repayments of capital element of hire purchase contracts	(2,837)	-
Movement in other short-term loans	(338,333)	-
Net cash inflow from financing	4,325,714	2

CARRICK CARE HOMES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998**

16. ANALYSIS OF NET DEBT

	1997	Cash flow	Other	1998
	£	£	movements	£
			£	
Cash at bank and in hand	-	71,239	-	71,239
Debt due within one year	-	(338,333)	-	(338,333)
Debt due after one year	-	(3,501,887)	-	(3,501,887)
Finance leases	-	2,837	(4,256)	(1,419)
	-	<u>(3,766,144)</u>	<u>(4,256)</u>	<u>3,770,400</u>