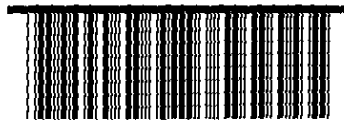




Priority Care Group Limited

Abbreviated Accounts

for the year ended 30 June 2002



SCT S5ZXMG0V 0126
COMPANIES HOUSE 18/11/02

Priority Care Group Limited

Contents

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
<i>Abbreviated balance sheet</i>	5
Cash flow statement	6
Notes to the financial statements	7 - 10



Priority Care Group Limited

Directors' report for the year ended 30 June 2002

The directors present their report and the accounts for the year ended 30 June 2002.

Principal activity and review of the business

The principal activity of the company is that of investment.

Results And Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/06/02	01/07/01 or date of appointment
Bernard Reilly	50	50
Andrew Prior	50	50
Charlotte Wilson	-	-
Arthur Bruce	-	-

The directors of the company have interests in the ordinary shares of Priority First Training Limited, a subsidiary of the company, as stated below:

	Ordinary shares	
	30/06/02	01/07/01 or date of appointment
Bernard Reilly	12	-
Andrew Prior	12	-
Charlotte Wilson	-	-
Arthur Bruce	-	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

Priority Care Group Limited

**Directors' report
for the year ended 30 June 2002**

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 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

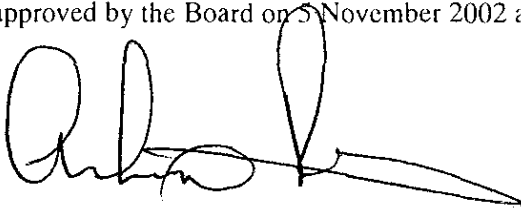
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Findlay & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

Small Company Exemption

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 5 November 2002 and signed on its behalf by

**Andrew Prior
Secretary**

A handwritten signature in black ink, appearing to read 'Andrew Prior', with a long horizontal flourish extending to the right.

**Auditors' report to Priority Care Group Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 10 together with the financial statements of *Priority Care Group Limited* for the year ended 30 June 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did 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 abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 June 2002, and the abbreviated accounts on pages 4 to 10 are properly prepared in accordance with that provision.



**Findlay & Company
Chartered Accountants and
Registered Auditor
11 Dudhope Terrace
Dundee
DD3 6TS**

5 November 2002

Priority Care Group Limited

Abbreviated profit and loss account
for the year ended 30 June 2002

	Notes	Continuing operations	
		2002	2001
		£	£
Administrative expenses		(1,176)	(496)
Loss for the year		(1,176)	(496)
Accumulated loss brought forward		(1,480)	(984)
Accumulated loss carried forward		(2,656)	(1,480)

The notes on pages 7 to 10 form an integral part of these financial statements.

Priority Care Group Limited

**Abbreviated balance sheet
as at 30 June 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Investments	3		179		103
Creditors: amounts falling due within one year	4	(2,735)		(1,483)	
Net current liabilities			(2,735)		(1,483)
Deficiency of assets			(2,556)		(1,380)
Capital and reserves					
Called up share capital	5		100		100
Profit and loss account			(2,656)		(1,480)
Equity shareholders' funds	6		(2,556)		(1,380)

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 5 November 2002 and signed on its behalf by

Bernard Reilly
Director



The notes on pages 7 to 10 form an integral part of these financial statements.

Priority Care Group Limited

**Cash flow statement
for the year ended 30 June 2002**

	Notes	2002 £	2001 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(1,176)	(496)
Increase in creditors		1,252	497
Net cash inflow from operating activities		<u>76</u>	<u>1</u>
Cash flow statement			
Net cash inflow from operating activities		76	1
Acquisitions and disposals	8	(76)	(1)
Increase in cash in the year		<u>-</u>	<u>-</u>
Reconciliation of net cash flow to movement in net funds (Note 9)			
Increase in cash in the year		-	-
Net funds at 30 June 2002		<u>-</u>	<u>-</u>

Priority Care Group Limited

Notes to the abbreviated financial statements for the year ended 30 June 2002

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention.

1.2. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.4. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

These financial statements accordingly present information about the company as an individual undertaking and not about its group.

2. Operating loss

	2002	2001
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	999	-

3. Fixed Asset Investments

	Subsidiary Undertakings Shares	Total
	£	£
Cost		
At 1 July 2001	103	103
Additions	76	76
At 30 June 2002	179	179
Net book values		
At 30 June 2002	179	179
At 30 June 2001	103	103

Priority Care Group Limited

Notes to the abbreviated financial statements for the year ended 30 June 2002

..... continued

3.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Class	% Shares held
Subsidiary undertaking				
Priority Care Limited	Scotland	Provision of homes for mentally handicapped.	Ordinary	100%
Priority Care Nursing Limited	Scotland	Provision of homes and nursing care for the elderly.	Ordinary	100%
Perth Road Properties Limited	Scotland	Property Developers	Ordinary	100%
Priority First Training Limited	Scotland	Consultancy and training services to the care industry.	Ordinary	76%
Priority Care (Northern) Limited	Scotland	Provision of homes and nursing care for the elderly.	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
	£	£
Priority Care Limited	419,034	18,250
Priority Care Nursing Limited	(161,769)	31,571
Perth Road Properties Limited	4,563	2,253
Priority First Training Limited	(124,815)	(91,932)
Priority Care (Northern) Limited	10,363	10,362

4. Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts owed to group undertakings	1,660	1,131
Directors' accounts	76	-
Accruals and deferred income	999	352
	<u>2,735</u>	<u>1,483</u>

Priority Care Group Limited

Notes to the abbreviated financial statements for the year ended 30 June 2002

..... continued

5. Share capital	2002	2001
	£	£
<i>Authorised equity</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid equity</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
6. Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Loss for the year	(1,176)	(496)
Opening shareholders' funds	<u>(1,380)</u>	<u>(884)</u>
	<u>(2,556)</u>	<u>(1,380)</u>

7. Transactions with directors

The directors of the company, Mr B. Reilly and Mr A. Prior had interest free loans during the year of £16,476 and £35,047 respectively from Priority Care Limited, a wholly owned subsidiary.

The directors have given personal guarantees of £1,130,000 each in connection with bank loans and overdrafts of companies within the Priority Care Group.

8. Gross cash flows

	2002	2001
	£	£
<i>Acquisitions and disposals</i>		
Payments on acquisition of group interests	<u>(76)</u>	<u>(1)</u>

Priority Care Group Limited

Notes to the abbreviated financial statements
for the year ended 30 June 2002

..... continued

9. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	-	-		-
Overdrafts	-	-		-
	<u>-</u>	<u>-</u>		<u>-</u>
Net funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>