

NOVAHEATH LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

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Company No. 02428421



NOVAHEATH LIMITED
REPORT OF THE DIRECTOR

The director presents his report and financial statements for the year ended 31 March 1998.

PRINCIPAL ACTIVITY

The principal activity of the company remained unchanged as those of property development and investment.

DIRECTOR AND HIS INTEREST

The director who served during the year and his beneficial interests in the company's issued ordinary share capital was as follows:-

	At 31.3.98	At 31.3.97
S. Walsh	1	52

CLOSE COMPANY PROVISIONS

So far as the director is aware the company was, at the end of the accounting period, a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

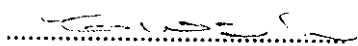
The auditors, Messrs Gepsons, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

The director has taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board

8 July 1998


Secretary : C Walsh

NOVAHEATH LIMITED
STATEMENT OF 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF NOVAHEATH LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention as modified by the revaluation of fixed assets and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgement 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

8 July 1998



Gephons
Registered Auditor
Wembley

NOVAHEATH LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 MARCH 1998

Note	1998 £	1997 £
2. Turnover - continuing operations	110673	98590
3. Other operating income	9068	2214
Operating expenses	(35491)	(14783)
4. Operating profit - continuing operations	<u>84250</u>	<u>86021</u>
Tax on profit on ordinary activities	17746	20600
Profit for the financial year	<u>66504</u>	<u>65421</u>
Dividends	137500	-
	<u>(70996)</u>	<u>65421</u>
Retained profit brought forward	137811	72390
Retained profit carried forward	<u>£66815</u>	<u>£137811</u>
	<u>=====</u>	<u>=====</u>

NOVAHEATH LIMITED
BALANCE SHEET AS AT 31 MARCH 1998

Note		1998	1997
	FIXED ASSET		
5.	Tangible asset	865000	875000
	CURRENT ASSETS		
	Debtors	17334	24141
	Cash at bank and in hand	66976	140300
		<u>84310</u>	<u>164441</u>
	CREDITORS		
6.	amounts falling due within one year	757691	766826
		<u>(673381)</u>	<u>(602385)</u>
	NET ASSETS	<u>£191619</u>	<u>£272615</u>
		=====	=====
	CAPITAL AND RESERVES		
9.	Called up share capital	100	100
10.	Revaluation reserve	124704	134704
10.	Profit and loss account	66815	137811
		<u>£191619</u>	<u>£272615</u>
		=====	=====

The director has taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the basis that the company is entitled to the benefit of those exemptions as a small company.


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Director: S. Walsh

8 July 1998

NOVAHEATH LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold property.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement.

1.2 Depreciation

Freehold property held as an investment property is not depreciated. This is contrary to the requirement of the Companies Act 1985 which requires to charge depreciation on all fixed assets. No depreciation is charged on investment property in order to show a true and fair view which is an overriding requirement and in compliance with Statement of Standard Accounting Practice No. 19.

1.3 Deferred taxation

Deferred taxation is provided using the liability method only to the extent that it is considered, with reasonable probability, that a liability will become payable within the foreseeable future.

2. TURNOVER

Turnover represents gross rents and service charges receivable from third parties.

3. OTHER OPERATING INCOME

	1998	1997
Interest received	£9068	£2214
	===	===

4. OPERATING PROFIT

	1998	1997
Stated after charging:		
Auditors remuneration	£900	£900
	===	===

NOVAHEATH LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 1998

5. TANGIBLE FIXED ASSET

	Freehold property	Total
Cost or valuation		
At 1 April 1997	875000	875000
Deficit on revaluation	(10000)	(10000)
At 31 March 1998	<u>£865000</u>	<u>£865000</u>
	=====	=====

No depreciation is provided on freehold building as the property is regarded as an investment property.

The freehold property was valued at its open market value for existing use in May 1998 by Land & Co, Surveyors.

On the historical cost basis, the freehold property would have been included as follows:

Cost

At 1 April 1997 and 31 March 1998	<u>£740296</u>
	=====

6. CREDITORS: Amounts falling due within one year

	1998	1997
Creditors and accruals	35141	28873
Corporation tax	17692	20595
Amounts due to related companies	704858	717358
	<u>£757691</u>	<u>£766826</u>
	=====	=====

7. STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1998	1997
Profit for the financial year	66504	65421
Unrealised (deficit) surplus on freehold property revaluation	(10000)	134704
Total recognised gains for the year	<u>£56504</u>	<u>£200125</u>
	=====	=====

NOVAHEATH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

8. DEFERRED TAXATION

There is no liability to deferred tax in respect of potential capital gains tax on the sale of freehold property at its revalued amount due to the availability of indexation allowance.

9. SHARE CAPITAL

	1998	1997
Authorised		
Ordinary shares of £1 each	£1000	£1000
	===	===
Issued and fully paid		
Ordinary shares of £1 each	£100	£100
	===	===

10. RESERVES

	Revaluation reserve	Profit and loss account
At 1 April 1997	134704	137811
Profit for the financial year	-	66504
Dividend		(137500)
(Deficit) on freehold revaluation	(10000)	-
At 31 March 1998	£124704	£66815
	=====	=====

11. SHAREHOLDERS FUNDS

	1998	1997
At 1 April 1997	272615	72490
Profit for the financial year	66504	65421
(Deficit) surplus on freehold revaluation	(10000)	134704
Dividend	(137500)	-
At 31 March 1998	£191619	£272615
	=====	=====

NOVAHEATH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

12. RELATED PARTY TRANSACTIONS

At 31 March 1998 the company owed £703867 and £991 to S & W (Holdings) Limited and Faulthurst Limited respectively, which companies are controlled by the company's director. No interest has been charged by either S & W (Holdings) Limited and Faulthurst Limited on the outstanding amounts.

13. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1998.