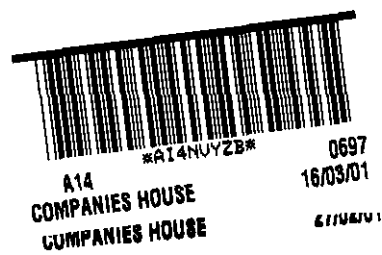


GOLFHILL LIMITED  
FINANCIAL STATEMENTS

31 JULY 2000

Registered number: 3043921

MARK WARD & CO  
ACCOUNTANTS & BUSINESS ADVISERS



GOLFHILL LIMITED  
FINANCIAL STATEMENTS  
for the period ended 31 July 2000

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The following page does not form part of the statutory accounts

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GOLFHILL LIMITED  
COMPANY INFORMATION  
31 July 2000

|                   |                                                                                                      |
|-------------------|------------------------------------------------------------------------------------------------------|
| INCORPORATED      | in England on 10 April 1995                                                                          |
| NUMBER            | 3043921                                                                                              |
| DIRECTORS         | Mrs E A R Hunter<br>C J Hunter                                                                       |
| SECRETARY         | C J Hunter                                                                                           |
| REGISTERED OFFICE | 50 The Terrace<br>Torquay<br>Devon                                                                   |
| BANKERS           | NatWest bank Plc<br>59 High Street<br>Exeter<br>Devon                                                |
| SOLICITORS        | Boyce Hatton Solicitors<br>12 Tor Hill Road<br>Castle Circus<br>Torquay<br>Devon                     |
| ACCOUNTANTS       | Mark Ward & Co<br>Accountants & Business Advisers<br>Cranford<br>Willoughby Road<br>Torquay<br>Devon |

GOLFHILL LIMITED  
DIRECTORS' REPORT  
31 July 2000

The directors present their report and the financial statements for the period ended 31 July 2000.

**Principal activity**

The principal activity of the company was the running of The Three Corners Nursing Home.

**Directors**

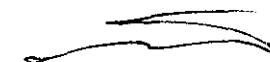
The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

|                  | 31 July 2000<br>Ordinary<br>shares | 1 May 1999<br>Ordinary<br>shares |
|------------------|------------------------------------|----------------------------------|
| Mrs E A R Hunter | 50                                 | 50                               |
| C J Hunter       | 50                                 | 50                               |

**Small company exemptions**

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

On behalf of the board



C J Hunter  
Secretary

Date: 26 February 2001

## GOLFHILL LIMITED

## PROFIT AND LOSS ACCOUNT

for the period ended 31 July 2000

|                                                  | Note | 2000<br>£              | 1999<br>£             |
|--------------------------------------------------|------|------------------------|-----------------------|
| Turnover                                         | 2    | 554,828                | 445,337               |
| Cost of sales                                    |      | <u>(354,799)</u>       | <u>(288,652)</u>      |
| Gross profit                                     |      | 200,029                | 156,685               |
| Net operating expenses                           |      |                        |                       |
| Administrative expenses                          |      | <u>(111,442)</u>       | <u>(80,908)</u>       |
| Operating profit                                 | 3    | 88,587                 | 75,777                |
| Interest payable                                 | 5    | <u>(84,295)</u>        | <u>(67,279)</u>       |
| Profit on ordinary activities<br>before taxation |      | 4,292                  | 8,498                 |
| Taxation                                         | 6    | <u>(1,345)</u>         | <u>(2,474)</u>        |
| Profit on ordinary activities<br>after taxation  |      | 2,947                  | 6,024                 |
| Dividends                                        | 7    | <u>(15,000)</u>        | <u>(15,000)</u>       |
| Retained loss for the period                     | 15   | <u><u>(12,053)</u></u> | <u><u>(8,976)</u></u> |

Movements in reserves are shown in note 15.

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

There were no recognised gains and losses in 2000 or 1999 other than the loss for the period.

## GOLFHILL LIMITED

## BALANCE SHEET

at 31 July 2000

|                                                         | Note | £         | 2000<br>£        | £                | 1999<br>£      |
|---------------------------------------------------------|------|-----------|------------------|------------------|----------------|
| <b>Fixed assets</b>                                     |      |           |                  |                  |                |
| Intangible assets                                       | 8    |           | 85,000           |                  | 90,000         |
| Tangible assets                                         | 9    |           | 753,189          |                  | 755,996        |
|                                                         |      |           | <u>838,189</u>   |                  | <u>845,996</u> |
| <b>Current assets</b>                                   |      |           |                  |                  |                |
| Debtors                                                 | 10   | 1,533     |                  | 1,088            |                |
|                                                         |      |           | <u>1,533</u>     | <u>1,088</u>     |                |
| Creditors: amounts falling due within one year          | 11   | (164,847) |                  | (130,279)        |                |
| <b>Net current liabilities</b>                          |      |           | <u>(163,314)</u> | <u>(129,191)</u> |                |
| <b>Total assets less current liabilities</b>            |      |           | <u>674,875</u>   | <u>716,805</u>   |                |
| Creditors: amounts falling due after more than one year | 12   |           | (670,480)        |                  | (700,357)      |
|                                                         |      |           | <u>4,395</u>     | <u>16,448</u>    |                |
| <b>Capital and reserves</b>                             |      |           |                  |                  |                |
| Called up share capital                                 | 14   |           | 100              |                  | 100            |
| Profit and loss account                                 | 15   |           | 4,295            |                  | 16,348         |
| <b>Total shareholders' funds</b>                        | 13   |           | <u>4,395</u>     | <u>16,448</u>    |                |

continued on page 4a

## GOLFHILL LIMITED

BALANCE SHEET  
(continued)

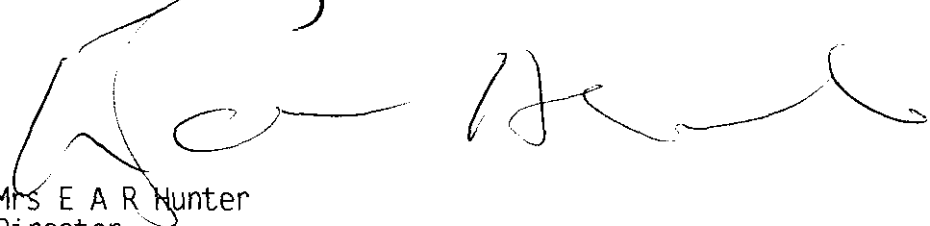
at 31 July 2000

The directors consider that for the period ended 31 July 2000 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial period under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 3 to 9 were approved by the board of directors on *26 February 2001* and signed on its behalf by:



Mrs E A R Hunter  
Director

## GOLFHILL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 July 2000

**1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

**Turnover**

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

**Intangible fixed assets**

Goodwill represents the difference between the fair value of the consideration paid on acquisition of a business and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over its estimated useful life of Amortised at 5% per annum.

**Tangible fixed assets**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

|                       |                                 |
|-----------------------|---------------------------------|
| Freehold land         |                                 |
| Freehold buildings    | None                            |
| Motor vehicles        | 25% per annum of net book value |
| Fixtures and fittings | 15% per annum of net book value |

**Leases and hire purchase contracts**

Rentals paid under operating leases are charged to income as incurred.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**2 Turnover**

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1999 nil).

## GOLFHILL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 July 2000

## 3 Operating profit

|                                                 | 2000<br>£ | 1999<br>£ |
|-------------------------------------------------|-----------|-----------|
| Operating profit is stated after charging:      |           |           |
| Operating leases:                               |           |           |
| Equipment hire                                  | 14,300    | 5,837     |
| Depreciation of tangible fixed assets (note 9): |           |           |
| Owned assets                                    | 8,488     | 9,657     |
| Leased assets                                   | 1,803     | -         |
| Amortisation of intangible fixed assets         | 5,000     | 5,000     |
|                                                 | 15,291    | 14,657    |

## 4 Directors

|                       | 2000<br>£ | 1999<br>£ |
|-----------------------|-----------|-----------|
| Directors' emoluments | 5,400     | -         |

## 5 Interest payable

|                                           | 2000<br>£ | 1999<br>£ |
|-------------------------------------------|-----------|-----------|
| Finance lease and hire purchase contracts | 1,505     | -         |
| Other interest payable                    | 82,790    | 67,279    |
|                                           | 84,295    | 67,279    |

## 6 Taxation

|                                                                    | 2000<br>£ | 1999<br>£ |
|--------------------------------------------------------------------|-----------|-----------|
| Corporation tax on profit on ordinary activities at 20% (1999 20%) | 1,345     | 2,390     |
| Under provision in earlier years                                   | -         | 84        |
|                                                                    | 1,345     | 2,474     |

## 7 Dividends

|                         | 2000<br>£ | 1999<br>£ |
|-------------------------|-----------|-----------|
| Equity - ordinary/final | 15,000    | 15,000    |

## NOTES ON FINANCIAL STATEMENTS

31 July 2000

## 8 Intangible fixed assets

|                                   | Goodwill<br>£        |
|-----------------------------------|----------------------|
| <b>Cost</b>                       |                      |
| 1 May 1999 and at<br>31 July 2000 | <u>100,000</u>       |
| <b>Amortisation</b>               |                      |
| 1 May 1999                        | 10,000               |
| Charge for the period             | <u>5,000</u>         |
| 31 July 2000                      | <u>15,000</u>        |
| <b>Net book amount</b>            |                      |
| 31 July 2000                      | <u><u>85,000</u></u> |
| 1 May 1999                        | <u><u>90,000</u></u> |

## 9 Tangible fixed assets

|                          | Motor<br>Vehicles<br>£ | Fixtures<br>and<br>Fittings<br>£ | Land<br>and<br>Buildings<br>£ | Total<br>£            |
|--------------------------|------------------------|----------------------------------|-------------------------------|-----------------------|
| <b>Cost</b>              |                        |                                  |                               |                       |
| 1 May 1999               | 21,084                 | 60,602                           | 709,181                       | 790,867               |
| Additions                | <u>-</u>               | <u>7,484</u>                     | <u>-</u>                      | <u>7,484</u>          |
| 31 July 2000             | <u>21,084</u>          | <u>68,086</u>                    | <u>709,181</u>                | <u>798,351</u>        |
| <b>Depreciation</b>      |                        |                                  |                               |                       |
| 1 May 1999               | 12,189                 | 22,682                           | -                             | 34,871                |
| Charge for the<br>period | <u>2,233</u>           | <u>8,058</u>                     | <u>-</u>                      | <u>10,291</u>         |
| 31 July 2000             | <u>14,422</u>          | <u>30,740</u>                    | <u>-</u>                      | <u>45,162</u>         |
| <b>Net book amount</b>   |                        |                                  |                               |                       |
| 31 July 2000             | <u><u>6,662</u></u>    | <u><u>37,346</u></u>             | <u><u>709,181</u></u>         | <u><u>753,189</u></u> |
| 1 May 1999               | <u><u>8,895</u></u>    | <u><u>37,920</u></u>             | <u><u>709,181</u></u>         | <u><u>755,996</u></u> |

## GOLF HILL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 July 2000

## 9 Tangible fixed assets(cont)

The net book value of fixed assets includes £1,897 (1999 £0) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shpwn in note 3.

## 10 Debtors

|                                            | 2000<br>£ | 1999<br>£ |
|--------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year</b> |           |           |
| Prepayments                                | 1,533     | 1,088     |

## 11 Creditors: amounts falling due within one year

|                                    | 2000<br>£ | 1999<br>£ |
|------------------------------------|-----------|-----------|
| Bank loans and overdrafts          | 98,532    | 95,737    |
| Trade creditors                    | 8,978     | 8,397     |
| Corporation tax                    | 1,345     | 2,545     |
| Other taxation and social security | 12,026    | 4,741     |
| Other creditors                    | 43,966    | 18,859    |
|                                    | 164,847   | 130,279   |

## 12 Creditors: amounts falling due after more than one year

|                                                                       | 2000<br>£ | 1999<br>£ |
|-----------------------------------------------------------------------|-----------|-----------|
| Bank loans                                                            | 668,583   | 700,357   |
| <b>Maturity of debt included above</b>                                |           |           |
| In one year or less, or on demand                                     | 25,200    | 14,600    |
| In one year but not more than two years                               | 25,200    | 25,200    |
| In two years but not more than five years                             | 100,800   | 100,800   |
| In more than five years                                               | 542,583   | 574,357   |
|                                                                       | 693,783   | 714,957   |
| <b>Creditors other than finance lease and hire purchase contracts</b> |           |           |
| Amounts falling due after more than five years                        | 542,583   | 574,357   |

## GOLFHILL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 July 2000

## 13 Reconciliation of movements in shareholders' funds

|                                             | 2000<br>£ | 1999<br>£ |
|---------------------------------------------|-----------|-----------|
| Profit for the financial period             | 2,947     | 6,024     |
| Dividends                                   | (15,000)  | (15,000)  |
| Net subtraction from<br>shareholders' funds | (12,053)  | (8,976)   |
| Opening shareholders' funds                 | 16,448    | 25,424    |
| Closing shareholders' funds                 | 4,395     | 16,448    |

## 14 Called up share capital

|                                       | 2000                |     | 1999                |     |
|---------------------------------------|---------------------|-----|---------------------|-----|
|                                       | Number of<br>shares | £   | Number of<br>shares | £   |
| Authorised                            |                     |     |                     |     |
| £1 Ordinary shares                    | 100                 | 100 | 100                 | 100 |
| Allotted, called up<br>and fully paid |                     |     |                     |     |
| £1 Ordinary shares                    | 100                 | 100 | 100                 | 100 |

## 15 Profit and loss account

|                              | 2000<br>£ |
|------------------------------|-----------|
| 1 May 1999                   | 16,348    |
| Retained loss for the period | (12,053)  |
| 31 July 2000                 | 4,295     |