COMPANY REGISTRATION NUMBER 3661313

WEST COUNTRY CARE LIMITED

FINANCIAL STATEMENTS

FOR

29th FEBRUARY 2004

McGILLS
Chartered Accountants
Oakley House,
Tetbury Road,
Cirencester,
Glos.
GL7 1US





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WEST COUNTRY CARE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 29th FEBRUARY 2004

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WEST COUNTRY CARE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 29th FEBRUARY 2004

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 29th February 2004.

PRINCIPAL ACTIVITIES
The principal activity of the company during the year was the provision of residential care.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 29 February 2004	At 1 March 2003
Mrs J A Brown	Ordinary	99	1
	'A' Non - voting	100	–
Mr C P Middup	Ordinary	99	1
	'B' Non - voting	100	–

SMALL COMPANY PROVISIONS
This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Oakley House
Tetbury Road
Cirencester
Gloucestershire
GL7 1US

Signed by order of the directors

D W Gillespie
Company Secretary

Approved by the directors on 24.6.04

WEST COUNTRY CARE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 29th FEBRUARY 2004

	Note	2004 £	2003 £
TURNOVER		430,161	385,575
Cost of sales		214,922	196,714
GROSS PROFIT		215,239	188,861
Administrative expenses		77,370	82,957
Other operating income	2	(2,517)	–
OPERATING PROFIT	3	140,386	105,904
Interest receivable		295	535
Interest payable and similar charges		(8,695)	(14,819)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		131,986	91,620
Tax on profit on ordinary activities		24,594	18,428
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		107,392	73,192
Equity dividends paid		20,000	–
RETAINED PROFIT FOR THE FINANCIAL YEAR		87,392	73,192
Balance brought forward		202,082	128,890
Balance carried forward		289,474	202,082

WEST COUNTRY CARE LIMITED

BALANCE SHEET

29th FEBRUARY 2004

	Note	2004 £	£	2003 £	£
FIXED ASSETS					
Intangible assets	4		–		200
Tangible assets	5		605,969		614,699
			605,969		614,899
CURRENT ASSETS					
Debtors	6	23,163		7,004	
Cash at bank and in hand		140,751		88,650	
		163,914		95,654	
CREDITORS: Amounts falling due within one year	7	61,053		79,465	
NET CURRENT ASSETS			102,861		16,189
TOTAL ASSETS LESS CURRENT LIABILITIES			708,830		631,088
CREDITORS: Amounts falling due after more than one year	8		133,122		143,168
			575,708		487,920

The Balance sheet continues on the following page.

The notes on pages 5 to 9 form part of these financial statements.

WEST COUNTRY CARE LIMITED

BALANCE SHEET *(continued)*

29th FEBRUARY 2004

	Note	2004 £	2003 £
CAPITAL AND RESERVES			
Called-up equity share capital	10	398	2
Revaluation reserve		285,836	285,836
Profit and loss account		289,474	202,082
SHAREHOLDERS' FUNDS		575,708	487,920

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

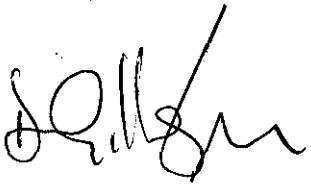
(i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and

(ii) 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 year and of its profit or loss for the financial year 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 have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 24.6.04 and are signed on their behalf by:

D W Gillespie
Director



WEST COUNTRY CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29th FEBRUARY 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	20% on cost

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% on cost
Fixtures & Fittings	-	20% on reducing balance
Motor Vehicles	-	25% on cost
Computer Equipment	-	33% on cost

WEST COUNTRY CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29th FEBRUARY 2004

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OTHER OPERATING INCOME

	2004	2003
	£	£
Other operating income	2,517	–

3. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Directors' emoluments	13,000	13,000
Amortisation	200	200
Depreciation of owned fixed assets	12,329	12,922
Loss on disposal of fixed assets	350	–

WEST COUNTRY CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29th FEBRUARY 2004

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st March 2003 and 29th February 2004	**1,000**
AMORTISATION	
At 1st March 2003	800
Charge for the year	200
At 29th February 2004	**1,000**
NET BOOK VALUE	
At 29th February 2004	–
At 28th February 2003	200

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 March 2003	613,659	46,652	8,300	1,349	669,960
Additions	–	7,199	–	–	7,199
Disposals	–	–	(8,300)	–	(8,300)
At 29 February 2004	**613,659**	**53,851**	**–**	**1,349**	**668,859**
DEPRECIATION					
At 1 March 2003	26,771	22,442	4,700	1,348	55,261
Charge for the year	6,556	5,773	–	–	12,329
On disposals	–	–	(4,700)	–	(4,700)
At 29 February 2004	**33,327**	**28,215**	**–**	**1,348**	**62,890**
NET BOOK VALUE					
At 29 February 2004	**580,332**	**25,636**	**–**	**1**	**605,969**
At 28 February 2003	586,888	24,210	3,600	1	614,699

During the year ended 28 February 2001 the directors' revalued the company's freehold property on the basis of existing use value. This valuation is not materially different to open market value.

WEST COUNTRY CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29th FEBRUARY 2004

5. TANGIBLE FIXED ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2004	2003
	£	£
Net book value at end of year	**580,332**	586,888
Historical cost	**327,823**	327,823
Depreciation:		
At 1 March 2003	**26,771**	20,215
Charge for year	**6,556**	6,556
At 29 February 2004	**33,327**	26,771
Net historical cost value:		
At 29 February 2004	**294,496**	301,052
At 1 March 2003	**301,052**	307,608

6. DEBTORS

	2004	2003
	£	£
Trade debtors	**21,512**	5,916
Other debtors	**1,651**	1,088
	23,163	7,004

7. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	**8,000**	8,000
Trade creditors	**3,846**	2,473
Corporation tax	**25,335**	18,429
Other taxation and social security	**3,764**	3,891
Other creditors	**20,108**	46,672
	61,053	79,465

Included in other creditors are directors' loans amounting to £1,463 (2003 £38,553).

8. CREDITORS: Amounts falling due after more than one year

	2004	2003
	£	£
Bank loans and overdrafts	**133,122**	143,168

WEST COUNTRY CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29th FEBRUARY 2004

9. RELATED PARTY TRANSACTIONS

The company was under the control of Mrs J A Brown and Mr C P Middup throughout the current and previous year.

Included within Creditors: amounts falling due within one year are amounts owed to the directors in respect of a loan made by them to the Company. The amounts owed to each director at the year end were:

	2004	2003
	£	£
Mrs J Brown	731.48	19276.43
Mr C Middup	731.48	19276.43

10. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000
250 Ordinary "A" Non-voting shares of £1 each	250	–
250 Ordinary "B" Non-voting shares of £1 each	250	–
	1,500	1,000

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	198	198	2	2
Ordinary "A" Non-voting shares of £1 each	100	100	–	–
Ordinary "B" Non-voting shares of £1 each	100	100	–	–
	398	398	2	2