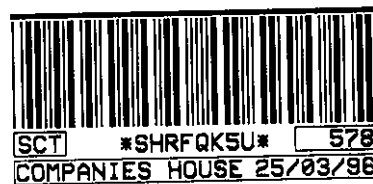


MUIRFIELD NURSING HOME LIMITED

COMPANY NUMBER: SC106708

ANNUAL REPORT
FOR THE YEAR ENDED 30 APRIL 1997



✓
Springfords
CHARTERED ACCOUNTANTS



MUIRFIELD NURSING HOME LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 1995

The directors present their report and audited financial statements for the year ended 30 April 1995.

RESULTS AND DIVIDENDS

The net profit after taxation for the year was £86,855 (1994 £63,305). The Directors recommended and paid a final dividend of £50,000 leaving a retained profit of £36,855 to be transferred to reserves.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company, continuing without significant change during the period, consisted of the operating of a private nursing home

The company continued to grow profitably during the year and despite the recessionary conditions prevailing, the directors are confident that the growth can be maintained in the current financial year,

FIXED ASSETS

All movements in the Fixed Assets of the company during the period are shown in the notes to the accounts.

The Directors are of the opinion that the market value of land and buildings is not materially different from the valuation incorporated in the accounts.

TAXATION STATUS

The Company is a Close Company within the meaning of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

DIRECTORS AND THEIR INTERESTS

The following were directors of the company during the period. Their interests in the share capital of the Company were as follows:-

	30 April 1995 Ordinary shares	1 May 1994 Ordinary shares
J M Wilkie (resigned 4 October 1994)	-	300
J M Wilkie BA CA	200	200
K Gillies RGN	-	-
C B Wilkie (appointed 25 October 1994)	200	-

MUIRFIELD NURSING HOME LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 1995

ACQUISITION OF OWN SHARES

In accordance with S162 of the Companies Act 1985 the company purchased 50% of the ordinary share capital for £363,500. On 1 October 300 shares were bought and on 31 October 100 shares were bought at a price of £908.75.

STATEMENT OF 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 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 judgement 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 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

A resolution to re-appoint the auditors, James Perman & Company will be proposed at the Annual General Meeting.

By Order of the Board.



J M Wilkie
Company Secretary

25 October 1995

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF MUIRFIELD NURSING HOME LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historic cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described in the Directors' Report on page 2 the company's directors are responsible for the preparation of 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 judgements made by the directors 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.

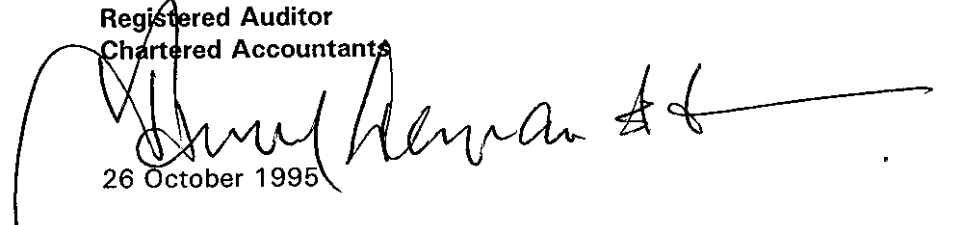
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. 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 30 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**James Perman & Company
Registered Auditor
Chartered Accountants**

**3 Bath Street
Largs
Ayrshire
KA30 8BL**



26 October 1995

MUIRFIELD NURSING HOME LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 1995

	Notes	1995 £	1994 £
Turnover	2	669,487	604,108
Cost of Sales		<u>(36,991)</u>	<u>(35,888)</u>
Gross profit		632,496	568,220
Administrative Expenses		(457,852)	(472,292)
Other Operating Income		<u>1,279</u>	<u>-</u>
Operating profit	3	175,923	95,928
Interest Payable	6	<u>(62,940)</u>	<u>(10,401)</u>
Profit on ordinary activities before Taxation		112,983	85,527
Taxation	7	<u>(26,128)</u>	<u>(22,222)</u>
Profit on ordinary activities after Taxation		86,855	63,305
Dividends	8	(50,000)	(70,000)
Retained Profit for the Year	17	<u><u>36,855</u></u>	<u><u>(6,695)</u></u>

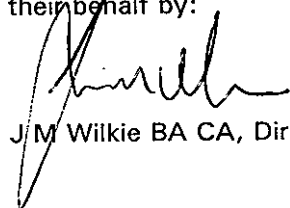
MUIRFIELD NURSING HOME LIMITED

BALANCE SHEET

AS AT 30 APRIL 1995

	Note	£	1995 £	1994 £
FIXED ASSETS				
Tangible Assets	9		1,009,596	334,891
CURRENT ASSETS				
Stock	10		1,200	1,200
Debtors	11		43,479	71,903
			<u>44,679</u>	<u>73,103</u>
CREDITORS:				
Amounts falling due within one year	12		(268,947)	(152,530)
NET CURRENT LIABILITIES			<u>(224,268)</u>	<u>(79,427)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>785,328</u>	<u>255,464</u>
CREDITORS:				
Amounts falling due after more than one year	13		(399,998)	-
			<u>385,330</u>	<u>255,464</u>
CAPITAL & RESERVES				
Share Capital	14		400	800
Revaluation reserve	15		376,910	-
Profit and Loss Account	16		8,020	254,664
			<u>385,330</u>	<u>255,464</u>

The financial statements were approved by the Board of Directors on 25 October 1995 and signed on their behalf by:



J M Wilkie BA CA, Director

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 1995

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below:

Accounting Conventions:

The financial statements have been prepared under the historical cost convention except for freehold property which is stated at valuation. Profits or losses arising on the disposal of items at valuation are determined by reference to the difference between the valuation and the sale proceeds.

Tangible Fixed Assets:

Fixed assets are shown at cost, together with any incidental costs of acquisition.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life using the percentage rates and methods shown below:-

Freehold land and buildings	Nil
Leasehold land and buildings	25% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance

The company adopts a policy to maintain its properties to a high standard and their useful economic lives and residual values are such that depreciation would not be material.

Stock:

Stocks are valued at the lower of cost or net realisable value. Cost includes all costs to bring the product to its present state. Net realisable value represents the selling price of the product less any estimated costs to completion. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash Flow Statement:

The Company is entitled to the exemptions for small Companies under section 246 of the Companies Act 1985. Accordingly, no cash flow statement has been prepared.

2 TURNOVER

Turnover is derived from the provision of goods and services in the United Kingdom and is stated net of Value Added Tax. All turnover was derived from continuing activities.

MUIRFIELD NURSING HOME LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 1995

3 OPERATING PROFIT

	1995 £	1994 £
This is stated after crediting:		
Profit on sale of assets	-	1,677
and after charging		
Directors' remuneration	20,595	27,225
Auditors' remuneration	1,173	1,195
Depreciation: owned assets	7,267	9,977

4 DIRECTORS EMOLUMENTS

	1995 £	1994 £
The Directors emoluments (including pension contributions) comprise:-		
Remuneration as executives	20,595	27,225

5 STAFF COSTS

	1995 £	1994 £
Wages & Salaries	254,561	298,368
Social Security Costs	83,326	29,508
	337,887	327,876

The average number of persons (including executive directors) employed by the company was as follows:-

	1995	1994
Office and management	2	2
Service	48	35
	50	37

6 INTEREST PAYABLE

	1995 £	1994 £
Bank interest and charges	34,656	9,757
Bank loan interest	2,596	-
Other loan interest	25,688	644
	62,940	10,401

MUIRFIELD NURSING HOME LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 1995

7 TAXATION

The charge to taxation based on profits for the period comprises:

	1995 £	1994 £
UK Corporation Tax at 25% (1994 25%)	28,554	21,402
	<u>28,554</u>	<u>21,402</u>
(Over)/under provision in earlier years	(2,426)	820
	<u>26,128</u>	<u>22,222</u>

Deferred Tax unprovided in respect of revaluation of heritable property is £115,000 (1994 - nil).

8 DIVIDENDS

	1995 £	1994 £
Final £125.00 per share (1994 £87.50)	<u>50,000</u>	<u>70,000</u>

9 TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost				
1 May 1994	7,756	29,003	360,146	396,905
Additions	-	2,932	293,490	2,932
Disposals	-	-	(15,000)	(15,000)
Revaluation	-	-	456,510	750,000
	<u>7,756</u>	<u>31,935</u>	<u>1,095,146</u>	<u>1,134,837</u>
30 April 1995				
Aggregate Depreciation				
1 May 1994	3,394	23,022	35,600	62,016
Charge for year	2,234	2,250	2,783	7,267
	<u>5,628</u>	<u>25,272</u>	<u>38,383</u>	<u>69,283</u>
30 April 1995				
Net Book Value				
30 April 1995	<u>2,130</u>	<u>6,663</u>	<u>1,000,803</u>	<u>1,009,596</u>
1 May 1994	<u>4,364</u>	<u>5,981</u>	<u>324,546</u>	<u>334,891</u>

As stated in note 1 the company adopts a policy to maintain its properties to a high standard. The directors are therefore of the opinion the useful economic lives and residual values of the properties are such that depreciation would not be material.

MUIRFIELD NURSING HOME LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 1995

10 STOCKS

	1995 £	1994 £
Consumables	1,200	1,200
	<u>1,200</u>	<u>1,200</u>

11 DEBTORS

	1995 £	1994 £
Trade debtors	6,797	-
Other debtors	36,277	31,993
Prepayments and accrued income	405	39,910
	<u>43,479</u>	<u>71,903</u>

All debtors are recoverable within one year.

12 CREDITORS: amounts falling due within one year

	1995 £	1994 £
Bank loans	66,668	-
Bank overdraft	136,985	138,193
Corporation tax	41,053	-
Other taxation and social security	-	7,100
Directors loan	1,350	-
Accruals and deferred income	22,891	7,237
	<u>268,947</u>	<u>152,530</u>

The bank overdraft and loan are secured by a first charge over the properties at Main Street, Gullane and Marine Parade North Berwick and a floating charge over the assets of the company.

The bank loan is repayable in net quarterly instalments of £16,667 with an applied interest rate equivalent to 2.5% per annum above current LIBOR rate.

The directors loan is unsecured, interest free and there are no specific terms of repayment.

MUIRFIELD NURSING HOME LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 1995

13 CREDITORS: amounts falling due after more than one year

	1995 £	1994 £
Bank loans	399,998	-
	<u>399,998</u>	<u>-</u>

Bank loans are repayable as follows:

Not wholly repayable within five years:

repayable by instalments

- within five years

- in more than five years

333,340	-
133,326	-
<u>466,666</u>	<u>-</u>

14 SHARE CAPITAL

	Authorised		Allotted, Called Up & Fully Paid	
	1995 No	1994 No	1995 £	1994 £
Equity shares				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>400</u>	<u>800</u>

On 1 October the company purchased 300 ordinary shares and on 31 October 100 ordinary shares, of its own shares at a price of £908.75 per share.

15 REVALUATION RESERVE

	1995 £
As at 1 May 1994	-
Revaluation of property	456,910
Buy back of own shares	<u>(80,000)</u>
30 April 1995	<u>376,910</u>

MUIRFIELD NURSING HOME LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 1995

16 PROFIT AND LOSS ACCOUNT

	1995 £	1994 £
As at 1 May 1994	254,664	261,359
Retained profit for the year	36,855	(6,695)
Purchase of own shares	(283,099)	-
Transfer to capital redemption reserve	(400)	-
As at 30 April 1995	<u>8,020</u>	<u>254,664</u>

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit on ordinary activities after taxation	86,855	63,305
Dividends	(50,000)	(70,000)
Revaluation in year	456,511	
Purchase of own shares	(363,500)	
	<u>129,866</u>	<u>(6,695)</u>
Opening shareholders' funds	255,464	262,159
Closing shareholders' funds	<u>385,330</u>	<u>255,464</u>

18 CAPITAL COMMITMENTS

There were no capital commitments either contracted for or authorised but not contracted for (1994 £Nil).

MUIRFIELD NURSING HOME LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 1995

	1995 £	1994 £
Turnover		
Sales	669,487	604,108
Cost of Sales		
Opening stock	1,200	1,200
Direct costs	36,991	35,888
Closing stock	(1,200)	(1,200)
	<u>36,991</u>	<u>35,888</u>
GROSS PROFIT	632,496	568,220
Other Operating Income		
Sundry income	1,279	-
	<u>633,775</u>	<u>568,220</u>
Other		
Wages & salaries	254,561	298,368
National insurance	83,326	29,508
staff expenses	325	-
Directors' remuneration	20,595	27,225
Rent	25,000	50,000
Rates	-	382
Insurance	3,110	3,023
Heat & Light	12,953	15,757
Key Man insurance	253	131
Telephone	1,085	934
Postage stationery & advertising	2,453	2,757
Motor expenses	1,159	845
Repairs & renewals	19,383	21,045
Cleaning and medical	9,765	6,654
Patients disbursements	(898)	863
General expenses	3,749	2,575
Licenses	-	980
Bank interest and charges	34,656	9,757
Bank loan interest	28,284	644
Leasing charges	-	866
Professional fees	12,593	884
Auditors' remuneration	1,173	1,195
Depreciation leasehold improvements	2,783	6,528
Depreciation motor vehicles	2,234	1,455
Depreciation fixtures and fittings	2,250	1,994
(Profit)/loss on sale of motor vehicles	-	(1,677)
	<u>520,792</u>	<u>482,693</u>
NET PROFIT FOR THE YEAR	112,983	85,527