

BETTERCARE (LINCOLN) LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 29TH FEBRUARY 1996

The Directors present their report and the accounts for the period ended 29th February 1996.

Statement of Directors Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the accounts 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 accounts 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.

Principal Activities and Review of Business

The Company's principal activity is that of rental of investment properties.

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

Dividends

The Directors do not recommend a dividend for the period and the retained losses of £230 will be deducted from reserves.

Fixed Assets

Details of movements in fixed assets are set out in Note 6 to the accounts.

Directors

The Directors who served during the period and their beneficial interest in the Company's issued ordinary share capital were:

|   | <u>Number of Shares</u> |
|---|-------------------------|
|   | <u>1996</u>             |
| London Law Services Limited<br>(resigned 28.2.95) | -                       |
| P.A. Lynch  | 99                      |
| J.M. Lynch  | 1                       |
| Revd. D.J. Baker                                  | -                       |
| G.M. Baker  | -                       |
|   | <u>==</u>               |



BETTERCARE (LINCOLN) LIMITED

DIRECTORS REPORT FOR THE PERIOD ENDED 29TH FEBRUARY 1996

This report was approved by the Board on 9th December 1996.

Signed on behalf of the Board of Directors.

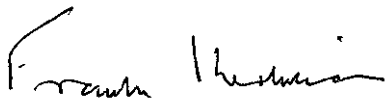
A handwritten signature in dark ink, appearing to read 'J.M. Lynch'. The signature is written in a cursive style with a large initial 'J' and 'M'.

J.M. LYNCH  
SECRETARY

BETTERCARE (LINCOLN) LIMITED

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF BETTERCARE (LINCOLN) LIMITED

We have prepared the attached accounts from the books, vouchers, information and explanations supplied to us without conducting an audit, and in our opinion the accounts are in accordance therewith.



Frank Kirkham,  
Chartered Accountant,  
'Poldhu',  
Church Lane,  
North Carlton,  
Lincoln. LN1 2RS

9th December 1996

BETTERCARE (LINCOLN) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 29TH FEBRUARY 1996

|  | <u>NOTES</u> | <u>1996</u><br><u>£.</u> |
|--|--------------|--------------------------|
| <u>Turnover</u>                                    | 2.           | 1212                     |
| Administration Expenses                            |              | <u>230</u>               |
| <u>Operating Profit</u>                            | 3.           | 982                      |
| Interest Payable                                   | 4.           | <u>1212</u>              |
| <u>Loss on Ordinary Activities before Taxation</u> |              | <u>(230)</u>             |
| <u>Retained Loss Carried Forward</u>               |              | <u>(230)</u>             |

There were no recognised gains and losses for 1996 other than those included in the profit and loss account.

The Notes on pages 6 to 8 form a part of these accounts.

BETTERCARE (LINCOLN) LIMITED

BALANCE SHEET AS AT 29TH FEBRUARY 1996

|   | <u>NOTES</u> | <u>1996</u><br><u>£.</u> |
|---|--------------|--------------------------|
| <u>FIXED ASSETS</u>                                   |              |                          |
| Tangible Assets                                       | 6.           | 36393                    |
| <u>CURRENT ASSETS</u>                                 |              |                          |
| Debtors   | 7.           | 62                       |
| <u>CREDITORS: Amounts falling due within one year</u> | 8.           | <u>36585</u>             |
| <u>NET CURRENT LIABILITIES</u>                        |              | <u>36523</u>             |
| <u>NET LIABILITIES</u>                                |              | <u>(130)</u>             |
| <u>CAPITAL AND RESERVES</u>                           |              |                          |
| Called Up Share Capital                               | 11.          | 100                      |
| Profit and Loss Account                               |              | <u>(230)</u>             |
| <u>SHAREHOLDERS' FUNDS-DEFICIT</u>                    | 12.          | <u>(130)</u>             |

For the period ended 29th February 1996 the Company was entitled to exemption under Subsection (1) of S249A of the Companies Act 1985.

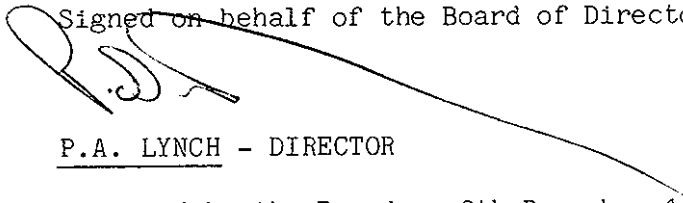
No notice has been deposited under S249B(2) of the Act in relation to the accounts for the period.

The Directors acknowledge their responsibilities for:

- 1). ensuring that the Company keeps accounting records which comply with S221 of the Companies Act 1985.
- 2). preparing the accounts which give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of its profit or loss for the accounting period in accordance with the requirement of S226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

In the preparation of the Company's annual accounts, the Directors have taken advantage of special exemptions applicable to small companies and have done so on the grounds that, in their opinion, the Company is entitled to those exemptions as a small company.

Signed on behalf of the Board of Directors.

  
P.A. LYNCH - DIRECTOR

Approved by the Board on 9th December 1996.

The Notes on pages 6 to 8 form a part of these accounts.

BETTERCARE (LINCOLN) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 29TH FEBRUARY 1996

1. ACCOUNTING POLICIES

Basis of Preparation of Accounts

The accounts are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors Report and all of which are continuing.

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises rents receivable by the Company.

Tangible Fixed Assets and Depreciation

Tangible fixed assets comprise investment properties and are stated at cost. No depreciation has been provided since the property has been treated as an investment property in accordance with Statement of Standard Accounting Practice No.19.

Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallize in the near future.

2. TURNOVER

The whole of the turnover and loss before taxation is attributable to the one principal activity of the Company, rental of investment properties, and all arises in the United Kingdom.

3. OPERATING LOSS

1996  
£.

This is stated after charging:

Formation Costs

47

4. INTEREST PAYABLE

On bank loans, overdrafts and other loans repayable within 5 years, not by instalments

1212

5. TAXATION

UK Current Year Corporation Tax @ 25% on loss for the period

Nil

Tax losses of £183 are available to carry forward against future taxable profits.

BETTERCARE (LINCOLN) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 29TH FEBURARY 1996

|    |                              |              |
|----|------------------------------|--------------|
| 6. | <u>TANGIBLE FIXED ASSETS</u> | 1996         |
|    |                              | <u>£.</u>    |
|    | <u>Investment Properties</u> |              |
|    | Purchased during the period  | 36393        |
|    | As at 29th February 1996     | <u>36393</u> |

|    |                                     |           |
|----|-------------------------------------|-----------|
| 7. | <u>DEBTORS: Due within one year</u> |           |
|    | Prepayments                         | <u>62</u> |

|    |   |              |
|----|---|--------------|
| 8. | <u>CREDITORS: Amounts falling due within one year</u> |              |
|    | Bank Overdraft  | 62           |
|    | Directors Current Accounts                            | 36347        |
|    | Accruals  | 176          |
|    |   | <u>36585</u> |

The bank overdraft is unsecured.

9. DEFERRED TAXATION

No provision for deferred taxation has been made, there being no significant future liability arising from timing differences.

10. EMPLOYEES

1). Staff Costs

Staff costs, including Directors Remuneration were £Nil.

The average number of employees, including Directors, during the period was as follows:

|            |            |
|------------|------------|
|            | 1996       |
|            | <u>No.</u> |
| Management | <u>4</u>   |

2). Directors Remuneration

Emoluments for Services as Directors £Nil

|     |                                |            |
|-----|--------------------------------|------------|
| 11. | <u>CALLED UP SHARE CAPITAL</u> | 1996       |
|     |                                | <u>No.</u> |
|     | Ordinary Shares of £1 each:    |            |
|     | Authorised                     | <u>100</u> |
|     | Issued and Fully Paid          | <u>100</u> |

BETTERCARE (LINCOLN) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 29TH FEBRUARY 1996

12. MOVEMENT ON SHAREHOLDERS' FUNDS

|                                     | <u>1996</u>  |
|-------------------------------------|--------------|
|                                     | <u>£.</u>    |
| Proceeds of Share Issue             | 100          |
| Net Loss for the period             | (230)        |
| Closing Shareholders' Funds-Deficit | <u>(130)</u> |