

**FAIRWAY CARE LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**31ST DECEMBER 1998**

**Registered number: 2050550**

**Cobham Murphy**

**REGISTERED AUDITOR**

**Liverpool**



**FAIRWAY CARE LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**For the Year Ended 31st December 1998**

**CONTENTS**

	Page
Auditors' Report	1
Balance Sheet	2
Notes to the Accounts	3

**FAIRWAY CARE LIMITED****Auditors' Report to  
Fairway Care Limited  
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 31st December 1998 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of Directors and Auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

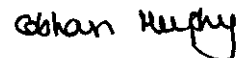
**Basis of Opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion, the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

Liverpool  
23rd September 1999



Cobham Murphy  
Registered Auditor

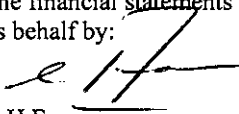
**FAIRWAY CARE LIMITED**  
**ABBREVIATED BALANCE SHEET**

As at 31st December 1998

		1998		1997	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	2		153,326		167,274
<b>Current Assets</b>					
Debtors		354,841		360,552	
Cash at Bank and in Hand		72,772		52,952	
		427,613		413,504	
<b>Creditors: Amounts Falling Due within One Year</b>	3	(231,605)		(219,567)	
<b>Net Current Assets (Liabilities)</b>			<b>196,008</b>		<b>193,937</b>
<b>Total Assets less Current Liabilities</b>			<b>349,334</b>		<b>361,211</b>
<b>Creditors: Amounts Falling Due after more than One Year</b>	3		(26,420)		(28,141)
			<b>322,914</b>		<b>333,070</b>
<b>Capital and Reserves</b>					
Called up Equity Share Capital	4		100		100
Profit and Loss Account			322,814		332,970
<b>Total Shareholders' Funds</b>			<b>322,914</b>		<b>333,070</b>

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 2 to 5 were approved by the Board of Directors on 23rd September 1999 and signed on its behalf by:

  
 G H Faron

Director

## FAIRWAY CARE LIMITED

## NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

**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 conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

**Depreciation**

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 Buildings	2% straight line
Property Improvements	10% straight line
Plant and Machinery	15% reducing balance
Motor Vehicles	20% straight line

**Leases and Hire Purchase Contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

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.

**Turnover**

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

## FAIRWAY CARE LIMITED

## NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

## 2 Tangible Fixed Assets

	<b>Tangible Fixed Assets £</b>
<b>Cost</b>	
1st January 1998	294,006
Additions	41,920
Disposals	(31,311)
31st December 1998	<b>304,615</b>
<b>Depreciation</b>	
1st January 1998	126,732
Charge for year	30,819
Disposals	(6,262)
31st December 1998	<b>151,289</b>
<b>Net book Amount</b>	
1st January 1998	167,274
31st December 1998	<b>153,326</b>

3 **Creditors:** amounts falling due within one year and after more than one year include the following:

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Amounts Falling Due after more than Five Years	-	-
<b>Secured Creditors</b>		
Small Company Secured Creditors	112,007	124,310

## FAIRWAY CARE LIMITED

## NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

**4 Called up Equity Share Capital**

	1997		1998	
	Number of Shares	£	Number of Shares	£
<b>Authorised</b>				
Ordinary Shares of £1	100	100	100	100
<b>Allotted, Called up and Fully Paid</b>				
Ordinary Shares of £1	100	100	100	100

**5 Directors' Interests and Loans**

The directors operate a current account to which all transactions of a private nature are charged. The balance at the year end owed by the Company was £1,738 and is shown in other creditors due within one year (1997: £698 shown in other debtors due within one year). The maximum amount owed to the company throughout the year was £33,592, this balance being unsecured and interest free.

**6 Ultimate Parent Undertaking**

The ultimate parent company is Merseycare Link Limited, a company incorporated in England.

**7 Related Party Transactions**

Expenses include a charge of £162,000 (1997: £127,496) in respect of rent payable on nursing homes leased to the company by Mergold Limited, a company in the Merseycare Link Limited group of companies.

During the year the company purchased computer equipment from Infotech Concepts Limited at an open market valuation of £16,200. A loan to Infotech Concepts Limited amounting to £26,193 was also written off during the year.

The amounts owed to the Company by other members of the Group were:

	1998	1997
	£	£
Mergold Limited (fellow subsidiary)	342,329	326,209
Infotech Concepts Limited (fellow subsidiary)	-	29,183
Merseycare Link Limited (parent company)	203	203