

FAIRWAY CARE LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31st DECEMBER 2002

Registered number: 2050550



Cobham Murphy

REGISTERED AUDITOR

Liverpool

FAIRWAY CARE LIMITED

ABBREVIATED FINANCIAL STATEMENTS

For the Year Ended 31st December 2002

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FAIRWAY CARE LIMITED**Report of the Independent Auditors 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 2002 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.

Cobham Murphy

Cobham Murphy
Registered Auditor
116 Duke Street
Liverpool

4th July 2003

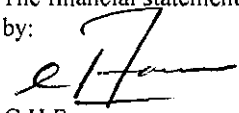
FAIRWAY CARE LIMITED
ABBREVIATED BALANCE SHEET

As at 31st December 2002

	Note	2001		2002	
		£	£	£	£
Fixed Assets					
Tangible Assets	2		88,374		199,549
Current Assets					
Debtors		413,861		342,323	
Cash at Bank and in Hand		2,614		29,099	
		416,475		371,422	
Creditors: Amounts Falling Due within One Year		(189,544)		(258,684)	
Net Current Assets (Liabilities)			226,931		112,738
Total Assets less Current Liabilities			315,305		312,287
Creditors: Amounts Falling Due after more than One Year	3		(58,942)		(57,458)
			256,363		254,829
Capital and Reserves					
Called up Equity Share Capital	4		100		100
Profit and Loss Account			256,263		254,729
Total Shareholders' Funds			256,363		254,829

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 4th July 2003 and signed on its behalf by:


G H Faron

Director

FAIRWAY CARE LIMITED

NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

31st December 2002

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost accounting rules and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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:

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.

Pension Contributions – Defined Contribution Scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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 2002

2 Tangible Fixed Assets

	Tangible Fixed Assets
Cost	£
Brought Forward	304,675
Additions	153,154
Disposals	(157,148)
Carried Forward	300,681
 Depreciation	
Brought Forward	216,301
Charge for Year	32,791
Disposals	(147,960)
Carried Forward	101,132
 Net Book Amount	
Brought Forward	88,374
Brought Forward	199,549

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

	2001	2002
	£	£
Amounts Falling Due after more than Five Years	54,797	54,797
 Secured Creditors		
Small Company Secured Creditors	38,022	8,072

FAIRWAY CARE LIMITED

NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

31st December 2002

4 Called up Equity Share Capital

	2001		2002	
	Number of Shares	£	Number of Shares	£
Authorised				
Ordinary Shares of £1	100	100	100	100
Allotted, Called up and Fully Paid				
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 £244 and is shown in other creditors due within one year (2002: £246). There was no amount owed to the company during the year.

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 £143,800 (2001: £143,800) 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.

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

	2001	2002
	£	£
Mergold Limited (fellow subsidiary)	340,895	288,606
Merseycare Link Limited (parent company)	(54,797)	(54,797)

During the year, Mr G H Faron had a material interest in Fairway Care Management Limited. At the year end the balance owed to the Company and included within debtors was £15,219 (2001: £14,719).

8 Controlling Party

The company is controlled by Mr G H Faron and Mrs J Faron.

9 Contingent Liabilities

An unlimited composite cross guarantee has been entered into with the company's bankers in relation to the borrowings of Mergold Limited, a fellow subsidiary undertaking, which at 31st December 2002 amounted to £698,528 (2001: £213,034).

A personal guarantee has also been entered into by Mr and Mrs Faron, the Directors, in relation to the borrowings of Fairway Care Limited. At 31st December 2002 such liabilities amounted to £8,072 (2001: £36,497).