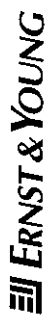


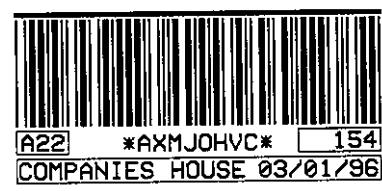
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Farm Place Limited

Report and Accounts

30 June 1995

 ERNST & YOUNG



Farm Place Limited

Registered No. 2663868

DIRECTORS

A Best
C T Dunkley
A Ditzler

SECRETARY

A Best

AUDITORS

Ernst & Young
One Bridewell Street
Bristol

SOLICITORS

Peter Moorby
Old Kennels Cottage
Dunsfold
Godalming
Surrey

REGISTERED OFFICE

Stane Street
Ockley
Surrey

Farm Place Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 1995.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £189,538 (1994 - £100,393).

The directors paid a dividend of £100,000 during the year.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The activity of the company continues to be the rehabilitation of alcoholics and drug users, and the treatment of eating disorders.

DIRECTORS AND THEIR INTERESTS

The directors at 30 June 1995, none of whom were interested in the share capital of the company during the year, were as follows:

A Best

C T Dunkley (appointed 13 January 1995)

A Ditzler (appointed 13 January 1995)

In addition R House served as director until he resigned on 13 January 1995.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board



Secretary

Date 1 December 1995

Farm Place Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 and of the profit or loss 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Farm Place Limited

We have audited the accounts on pages 6 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

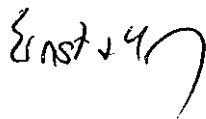
Basis of opinion

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 accounts. It also includes an assessment of significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Chartered Accountants
Registered Auditor
Bristol

13/12/95

Farm Place Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1995

	<i>Notes</i>	<i>1995</i> £	<i>1994</i> £
TURNOVER		1,085,485	981,975
Administrative expenses		834,057	854,762
OPERATING PROFIT		251,428	127,213
Bank interest receivable	5	13,233	6,484
Interest payable	6	(1,567)	(977)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		263,094	132,720
Tax on profit on ordinary activities	7	73,556	32,327
PROFIT FOR THE YEAR		189,538	100,393
Dividends	8	100,000	50,000
PROFIT RETAINED FOR THE YEAR	13	89,538	50,393

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 June 1995

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £189,538 in the year ended 30 June 1995 and the profit of £100,393 in the year ended 30 June 1994.

Farm Place Limited

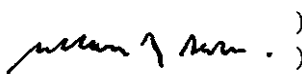
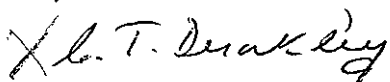
BALANCE SHEET

at 30 June 1995

	<i>Notes</i>	<i>1995</i> £	<i>1994</i> £
FIXED ASSETS			
Tangible assets	9	<u>2,353,700</u>	<u>2,369,393</u>
CURRENT ASSETS			
Stocks		10,433	7,823
Debtors	10	133,515	86,010
Cash at bank and in hand		<u>321,659</u>	<u>234,810</u>
		465,607	328,643
CREDITORS: amounts falling due within one year	11	<u>114,093</u>	<u>82,360</u>
NET CURRENT ASSETS		<u>351,514</u>	<u>246,283</u>
		<u>2,705,214</u>	<u>2,615,676</u>
CAPITAL AND RESERVES			
Called up share capital	12	4	4
Share premium account	13	2,498,086	2,498,086
Profit and loss account	13	<u>207,124</u>	<u>117,586</u>
		<u>2,705,214</u>	<u>2,615,676</u>

ERNST & YOUNG

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

)
) Directors
)

Date 1 December 1995

Farm Place Limited

NOTES TO THE ACCOUNTS

at 30 June 1995

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold property, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold property	- over the lease term
Motor vehicles	- over 4 years
Furniture and fittings	- over 7 years

It is the directors' opinion that it is unnecessary to provide for depreciation on freehold property where the estimated remaining life exceeds 50 years, as it is the company's policy to maintain its property in good condition so as to prolong its useful life and to preserve trading levels. Accordingly the residual value of freehold property will not be less than its respective book amount. Costs of repair and maintenance are charged against revenue in the year in which they are incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation, using the liability method, in respect of timing differences except where the tax is unlikely to become payable in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Turnover

Turnover represents amounts invoiced to third parties, net of value added tax.

Turnover is attributable to one activity, the provision of rehabilitation service to alcoholics and drug users, and all arises in the United Kingdom.

2. OPERATING PROFIT

This is stated after charging	1995	1994
	£	£
Auditors' remuneration	4,000	4,000
Depreciation	33,639	25,362
	<u> </u>	<u> </u>

3. DIRECTORS' REMUNERATION

	1995	1994
	£	£
Fees	4,583	3,750
	<u> </u>	<u> </u>

Farm Place Limited

NOTES TO THE ACCOUNTS

at 30 June 1995

4. STAFF COSTS

	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>
Wages and salaries	372,104	370,486
Social security costs	34,756	35,515
Other pension costs	39,195	34,476
	<u>446,055</u>	<u>440,477</u>

The average weekly number of employees during the year was as follows:

	<i>1995</i>	<i>1994</i>
	<i>No.</i>	<i>No.</i>
Domestic	8	8
Nursing/counselling	16	13
Administration	2	2
	<u>26</u>	<u>23</u>

5. INTEREST RECEIVABLE

	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>
Bank interest receivable	<u>13,233</u>	<u>6,484</u>

6. INTEREST PAYABLE

	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>
Bank interest payable	<u>1,567</u>	<u>977</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>
Based on the profit for the year:		
Corporation tax at 25%	73,556	37,056
Overprovision in prior year	-	(4,729)
	<u>73,556</u>	<u>32,327</u>

If full provision had been made for deferred taxation for the year, the taxation charge would have been decreased by £1,640 as follows:

	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>
Capital allowances in advance of depreciation	<u>7,962</u>	<u>9,602</u>

Farm Place Limited

NOTES TO THE ACCOUNTS

at 30 June 1995

8. DIVIDENDS

	1995 £	1994 £
Ordinary - paid	<u>100,000</u>	<u>50,000</u>

9. TANGIBLE FIXED ASSETS

	<i>Freehold property</i> £	<i>Leasehold property</i> £	<i>Furniture and fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:					
At 1 July 1994	2,040,750	226,500	118,076	36,935	2,422,261
Additions	-	-	16,946	1,000	17,946
At 30 June 1995	<u>2,040,750</u>	<u>226,500</u>	<u>135,022</u>	<u>37,935</u>	<u>2,440,207</u>
Depreciation:					
At 1 July 1994	-	5,329	33,153	14,386	52,868
Charge for year	-	5,329	19,013	9,297	33,639
At 30 June 1995	<u>-</u>	<u>10,658</u>	<u>52,166</u>	<u>23,683</u>	<u>86,507</u>
Net book value:					
At 30 June 1995	<u>2,040,750</u>	<u>215,842</u>	<u>82,856</u>	<u>14,252</u>	<u>2,353,700</u>
At 30 June 1994	<u>2,040,750</u>	<u>221,171</u>	<u>84,923</u>	<u>22,549</u>	<u>2,369,393</u>

10. DEBTORS

	1995 £	1994 £
Trade debtors	127,037	66,204
Other debtors	955	13,455
Prepayments	5,523	6,351
	<u>133,515</u>	<u>86,010</u>

11. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Bank overdraft	18,446	1,075
Trade creditors	6,861	5,987
Current corporation tax	48,556	37,056
Advanced corporation tax	-	12,500
Other taxes and social security costs	11,680	11,922
Accruals	28,550	13,820
	<u>114,093</u>	<u>82,360</u>

Farm Place Limited

NOTES TO THE ACCOUNTS

at 30 June 1995

12. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	4	4

13. RESERVES

	<i>Share premium account</i>	<i>Profit and loss account</i>
	<i>£</i>	<i>£</i>
At 1 July 1994	2,498,086	117,586
Retained profit for the year	-	89,538
At 30 June 1995	2,498,086	207,124

14. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>
At 1 July 1994	2,615,676	2,565,283
Profit for the year	189,538	100,393
Dividends	(100,000)	(50,000)
At 30 June 1995	2,705,214	2,615,676

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its senior employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

16. TRANSACTIONS WITH DIRECTORS

During the year, £15,921 has been paid to Ovalspire Limited of which A Best is a director. These transactions were at arm's length.

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1995

	1995	1994
	£	£
Fees receivable	1,085,485	981,975
Bank interest receivable	13,233	6,484
	<u>1,098,718</u>	<u>988,459</u>
Wages and salaries	402,172	403,970
Food and provisions	66,961	70,313
Pension (employer's and employees' contributions)	39,196	34,476
Professional fees	60,205	51,848
Rates and water	20,399	16,821
Light and heat	13,379	10,606
Insurance	5,450	4,747
Telephone	4,714	3,843
Stationery, books, advertising and postage	24,392	25,749
Repairs and maintenance	33,172	28,400
Garden expenses	6,919	5,993
Motor and travelling	11,267	5,825
Accountancy fees	11,518	11,015
Consultancy fees	60,638	92,887
Training	2,741	2,031
Bank charges and interest	1,567	977
Sundry expenses and cleaning	17,864	13,091
Depreciation	33,639	30,691
Bad debts	19,431	42,456
	<u>835,624</u>	<u>855,739</u>
Profit for the year	<u>263,094</u>	<u>132,720</u>