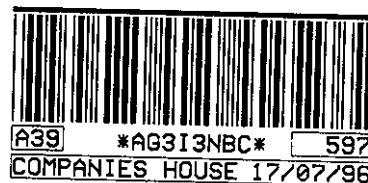


Cherry Tree Homes Limited

Financial statements

For the year ended 31 December 1995

Registered number 2569663



Cherry Tree Homes Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Balance sheet	4
Notes	5

Cherry Tree Homes Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activities

During the financial year the company did not trade. The directors believe the company will be dormant in the forthcoming year.

Dividend

The directors do not recommend the payment of a dividend (1994: £Nil).

Directors' indemnity insurance

Indemnity insurance for directors and officers of the company was in place throughout the year.

Directors and directors' interests

The directors who held office during the year were as follows:

DJ Harris
JG McLaughlin

None of the directors held any shares in any group Companies during the year.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


DJ Harris
Director

Hardy House
Northbridge Road
Berkhamsted
Herts
HP4 1EF

4 July 1996

Cherry Tree Homes Limited

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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Aquis Court
31 Fishpool Street
St Albans
Hertfordshire
AL3 4RF

Report of the auditors to the members of Cherry Tree Homes Limited

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of directors and auditors

As described 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 of 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 other irregularity or error. 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 affairs of the company at 31 December 1995 and of the result of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

4 July 1996



Cherry Tree Homes Limited

Balance sheet at 31 March 1995

	Note	1995 £000	1994 £000
Current assets			
Debtors	3	1,485	1,454
Cash at bank and in hand		5	36
		<u> </u>	<u> </u>
Net current assets		<u>1,490</u>	<u>1,490</u>
Capital and reserves			
Called up share capital	4	1,490	1,490
Profit and loss account		-	-
		<u> </u>	<u> </u>
		<u>1,490</u>	<u>1,490</u>

Profit and Loss account

During the year under review, and the preceding year, the company did not trade and received no income and incurred no expenditure. Consequently, during those periods the company made neither a profit nor a loss, and had no other recognised gains or losses.

These financial statements were approved by the board of directors on 4 July 1996 and were signed on its behalf by:


DJ Harris
Director

The notes on page 5 form part of these financial statements.

Cherry Tree Homes Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules. The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Extendicare Holdings Limited and its cash flows are included within the consolidated cash flow statement of that company.

2 Staff numbers and costs

The Company has no employees other than the directors who received nil emoluments (1994: £Nil).

3 Debtors

	1995 £000	1994 £000
Amounts owed by parent undertaking	<u>1,485</u>	<u>1,454</u>

4 Called up share capital

	1995 £000	1994 £000
<i>Authorised</i>		
1,490,188 ordinary shares of £1 each:	<u>1,490</u>	<u>1,490</u>
<i>Allotted, called up and fully paid</i>		
1,490,090 ordinary shares of £1 each	<u>1,490</u>	<u>1,490</u>

5 Ultimate holding company

The company is a subsidiary undertaking of Extendicare Inc, incorporated in Canada. The largest group in which the results of the company are consolidated is that headed by Extendicare Inc. The smallest group in which they are consolidated is that headed by Extendicare (UK) Limited, registered in England and Wales. The consolidated accounts of Extendicare Inc are available to the public and may be obtained from 3000 Steeles Avenue East, Markham, Ontario L3R 9W2, Canada. The consolidated accounts of Extendicare (UK) Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff.