

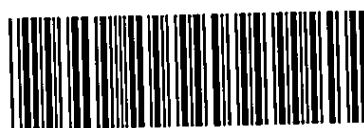
**PH Homes Limited**

**Directors' report and financial  
statements**

**Registered number 02003672**

**31 December 2010**

WEDNESDAY



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

### Review of the business

The company is principally a holding company

### Results and dividends

The results for the year are shown in the profit and loss account on page 5

The Directors do not recommend payment of a dividend (2009 £nil)

### Going concern

The directors have a reasonable expectation that the company, together with its intermediate parent company FSHC (Jersey) Holdings Limited, have adequate resources to continue in operational existence for the foreseeable future. The directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis. Please refer to note 1 for further detail.

### Directors

The directors during the year under review were

P Calveley

N J Mitchell (resigned 1 April 2010)

D J Kay

B R Taberner (appointed 26 March 2010)

### Details of ultimate ownership

The ultimate parent undertaking is FSHC (Guernsey) Holdings Limited, a company incorporated in Guernsey

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

  
D J Kay  
Secretary

Emerson Court  
Alderley Road  
Wilmslow  
Cheshire  
SK9 1NX

22 June 2011

## **Statement of Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **KPMG LLP**

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent auditor's report to the members of PH Homes Limited**

We have audited the financial statements of PH Homes Limited for the year ended 31 December 2010 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and to express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of PH Homes Limited *(continued)***

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Nicola Quayle*

**Nicola Quayle (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
St James' Square  
Manchester  
M2 6DS

28 June 2011

**Profit and loss account**  
*for the year ended 31 December 2010*

	<i>Note</i>	<b>2010</b> <b>£000</b>	<b>2009</b> <b>£000</b>
<b>Operating result</b>	<i>4</i>	-	-
Interest receivable	<i>5</i>	698	811
Interest payable	<i>6</i>	(112)	(112)
<b>Profit on ordinary activities before taxation</b>		<b>586</b>	<b>699</b>
Tax on profit on ordinary activities	<i>7</i>	-	-
<b>Retained profit for the financial year</b>	<i>12</i>	<b>586</b>	<b>699</b>

All amounts relate to continuing operations

There have been no gains or losses in either the current or prior year, other than those reported above

**Balance sheet**  
*at 31 December 2010*

	<i>Note</i>	2010 £000	2009 £000
<b>Fixed assets</b>			
Investments	8	100	100
<b>Current assets</b>			
Debtors	9	20,764	20,178
Cash at bank and in hand		35	35
		<u>20,799</u>	<u>20,213</u>
<b>Creditors</b> amounts falling due within one year	10	(232)	(232)
<b>Net current assets</b>		<u>20,567</u>	<u>19,981</u>
<b>Net assets</b>		<u>20,667</u>	<u>20,081</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,377	1,377
Share premium account	12	6,320	6,320
Profit and loss account	12	12,927	12,341
Capital redemption reserve	12	43	43
<b>Shareholder's funds</b>		<u>20,667</u>	<u>20,081</u>

The financial statements include the notes on pages 7 to 11

These financial statements were approved by the board of directors on 22 June 2011 and were signed on its behalf by

*B R Taberner*

**B R Taberner**  
*Director*



## 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 financial statements, except as noted below

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

#### *Going concern*

In presenting the financial statements on a going concern basis, the directors have considered the company's business activities together with factors likely to affect future performance and financial position. These include cash flows, and the risks and uncertainties relating to the company's business activities, particularly in light of the government's Comprehensive Spending Review.

The company, together with its intermediate parent company FSHC (Jersey) Holdings Limited and fellow subsidiary undertakings (collectively the "FSHC Jersey Group") is party to a number of financing arrangements. The group has carefully considered its cash flows and financial covenants for at least twelve months from the date of signing the financial statements. These have been appraised in light of the uncertainty in the current economic climate and, as such, conservative assumptions for working capital performance have been used to determine the level of financial resources available to the company and the FSHC Jersey Group.

The FSHC Jersey Group's forecasts and projections, sensitised to take into account all reasonably foreseeable changes in trading performance, show that the FSHC Jersey Group has sufficient funding and covenant headroom within its current financing arrangements which do not mature until September 2012.

The directors are considering, together with certain of the group's lenders and shareholder representatives, a number of possible capital structures to ensure that appropriate levels of funds will be in place after September 2012 to match the group's financing requirements. These include various debt facilities available to the group, new equity from existing shareholders, as well as potential funding from new investors.

After making appropriate enquiries, the directors have a reasonable expectation that the company and the FSHC Jersey Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of these financial statements.

#### *Group accounts*

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### *Cash flow statement*

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Fino Propco Holdco Limited includes the company in its own published consolidated financial statements.

#### *Related parties*

As the company is a wholly owned subsidiary of FSHC (Guernsey) Holdings Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

## Notes (continued)

### 1 Accounting policies (continued)

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 2 Directors' emoluments

The directors received no emoluments in respect of their services as directors of the company (2009 £nil)

### 3 Staff costs

The company has no employees during the current or prior year

### 4 Operating result

The auditor's remuneration of £300 (2009 £350) for audit services was borne by another group undertaking. Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

### 5 Interest receivable

	2010 £000	2009 £000
On loans due from group undertakings	698	811

### 6 Interest payable

	2010 £000	2009 £000
On loans due to group undertakings	112	112

## Notes (continued)

### 7 Taxation

#### Analysis of charge in year

	2010 £000	2009 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

#### *Factors affecting the tax charge for the current period*

The current tax charge for the year is lower (2009 lower) than the standard rate of corporation tax in the UK (28%, 2009 28%) due principally to the availability of current year losses in other group companies. The differences are explained below

	2010 £000	2009 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	586	699
	<u>586</u>	<u>699</u>
Current tax at 28% (2009 28%)	164	196
Other timing differences	31	31
Group relief claimed for nil consideration	(195)	(227)
	<u>-</u>	<u>-</u>
Total current tax (see above)	<u>-</u>	<u>-</u>

#### *Factors that may affect future current and total tax charge*

The corporation tax applicable to the company was 28% in the current period. From 1 April 2011 the corporation tax rate payable by the company reduced to 26% with further 1% reductions each year until 2014/15 (stabilising at a rate of 23%). As the change in rate of corporation tax was not enacted as at 31 December 2010 deferred tax has not been accounted for at the new rate and the impact of the change is not expected to be material.

## Notes (continued)

### 8 Investments

The company holds 100% of the ordinary share capital of the following subsidiary companies, all of which are registered in England and Wales and operate in the United Kingdom. The results and assets are included in the consolidated financial statements of the parent entity, Fino Propco Holdco Limited.

	£000
<i>Cost</i>	
At beginning and end of year	100

Name of company	Nature of business
PH Developments Limited	Non trading
PH Property Company Limited	Non trading

### 9 Debtors

	2010 £000	2009 £000
Amounts owed by group undertakings	20,764	20,178

The amounts owed by group undertakings are unsecured and repayable on demand. Where applicable, interest is charged at 7.5%.

### 10 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to group undertakings	232	232

The amounts due to group undertakings are unsecured and repayable on demand. Where applicable, interest is charged at 7.5%.

### 11 Share capital

	2010	2009
	No of shares	No of shares
	£000	£000
<i>Issued and fully paid</i>		
Ordinary shares of 10p each	13,766,927	13,766,927
	1,377	1,377

## Notes (continued)

### 12 Reconciliation of movements in shareholder's funds

	Share capital £000	Share premium account £000	Profit and loss account £000	Capital redemption reserve £000	Total £000
At beginning of year	1,377	6,320	12,341	43	20,081
Profit for the year	-	-	586	-	586
At 31 December 2010	<u>1,377</u>	<u>6,320</u>	<u>12,927</u>	<u>43</u>	<u>20,667</u>

### 13 Contingent liability

The company, together with its parent and fellow subsidiary undertakings is party to a number of financing arrangements. The implications of this are explained more fully in note 1.

### 14 Ultimate undertaking

The company's immediate parent company is Principal Healthcare Limited, a company registered in England and Wales.

The ultimate parent undertaking is FSHC (Guernsey) Holdings Limited, a company incorporated in Guernsey.

The smallest group in which the results of the company are consolidated is that headed by Fino Propco Holdco Limited. The consolidated financial statements of this company are available to the public and may be obtained from Ogier Corporate Services (Jersey) Limited, Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG.

The largest group in which the results of the company are consolidated is that headed by FSHC (Guernsey) Holdings Limited. The consolidated financial statements of this company are available to the public and may be obtained from Ogier Corporate Services (Jersey) Limited, Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG.