

PH Homes Limited

**Directors' report and financial
statements**

Registered number 02003672

31 December 2004



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COMPANIES HOUSE 31/10/2005

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Review of the business

The company is principally engaged as agent for other group companies who lease purpose built nursing homes for the elderly.

Results and dividends

The results for the year are shown in the profit and loss account on page 4.

During the year an interim dividend of £1,050,000 (2003: £nil) was declared.

Directors and their interests

The directors during the year under review were:

G Willis	(resigned 31 March 2005)
H D Anstead	(resigned 31 March 2005)
G M Crowe	(resigned 30 June 2005)
A G Heywood	(appointed 31 March 2005)
N J Mitchell	(appointed 31 March 2005)
D J Kay	(appointed 30 June 2005)

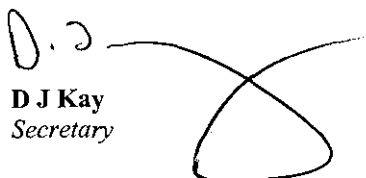
The directors' beneficial interest in the share capital of the parent company, Principal Healthcare Finance Holdings (Guernsey) Limited, are as detailed below. The directors did not have any other beneficial interest in the shares of the company or group undertaking at the year end.

	31 December 2004 Ordinary shares No.	31 December 2003 Ordinary shares No.
H D Anstead	-	13,502

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the next Annual General Meeting.

By order of the board


D J Kay
Secretary

Emerson Court
Alderley Road
Wilmslow
Cheshire
SK9 1NX

27 October 2005

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 keeping 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.

KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Report of the independent auditors to the members of PH Homes Limited

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP
Chartered Accountants
Registered Auditor

27 October 2005

Profit and loss account
for the year ended 31 December 2004

	<i>Note</i>	Year ended 31 December 2004 £000	16 month period ended 31 December 2003 £000
Operating result	<i>4</i>	-	-
Interest receivable	<i>5</i>	894	1,166
Interest payable	<i>6</i>	(74)	(132)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		820	1,034
Tax on profit on ordinary activities	<i>7</i>	-	(350)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		820	684
Dividends	<i>8</i>	(1,050)	-
		<hr/>	<hr/>
Retained (loss)/profit for the financial year	<i>13</i>	(230)	684
		<hr/>	<hr/>

All amounts relate to continuing operations.

The movement on reserves is detailed in note 13 on page 10 of these financial statements.

There have been no gains or losses in either the current year or preceding period, other than those reported above. Accordingly no statement of total recognised gains and losses has been prepared.

Balance sheet
at 31 December 2004

	<i>Note</i>	31 December 2004		31 December 2003	
		£000	£000	£000	£000
Fixed assets					
Investments	9		100		100
Current assets					
Debtors	10	21,560		19,199	
Cash at bank and in hand		27		21	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	11	21,587 (4,889)		19,220 (2,292)	
		<hr/>		<hr/>	
Net current assets			16,698		16,928
			<hr/>		<hr/>
Net assets			16,798		17,028
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	12		1,377		1,377
Share premium account	13		6,320		6,320
Profit and loss account	13		9,058		9,288
Capital redemption reserve	13		43		43
			<hr/>		<hr/>
Equity shareholders' funds			16,798		17,028
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 27 October 2005 and were signed on its behalf by:



N J Mitchell
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 company's financial statements.

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 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 a parent undertaking includes the company in its own published consolidated financial statements.

Related parties

As the company is a wholly owned subsidiary of Principal Healthcare plc, 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. The consolidated financial statements of Principal Healthcare plc, within which this company is included, can be obtained from the address given in note 14.

Deferred taxation

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 (2003: £nil).

3 Staff costs

The company has no employees.

4 Operating result

The auditors' remuneration was borne by a parent undertaking in the current year and prior period.

Notes *(continued)*

5 Interest receivable

	Year ended 31 December 2004 £000	16 month period ended 31 December 2003 £000
Amounts due from group undertakings	893	1,164
Interest receivable on bank deposits	1	2
	<u>894</u>	<u>1,166</u>

6 Interest payable

	Year ended 31 December 2004 £000	16 month period ended 31 December 2003 £000
Loans from group undertakings	74	132
	<u>74</u>	<u>132</u>

Notes (continued)

7 Taxation

Analysis of charge in year

	Year ended 31 December 2004 £000	16 month period ended 31 December 2003 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	89
Under provision in respect of prior periods	-	261
Deferred tax	-	-
	<hr/>	<hr/>
	-	350
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the year is higher (2003: higher) than the standard rate of corporation tax in the UK (30%, 2003 : 30%). The differences are explained below.

	Year ended 31 December 2004 £000	16 month period ended 31 December 2003 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	820	1,034
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	246	310
Adjustment in respect of prior periods	-	261
Group relief claimed	(246)	(213)
Non taxable income	-	(8)
	<hr/>	<hr/>
Total current tax charge (see above)	-	350
	<hr/>	<hr/>

8 Dividends

	Year ended 31 December 2004 £000	16 month period ended 31 December 2003 £000
Interim equity dividends	1,050	-
	<hr/>	<hr/>

Notes (continued)

9 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, Principal Healthcare plc.

<i>Cost</i>	£000
At 31 December 2003 and 31 December 2004	100

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

10 Debtors

	31 December 2004 £000	31 December 2003 £000
Amounts owed by group undertakings	21,560	19,199

All amounts fall due within one year.

11 Creditors: amounts falling due within one year

	31 December 2004 £000	31 December 2003 £000
Amounts owed to group undertakings	4,801	2,203
Corporation tax	88	89
	4,889	2,292

Notes (continued)

12 Share capital

	2004		2003	
	No. of shares	£000	No. of shares	£000
<i>Authorised</i>				
Ordinary shares of 10p each	18,000,000	1,800	18,000,000	1,800
<i>Issued and fully paid</i>				
Ordinary shares of 10p each	13,770,000	1,377	13,770,000	1,377

13 Reconciliation of movements in shareholder's funds

	Share capital	Share premium account	Profit and loss account	Capital redemption reserve	Total
	£000	£000	£000	£000	£000
At 31 December 2003	1,377	6,320	9,288	43	17,028
Profit for the year	-	-	820	-	820
Dividends	-	-	(1,050)	-	(1,050)
At 31 December 2004	1,377	6,320	9,058	43	16,798

Included in the profit and loss account is a total of £200,000 of goodwill previously written off.

14 Ultimate undertaking

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

The largest group in which the results of the company are consolidated is that headed by Allianz AG. The consolidated accounts of this company are available to the public and may be obtained from Königinstraße 28, D-80802, Munich. The smallest group in which the results of the company are consolidated is that headed by Principal Healthcare plc. The consolidated accounts of this company are available to the public and may be obtained from Emerson Court, Alderley Road, Wilmslow, Cheshire, SK9 1NX.