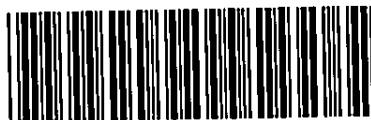


Parkcare Homes Limited

Annual report and financial statements
for the year ended 31 December 2009

Registered number 2155276

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Parkcare Homes Limited

Annual report and financial statements for the year ended 31 December 2009

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Parkcare Homes Limited

Directors and advisors

Executive Directors

Ted Smith
Julian Spurling
Christine Cameron
Melanie Ramsey
David Manson
Avril Evans
Julian Ball
Sarah Hughes

Secretary

Scott Morrison
Craegmoor House
Perdiswell Park
Worcester
WR3 7NW

Registered Office

Craegmoor House
Perdiswell Park
Worcester
WR3 7NW

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Solicitors

Pinsent Masons
3 Colmore Circus
Birmingham
B4 6BH

DLA Piper (UK) Solicitors LLP
3 Noble Street
London
EC2V 7EE

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Allied Irish Banks Plc
St Helen's
1 Undershaft
London
EC3A 8AB

Parkcare Homes Limited

Directors' report for the year ended 31 December 2009

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal activity

The principal activity of the Company continues to be care delivery

Review of business and future developments

Both the level of continuing business and the year end position were satisfactory, despite the overall loss for the year. The Directors have put measures in place that they believe will improve the Company's performance in the forthcoming financial year. The Directors of Craegmoor Group Limited (formerly Craegmoor Topco Limited), its ultimate parent company in the United Kingdom, manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe a separate business review and future developments summary for the Company is not relevant for an understanding of the business and future strategy. The business review and future developments of the Craegmoor Group Limited group, which includes the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009 which does not form part of this report.

Results and dividends

The profit and loss account shows a loss after tax for the year of £2,630,000 (2008: loss of £5,403,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008: £Nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Craegmoor Group Limited, and are not managed separately. Accordingly, the principal risks and uncertainties of the Craegmoor Group Limited group ("the Group"), which include those of the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009.

Key Performance Indicators ("KPIs")

The directors of Craegmoor Group Limited manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe that analysis using separate key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Craegmoor Group Limited group, which includes the Company, is discussed in the Directors' Report of Craegmoor Group Limited for the year ended 31 December 2009.

Directors

The following directors have held office for the whole year and up to the date of signing the financial statements unless otherwise stated:

Ted Smith	
Julian Spurling	
Christine Cameron	
Peter Cavanagh	Resigned 16 June 2009
David Manson	
Avril Evans	
Julian Ball	Appointed 30 September 2009
Sarah Hughes	Appointed 16 June 2009
Charles Cameron	Resigned 20 February 2009
Melanie Ramsey	Appointed 12 January 2010

Changes in intangible and tangible assets

The movements in intangible and tangible assets during the year are set out in notes 10, 11 and 12 to the financial statements. The Directors believe there is no significant difference between the market value and the balance sheet value of land.

Parkcare Homes Limited

Directors' report for the year ended 31 December 2009 (continued)

Employees

The Company promotes continuous learning and career development for all employees. The Directors are committed to providing equal opportunities in all aspects of employment, and support an open communication culture at all levels. Employees are encouraged to contribute to our bi-monthly magazine, which keeps them informed of Craegmoor Group matters that may affect them.

Where individuals become disabled whilst in our employment, every reasonable effort is made, within the regulatory environment, to provide opportunity for continued employment within an individual's potential aptitude and ability. This includes provision of any appropriate training and support.

Financial instruments

The Company's financial instruments primarily comprise debtors and creditors with other group companies arising directly from its operations. No trading in financial instruments has been undertaken.

There are no significant risks arising directly from the Company's financial instruments. However, the Company is reliant on the ongoing support of the Craegmoor Group, which has long term financing and overdraft facilities in place. The board of Craegmoor Group Limited, the ultimate UK parent undertaking, has reviewed and agreed the policies for managing the risks related to these facilities as set out below.

Liquidity risk

The Group has secured long term financing and revolving credit facilities with financial institutions, which have high credit ratings that are designed to ensure the Group has sufficient available funds for operations. The majority of the £215,938,000 (2008: £216,682,000) of debt, in the form of loan notes and bank loans (but excluding finance leases and preference shares), is repayable in 2016 to 2018.

Interest rate and cash flow risk

The Group has entered into interest rate swaps to ensure certainty over future interest cash flows. As a consequence, 100% (2008: 77%) of the Group's borrowings are at fixed rates of interest.

Credit risk

A fellow subsidiary company, Craegmoor Facilities Company Limited, bears the credit risk for the Company.

Going Concern

The Company currently is loss making and in a net current liability position and therefore could become reliant on the ongoing financial support and funding of Craegmoor Group Limited and certain of its subsidiaries in order to continue as a going concern for the period of not less than twelve months from the date of approval of these financial statements. The Directors of Craegmoor Group Limited and the relevant subsidiaries have indicated that they are prepared to continue to provide this funding for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 of the profit or loss of the Company for that period.

Parkcare Homes Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of Directors' responsibilities (continued)

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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors confirm they have complied with the above requirements in preparing the financial statements

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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent Auditors

The Company has elected, in accordance with section 487 of the Companies Act 2006, to dispense with the obligation to appoint auditors annually

By order of the Board



David Manson
Director
30 April 2010

Independent auditors' report to the members of Parkcare Homes Limited

We have audited the financial statements of Parkcare Homes Limited for the year ended 31 December 2009 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Note of historical cost profit and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom 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

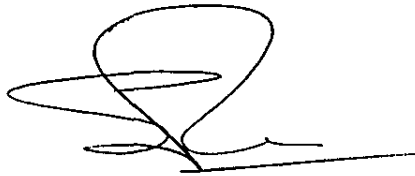
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Parkcare 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

A handwritten signature in black ink, appearing to be 'Stephen Rowe', with a large loop at the top and a horizontal line at the bottom.

Stephen Rowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 April 2010

Parkcare Homes Limited

Profit and loss account for the year ended 31 December 2009

		2009 Before exceptional items	2009 Exceptional items (Notes 5 & 6)	2009 Total	2008 Before exceptional items	2008 Exceptional items (Note 5 & 6)	2008 Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Turnover		52,151	-	52,151	52,759	-	52,759
Administrative expenses		(50,701)	(3,603)	(54,304)	(54,515)	(5,089)	(59,604)
Operating (loss)/ profit	4	1,450	(3,603)	(2,153)	(1,756)	(5,089)	(6,845)
Loss on disposal of tangible assets	6	-	(477)	(477)	-	(380)	(380)
Income from shares in group undertakings	7	-	-	-	1,276	-	1,276
Interest receivable and similar income	8	-	-	-	546	-	546
(Loss)/ profit on ordinary activities before taxation		1,450	(4,080)	(2,630)	66	(5,469)	(5,403)
Tax on loss on ordinary activities	9	-	-	-	-	-	-
(Loss)/ profit for the financial year	18	1,450	(4,080)	(2,630)	66	(5,469)	(5,403)

All activities relate to continuing operations

Parkcare Homes Limited

Statement of total recognised gains and losses for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Loss for the financial year		(2,630)	(5,403)
Unrealised surplus on revaluation of properties	11	-	14,297
Reversal of prior years' revaluations on impaired properties	11	(2,047)	(13,065)
Total recognised gains and losses for the financial year		(4,677)	(4,171)

Note of historical cost profits and losses for the year ended 31 December 2009

	2009 £'000	2008 (Restated) £'000
Reported loss on ordinary activities before taxation	(2,630)	(5,403)
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	215	457
Historical cost loss for the year before taxation	(2,415)	(4,946)
Historical cost loss for the financial year	(2,415)	(4,946)


The prior year comparison for historic costs depreciation has been restated to reflect the actual historical difference between historic cost depreciation and the actual depreciation charge

Parkcare Homes Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	10	289	316
Tangible assets	11	90,094	97,390
Investments	12	40	1,781
		90,423	99,487
Current assets			
Debtors (including amounts falling due after more than one year £13,937,000 (2008 £13,937,000))	13	13,937	41,208
Assets held for resale	14	4,398	1,489
		18,335	42,697
Creditors amounts falling due within one year	15	(85,196)	(114,295)
Net current liabilities		(66,861)	(71,598)
Total assets less current liabilities		23,562	27,889
Provision for liabilities	16	(350)	-
Net assets		23,212	27,889
Capital and reserves			
Called up share capital	17	4,772	4,772
Share premium account	18	2,305	2,305
Revaluation reserve	18	42,712	45,046
Profit and loss reserve	18	(26,577)	(24,234)
Total shareholders' funds	19	23,212	27,889

The financial statements on pages 7 to 23 were approved by the Board of Directors on 30 April 2010 and were signed on its behalf by


David Manson
Director
Company registered number 2155276

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009

1 Principal accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

Going Concern

The Company currently is loss making and in a net current liability position and therefore could become reliant on the ongoing financial support and funding of Craegmoor Group Limited and certain of its subsidiaries in order to continue as a going concern for the period of not less than twelve months from the date of approval of these financial statements. The Directors of Craegmoor Group Limited and the relevant subsidiaries have indicated that they are prepared to continue to provide this funding for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

Turnover

Turnover represents amounts invoiced and accrued for care services provided during the year in the UK, net of credit notes and excluding Value Added Tax. Where services are invoiced in advance the related income is deferred to match the period in which the service is provided. The Directors consider that the Company's turnover all derives from one class of business.

Operating leases

Operating lease rentals are charged to the profit and loss account in equal annual instalments over the lease term.

Corporation tax

UK Corporation Tax is provided at amounts expecting to be paid (or recovered) using the tax rates and bases that have been enacted, or substantially enacted by the balance sheet date. Corporation tax payable may be reduced wholly or in part by the surrender of losses by fellow group companies. Payments made, if any, to surrendering companies for losses are reflected in the tax charge.

Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is only recognised to the extent that the transfer of economic benefits in the future is deemed to be more likely than not. Deferred tax assets and liabilities recognised are not discounted.

Cash flow statement

The Company is a wholly owned subsidiary of Craegmoor Group Limited, and the cash flows of the Company are included in the consolidated group cash flow statement of that company. Consequently, the Company is exempt under the terms of FRS1 (Revised) from publishing a cash flow statement.

Consolidation

The Company has taken advantage of the exemption under section 400(1) of the Companies Act 2006, not to prepare and file consolidated accounts. The results of the Company are included within the consolidated accounts of Craegmoor Group Limited, the ultimate parent undertaking in the United Kingdom. In accordance with section 400(2), the Company will deliver to the registrar, copies of these group accounts.

Intangible assets

Intangible assets comprise goodwill, which represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets of businesses acquired, and is amortised over its useful economic life, which the Directors estimate to be 20 years.

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

1 Principal accounting policies (continued)

Tangible assets

The cost of tangible assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Land and buildings are revalued by independent, professionally qualified valuers every five years. These valuations are carried out on an existing use, open market value basis, and in the intervening years are updated by the Directors with the assistance of independent professional advice as required.

Increases in the revalued amounts of land and buildings are credited to revaluation reserves.

Freehold land is not depreciated. Subsequent to a revaluation, depreciation is based on revalued amounts. Depreciation on tangible assets, other than land, is calculated to write off their cost, less estimated residual values, by equal annual instalments on the following bases:

Freehold buildings	- over 50 years
Long leasehold land and buildings	- over 50 years
Short leasehold land and buildings	- over the lease term
Building improvements	- over 10 years
Equipment	- over 7 years
Furniture and fittings	- over 3, 5 or 10 years
Computer equipment	- over 3 or 5 years

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS 11, "Impairment of fixed assets and goodwill". The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk weighted cost of capital determined from time to time based on the capital structure of the group. Realisable value is determined by independent, professional valuers on an existing use, open market value basis.

Provisions for impairment in the carrying value of land and buildings are charged against revaluation reserves in the balance sheet to the extent that they relate to a reversal of prior increases. Impairments to below historical cost are charged to the profit and loss account. Reversals of previous impairments are credited to the profit and loss account to the extent that they return the asset carrying value to its depreciated historical cost, with any amount over and above that being credited to the revaluation reserve.

Investments

The carrying value of fixed asset investments is based on historic cost less provision for impairment where necessary in accordance with FRS 11.

Assets classified as held for sale

Non-current assets that are expected to be recovered through sale rather than through continuing use are classified as held for sale. Assets are only classified as held for sale when the asset is available for immediate sale in its present condition, the Group is committed to sell and an active programme to locate a buyer and complete the sale has started. Completion of the sale must be expected within one year from the date of classification.

Provisions

Provisions for dilapidation lease costs are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. The provisions are not discounted and not recognised for future operating loss.

2 Directors' emoluments

The emoluments of the Directors were paid by Craegmoor Facilities Company Limited, a fellow subsidiary of Craegmoor Group Limited. The Directors were also directors of a number of other fellow subsidiaries during the year ended 31 December 2009 and 31 December 2008 and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the emoluments of the Directors are disclosed within the accounts of Craegmoor Facilities Company Limited.

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

3 Employee information

The below disclosures are in respect of employees that carried out work in connection with the Company's operations during the year. However, these persons are employed by a fellow subsidiary company. The average monthly number of persons (including Executive Directors) during the year was

	2009	2008
Analysis by function	Number	Number
Nursing	1,471	1,527
Ancillary	368	387
Administration	76	98
	1,915	2,012
Staff costs (for the above persons)	£'000	£'000
Management charge in lieu of staff costs	29,034	29,988

4 Operating profit / (loss)

	2009	2008
	£'000	£'000
Operating profit / (loss) is stated after charging		
Depreciation of tangible assets	2,236	2,645
Depreciation of assets held for resale	67	147
Impairments (Note 5)	3,603	5,089
Amortisation of goodwill	27	26
Operating lease rentals – other	313	267
Management charges from fellow subsidiaries	47,708	51,436

The audit fee for the Company for the year ended 31 December 2009 of £10,000 (2008: £21,000) is borne by a fellow subsidiary company and included within the management charge.

The management charges from fellow subsidiary undertakings, Craegmoor Facilities Company Limited and Craegmoor Healthcare Company Limited, relate to an allocation of operating costs incurred on behalf of the Company and its fellow subsidiaries.

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Exceptional administrative expenses

	Note	2009 £'000	2008 £'000
Impairment of tangible assets	11	3,603	6,376
Reversal of prior years' impairments on revalued properties	11	-	(1,287)
		3,603	5,089

The exceptional administrative expenses had no effect on the charge for taxation for the financial year (2008 £Nil)

6 Loss on disposal of tangible assets

	2009 £'000	2008 £'000
Profit on disposal of tangible assets sold during the year	-	474
Loss on disposal of tangible assets sold during the year	(477)	(854)
	(477)	(380)

The loss on disposal of tangible assets had no effect on the charge for taxation for the financial year (2008 £Nil)

7 Income from shares in group undertakings

	2009 £'000	2008 £'000
Dividends received from group undertakings	-	1,276

8 Interest receivable and similar income

	2009 £'000	2008 £'000
On amounts owed by group undertakings	-	538
Other interest received	-	8
	-	546

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Tax on loss on ordinary activities

There is no current or deferred tax charge for the year (2008 £Nil) The tax for the period differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2009 of 28% (2008 28.5%) The differences are explained below

	2009 £'000	2008 £'000
Loss on ordinary activities before taxation	(2,630)	(5,403)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	(736)	(1,540)
Effects of		
Expenses not deductible for tax purposes	1,231	334
Income not taxable	-	(363)
Capital allowances for the year less than depreciation	153	521
Impairments	857	1,495
Short term timing differences	(97)	(216)
Transfer pricing adjustments	(2,188)	(2,180)
Chargeable gain	-	280
Unutilised losses	-	468
Rate difference	-	14
Group relief surrendered not paid for	780	1,187
Current tax charge	-	-

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Tax on loss on ordinary activities (continued)

Factors affecting current and future tax charges

No provision has been made for deferred taxation on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold without it being possible to claim rollover relief or utilise available losses. The total amount unprovided for at 28% is £11,959,000 (2008 £12,613,000).

In accordance with the Group accounting policy a deferred tax asset has not been recognised due to the uncertainty over the recoverability of the following:

	2009 £'000	2008 £'000
Accelerated capital allowances	191	(112)
Short term timing differences	(217)	(265)
Losses	(619)	(1,087)
	(645)	(1,464)

A deferred tax asset would be recognised to the extent that the Company makes future taxable profits which could not be satisfied by group relief.

10 Intangible assets

	Goodwill £'000
Cost	
At 1 January 2009 and 31 December 2009	526
Amortisation	
At 1 January 2009	210
Charge for the year	27
At 31 December 2009	237
Net book value	
At 31 December 2009	289
At 31 December 2008	316

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Tangible assets

	Short leasehold land and buildings £'000	Long leasehold land and buildings £'000	Freehold land and buildings £'000	Furniture and fittings £'000	Total £'000
Cost or valuation					
At 1 January 2009	1,273	8,213	96,468	18,644	124,598
Additions	-	-	1,925	2,350	4,275
Disposals	-	-	(926)	(362)	(1,288)
Impairments (see below)	-	-	(1,670)	-	(1,670)
Transfers to current assets (Note 14)	-	-	(6,034)	(1,557)	(7,591)
Transfers from current assets (Note 14)	-	-	1,097	361	1,458
At 31 December 2009	1,273	8,213	90,860	19,436	119,782
Accumulated depreciation					
At 1 January 2009	721	2,529	11,629	12,329	27,208
Charge for the year	141	58	661	1,376	2,236
Disposals	-	-	(213)	(268)	(481)
Impairments (see below)	-	-	3,795	185	3,980
Transfers to current assets (Note 14)	-	-	(2,424)	(1,220)	(3,644)
Transfers from current assets (Note 14)	-	-	126	263	389
At 31 December 2009	862	2,587	13,574	12,665	29,688
Net book value					
At 31 December 2009	411	5,626	77,286	6,771	90,094
At 31 December 2008	552	5,684	84,839	6,315	97,390

In accordance with FRS15 and the Craegmoor Group's accounting policy, the land and buildings occupied by the Company were revalued by external valuers, Christie & Co, Chartered Surveyors and Valuers, as at 18 July 2008, being the date that the Craegmoor Group (No 5) Limited (formerly Craegmoor Limited) group was acquired by the Craegmoor Group Limited group. These valuations were carried out on the basis of existing use value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

**Notes to the financial statements
for the year ended 31 December 2009 (continued)**

The impact of these valuation techniques can be summarised as follows

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Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Tangible assets (continued)

If land and buildings had not been revalued they would have been included at the following amounts

	2009	2008
		(Restated)
	£'000	£'000
Cost	63,315	66,649
Aggregate depreciation	(11,126)	(11,506)
Net book value	52,189	56,139

The prior year comparison for cost and accumulated depreciation has been restated to reflect the actual historical cost and depreciation position for that year

12 Investments

	Shares in subsidiary undertakings
	£'000
Cost	
At 1 January 2009	1,781
Disposal	(1,741)
At 31 December 2009	40
Impairment in value	
At 1 January 2009 and 31 December 2009	-
Net book value	
At 31 December 2009	40
At 31 December 2008	1,781

On 5 April 2009 the Company disposed of its complete shareholding in Broughton Manor Homes Limited, Ty Craig Nursing Homes Limited, Southbank Private Nursing Homes Limited and Conquest Care Limited

Interest in group undertakings

Name of undertaking	Principal activity	Description of shares held	Proportion of nominal value of issued shares held
Speciality Care (Rest Care) Limited	Dormant	Ordinary £1 shares	100%

The subsidiary is incorporated in England and Wales

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

13 Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	-	27,271
Amounts falling due after more than one year		
Amounts owed by group undertakings	13,937	13,937
	13,937	41,208

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, for the balances disclosed as amounts falling due after one year above, the directors of the relevant company have confirmed they will not seek any repayments of the loan, disclosed as due after one year, within 12 months after the year-end.

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

14 Assets held for resale

	Freehold land and buildings £'000	Furniture and fittings £'000	Total £'000
Cost or valuation			
At 1 January 2009	1,410	854	2,264
Additions	57	41	98
Transfers from tangible assets (Note 11)	6,034	1,557	7,591
Transfers to tangible assets (Note 11)	(1,097)	(361)	(1,458)
At 31 December 2009	6,404	2,091	8,495
Accumulated depreciation			
At 1 January 2009	198	577	775
Charge for the period	8	59	67
Transfers from tangible assets (Note 11)	2,424	1,220	3,644
Transfers to tangible assets (Note 11)	(126)	(263)	(389)
At 31 December 2009	2,504	1,593	4,097
Net book value			
At 31 December 2009	3,900	498	4,398
At 31 December 2008	1,212	277	1,489

One property, Woodlands Cardiff, with a net book value of £450,000, has been disposed of since the year-end. No other properties have been disposed of since the year-end.

15 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due to group undertakings	85,196	114,295

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

16 Provisions for liabilities

	Dilapidations £'000
At 1 January 2009	-
Charge for the year	350
At 31 December 2009	350

Provisions have been recorded for costs of returning properties held under operating leases to the state of repair at the inception of the lease. These provisions are expected to be utilised on the termination of the underlying leases.

17 Called up share capital

	2009 £'000	2008 £'000
Authorised		
4,800,000 (2008: 4,800,000) Ordinary shares of £1 each	4,800	4,800
Issued and fully paid		
4,772,000 (2008: 4,722,000) Ordinary shares of £1 each	4,772	4,772

18 Reserves

	Share premium account £'000	Revaluation reserve £'000	Profit and loss reserve £'000
At 1 January 2009	2,305	45,046	(24,234)
Reversal of prior years' revaluations on impaired properties	-	(2,047)	-
Transfer relating to disposal of previously revalued properties	-	(287)	287
Loss for the financial year	-	-	(2,630)
At 31 December 2009	2,305	42,712	(26,577)

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

19 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Loss for the financial year	(2,630)	(5,403)
Unrealised surplus on revaluation of properties	-	14,297
Reversal of prior years' revaluations on impaired properties	(2,047)	(13,065)
Net decrease to shareholders' funds	(4,677)	(4,171)
Opening shareholders' funds	27,889	32,060
Closing shareholders' funds	23,212	27,889

20 Contingent liabilities

There is a fixed and floating charge over the assets of the Company and certain of its fellow subsidiaries in respect of an external loan undertaken by an intermediate parent undertaking. Amounts drawn down on the facility of £192,622,000 (2008 £207,000,000) amounted to £179,767,000 (2008 £179,023,000) inclusive of accrued interest, as at 31 December 2009.

21 Capital commitments

At 31 December 2009 the Company had instructed suppliers to carry out work on ongoing capital projects with a total value of £1,791,000 (2008 £819,000).

22 Financial commitments

At 31 December 2009 the Company had annual commitments for land and buildings under non-cancellable operating leases as follows:

	2009 £'000	2008 £'000
Operating leases which expire:		
In less than one year	59	23
In more than one year but less than five years	-	22
In more than five years	286	217
	345	262

23 Post balance sheet events

The Directors do not consider there have been any material events since the year end requiring disclosure in accordance with FRS 21 "Events after the Balance Sheet Date".

24 Related party transactions

The Company has taken advantage of the exemption granted under paragraph 5 of the amendment to FRS 8 and not disclosed any transactions with other group companies where they are wholly owned by a common parent.

Parkcare Homes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

25 Immediate and ultimate parent companies

The Directors regard Craegmoor Holdings Limited, a company registered in England and Wales as the immediate parent company of Parkcare Homes Limited and Craegmoor Group Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom. The ultimate controlling party is Advent Miro (Cayman) Limited, a company registered in the Cayman Islands.

Craegmoor Group Limited is the parent company of the largest and smallest group in which Parkcare Homes Limited is consolidated. Copies of Craegmoor Group Limited's consolidated financial statements may be obtained from its registered office, Craegmoor House, Perdiswell Park, Worcester, WR3 7NW.