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Peverel Limited

Report and Financial Statements

31 December 2004



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Peverel Limited

Registered No. 02806856

DIRECTORS

J Gray FCCA ATII
N G Bannister
K C Rutherford
P F Kennedy

SECRETARY

R D F Bagley BA FSA (Scot) MIRPM

AUDITORS

Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

BANKERS

Barclays Bank PLC
PO Box 378
71 Grey Street
Newcastle-Upon-Tyne
Tyne & Wear
NE99 1JP

SOLICITORS

Nabarro Nathanson
84 Theobald's Road
London
WC1X 8RW

REGISTERED OFFICE

Queensway House
11 Queensway
New Milton
Hampshire
BH25 5NR

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,138,749 (2003: £3,089,778). The directors recommend the payment of a dividend of £2,000,000 (2003: £3,000,000) leaving a retained profit of £1,138,749 to be transferred to reserves.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activities during the year were the management of the group's treasury function and the supply of services to other group companies. The company has traded satisfactorily during the year and the directors look forward to the year ahead with confidence.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

J Gray
N G Bannister
K C Rutherford
P F Kennedy

No director had an interest in the ordinary share capital of the company. The interests of N G Bannister in the share capital of Holiday Retirement UK Limited are disclosed in that company's financial statements.

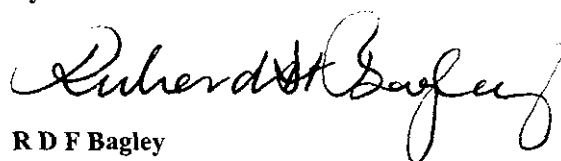
The directors are not liable to retire by rotation.

There were no political or charitable donations made in the year.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



R D F Bagley
Secretary
4 April 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
FINANCIAL STATEMENTS

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 of the company for that year. 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEVEREL LIMITED

We have audited the company's financial statements for the year ended 31 December 2004 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 22. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company 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.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Southampton
4 April 2005

Peverel Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2004

		2004 £	2003 £
	Notes		
TURNOVER	3	2,764,415	2,924,125
Administrative expenses		(5,120,151)	(4,791,036)
		<u>(2,355,736)</u>	<u>(1,866,911)</u>
Other operating income		397,709	313,812
OPERATING LOSS	4	<u>(1,958,027)</u>	<u>(1,553,099)</u>
Interest receivable		449,699	322,318
Interest payable and similar charges	7	(1,059,248)	(1,254,339)
Income from subsidiary undertakings		4,966,558	4,890,052
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,398,982</u>	<u>2,404,932</u>
Tax credit on profit on ordinary activities	8	739,767	684,846
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>3,138,749</u>	<u>3,089,778</u>
Dividend	9	(2,000,000)	(3,000,000)
RETAINED PROFIT FOR THE YEAR	18	<u><u>1,138,749</u></u>	<u><u>89,778</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2004

There are no recognised gains or losses other than the profit of £3,138,749 attributable to shareholders for the year ended 31 December 2004 (2003: £3,089,778).

Peverel Limited

BALANCE SHEET at 31 December 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	10	2,997,891	3,158,789
Investments	11	26,874,128	26,874,128
		<u>29,872,019</u>	<u>30,032,917</u>
CURRENT ASSETS			
Debtors:			
Due within one year	12	19,165,434	14,692,090
Due after more than one year	12	-	2,000,000
Cash at bank and in hand		697	1,444
		<u>19,166,131</u>	<u>16,693,534</u>
CREDITORS: amounts falling due within one year	13	(41,785,425)	(35,749,121)
NET CURRENT LIABILITIES		<u>(22,619,294)</u>	<u>(19,055,587)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,252,725</u>	<u>10,977,330</u>
CREDITORS: amounts falling due after more than one year	14	-	(4,854,651)
DEFERRED TAXATION	16	(26,251)	(34,954)
		<u>7,226,474</u>	<u>6,087,725</u>
CAPITAL AND RESERVES			
Called up share capital	17	5,250,000	5,250,000
Capital reserve	18	658,251	658,251
Profit and loss account	18	1,318,223	179,474
SHAREHOLDERS' FUNDS - equity interests		<u>7,226,474</u>	<u>6,087,725</u>

These financial statements were approved by the board of directors on 24 March 2005 and signed on its behalf by:



N G Bannister
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2004

1. FUNDAMENTAL ACCOUNTING CONCEPT

The financial statements have been prepared under the going concern basis because the ultimate parent undertaking has provided assurance that adequate finance will be available.

2. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and with the requirements of the Companies Act 1985.

Group financial statements

The financial statements are for the company as an individual undertaking and not for the group. The company has taken advantage of the exemption under section 228 of the Companies Act 1985 not to prepare group financial statements.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) which the company has adopted in these financial statements, 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

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Holiday Retirement UK Limited or other group undertakings as the consolidated financial statements of the Holiday Retirement UK Limited group in which the company is included are publicly available.

Depreciation and amortisation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its useful life, as follows:

Freehold property	-	evenly over 50 years
Plant and equipment	-	evenly over 5 years
Software	-	evenly over 3 or 5 years
Motor vehicles	-	evenly over 5 years

Operating lease rentals

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Pensions

The Group operates a defined contribution pension scheme for its employees to which the company makes a contribution under specified circumstances. The scheme is administered on behalf of employees by an independent insurance company in funds separate from the group's finances. The amount charged against profits represents the contributions payable by the company to the scheme in respect of the year.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2004

2. ACCOUNTING POLICIES - continued

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. TURNOVER

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax, all of which is attributable to continuing operations generated in the UK.

4. OPERATING LOSS

This is stated after charging / (crediting):

	2004 £	2003 £
Auditors' remuneration - audit services	87,500	72,500
- non audit services	36,500	35,000
Depreciation	543,183	506,932
Profit on disposal of fixed assets	(4,394)	-
Operating lease rentals - plant and equipment	6,909	6,388
- other	22,432	24,466
	<u> </u>	<u> </u>

5. DIRECTORS' EMOLUMENTS

	2004 £	2003 £
Emoluments	474,318	500,288
	<u> </u>	<u> </u>
Company contributions paid to group defined contribution pension scheme	23,767	20,098
	<u> </u>	<u> </u>
	No.	No.
Members of group defined contribution pension scheme	2	2
	<u> </u>	<u> </u>

The emoluments of the highest paid director, excluding pension contributions, were £213,687 (2003: £179,061) with pension contributions amounting to £13,500 (2003: £11,194).

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2004

6. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	1,676,060	1,402,596
Social security costs	210,726	156,126
Other pension costs	60,038	38,623
	<u>1,946,824</u>	<u>1,597,345</u>

The average monthly number of employees, including directors, during the year was as follows:

	2004	2003
	No.	No.
Office and management	62	51

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Interest on bank loans and overdrafts	731,238	783,091
Finance charges and other interest	328,010	471,248
	<u>1,059,248</u>	<u>1,254,339</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax on profit on ordinary activities

The tax credit is made up as follows:

	2004	2003
	£	£
<i>Current tax:</i>		
Group relief receivable	(737,064)	(703,424)
Tax under / (over) paid in previous years	6,000	(30,738)
Total current tax	<u>(731,064)</u>	<u>(734,162)</u>
<i>Deferred Taxation:</i>		
Origination and reversal of timing differences	(8,703)	49,316
Total deferred tax	<u>(8,703)</u>	<u>49,316</u>
Tax on profit on ordinary activities	<u>(739,767)</u>	<u>(684,846)</u>

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2004

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

(b) Factors affecting tax credit

The tax assessed on the profit of on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are reconciled below:

	2004 £	2003 £
Profit on ordinary activities before tax	2,398,982	2,404,932
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30%	719,695	721,480
Effects of :		
Expenses not deductible for tax purposes (including UK dividend)	12,612	87,109
UK dividend not subject to tax	(1,489,967)	(1,467,016)
Decelerated / (accelerated) capital allowances	20,596	(52,169)
Tax under / (over) provided in previous years	6,000	(30,738)
Other timing differences	-	7,172
Total current tax	(731,064)	(734,162)

The tax credit is prepared on the assumption that group relief will be available and paid for in full.

9. DIVIDENDS

	2004 £	2003 £
Ordinary – final proposed	2,000,000	3,000,000
	2,000,000	3,000,000

Peverel Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2004

10. TANGIBLE FIXED ASSETS

	<i>Plant and equipment</i>	<i>Motor vehicles</i>	<i>Freehold land and buildings</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 January 2004	3,149,543	32,005	2,239,662	5,421,210
Additions	381,347	-	2,940	384,287
Disposals	(2,204)	(32,005)	-	(34,209)
At 31 December 2004	3,528,686	-	2,242,602	5,771,288
Depreciation:				
At 1 January 2004	2,089,800	30,405	142,216	2,262,421
Provided during the year	502,659	-	40,524	543,183
Disposals	(1,802)	(30,405)	-	(32,207)
At 31 December 2004	2,590,657	-	182,740	2,773,397
Net book value at 31 December 2004	938,029	-	2,059,862	2,997,891
Net book value at 31 December 2003	1,059,743	1,600	2,097,446	3,158,789

11. INVESTMENTS

	<i>Shares in subsidiary undertakings</i>
	£
Cost:	
At 1 January 2004 and 31 December 2004	26,979,945
Amounts written off:	
At 1 January 2004 and 31 December 2004	105,817
Net book value:	
At 1 January 2004 and 31 December 2004	26,874,128

The principal operating companies during the year were:

Peverel Management Services Limited

Registered in England and Wales No. 1614866 - 100% of issued share capital held. The company's principal activity during the year was that of estate management.

Cirrus Careline Limited

Registered in England and Wales No. 3229746 - 100% of issued share capital held. The company's principal activity during the year was providing monitoring services.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2004

11. INVESTMENTS (CONTINUED)

Cirrus Communication Systems Limited

Registered in England and Wales No. 1444995 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was the supply of maintenance and installation services.

Kingsborough Insurance Services Limited

Registered in England and Wales No. 3479579 - 100% of issued share capital held. The company's principal activity during the year was that of insurance services.

Peverel OM Limited

Registered in England and Wales No. 2061041 - 100% of issued share capital held. The company's principal activity during the year was that of estate management.

Peverel Freeholds Limited

Registered in England and Wales No. 3064349 - 100% of issued share capital held. The company's principal activity during the year was that of an investment company.

Peverel Securitisation Limited

Registered in England and Wales No. 3874014 - 100% of issued share capital held. The company's principal activity during the year was that of an investment company.

Retirement Homesearch Limited

Registered in England and Wales No. 3829469 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of a specialist estate agent.

Peverel Scotland Limited

Registered in England and Wales No. 3829468 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of estate management.

Peverel Properties Limited

Registered in England and Wales No. 3829939 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Peverel Funding Limited

Registered in the Cayman Islands No. 94098 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was the issue of secured notes.

Retirement Care (Southern) Investments Limited

Registered in England and Wales No. 2726170 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Meridian Land and Investments Limited

Registered in England and Wales No. 1861973 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Peverel Freehold Reversions Limited

Registered in England and Wales No. 3829467 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2004

11. INVESTMENTS (CONTINUED)

Peverel Investments

Registered in England and Wales No. 1769945 - 100% of issued share capital held by intermediate undertaking. Peverel Investments is an unlimited company and trades from the company's registered office at Queensway House, New Milton, Hampshire. The company's principal activity during the year was that of an investment company.

Lincourt Management Services Limited

Registered in England and Wales No. 2007287 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Balfour Freeholds Limited

Registered in England and Wales No. 3188300 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Peverel Property Investments Limited

Registered in England and Wales No. 2891085 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

OM Limited

Registered in England and Wales No. 1563296 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Peverel Property Services Limited

Registered in England and Wales No. 04352415 - 100% of issued share capital held. The company's principal activity during the year was that of a management holding company.

Peverel Investment Properties Limited

Registered in England and Wales No. 04352393 - 100% of issued share capital held. The company's principal activity during the year was that of an investment holding company.

Maclaren Management Services Limited

Registered in England and Wales No. 02142118 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Meridian Retirement Housing Services Limited

Registered in England and Wales No. 1833177 - 100% of issued share capital held. The company's principal activity during the year was that of an investment company.

Renaissance Securities Limited

Registered in England and Wales No. 3404451 - 100% of issued share capital held by intermediate undertaking. The company's principal activity during the year was that of an investment company.

Peverel Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2004

12. DEBTORS

	2004	2003
	£	£
Trade debtors	135,967	95,498
Amounts due from immediate parent undertaking	-	4,148,595
Amounts due from fellow subsidiary undertakings	12,749,424	7,028,117
Other debtors	299,363	52,701
Prepayments and accrued income	277,058	273,703
Group relief	737,064	703,424
Dividends receivable	4,966,558	4,390,052
	<u>19,165,434</u>	<u>16,692,090</u>

Included within the amount due from the immediate parent undertaking is an amount of £nil (2003: £2,000,000) falling due after more than one year.

13. CREDITORS: amounts falling due within one year

	2004	2003
	£	£
Bank loans (note 14)	4,970,931	3,000,000
Bank overdraft	10,468,912	8,616,243
Trade creditors	127,243	86,345
Other creditors	111,388	107,852
Amounts due to immediate parent undertaking	4,132,555	3,900,000
Amounts due to fellow subsidiary undertakings	18,340,359	15,505,028
Other taxes and social security	820,906	692,981
Accruals and deferred income	813,131	793,087
Dividends payable	2,000,000	3,000,000
Corporation tax	-	47,585
	<u>41,785,425</u>	<u>35,749,121</u>

The bank overdraft is secured by a first fixed and floating charge over the assets of various UK companies in the group.

Included within bank loans is an amount of £29,069 relating to unamortised refinancing costs not yet recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2004

14. CREDITORS: amounts falling due after more than one year

LOANS

	2004	2003
	£	£
Amounts repayable within five years:		
Bank loan	5,000,000	8,000,000
Amounts repayable:		
In one year or less or on demand	5,000,000	3,000,000
In more than one year but not more than two years	-	5,000,000
	5,000,000	8,000,000
Less: unamortised refinancing costs	(29,069)	(145,349)
Less: included in creditors: amounts falling due within one year (note 13)	(4,970,931)	(3,000,000)
	-	4,854,651

The bank loan is secured by a first fixed and floating charge over the assets of various UK companies within the group and is for a term of five years, expiring on 31 March 2005. The interest rate is variable, based upon LIBOR plus a margin. Subsequent to the year end, the bank loan has been repaid in full.

The debt issue expenses are recognised in the profit and loss account over the terms of the loans at a constant rate in accordance with Financial Reporting Standard 4 "Capital Instruments".

15. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The company has additional borrowing facilities available to it under a working capital and revolving credit facility. The undrawn committed facilities available as at 31 December in respect of which all conditions precedent had been met at that date are as follows:

	2004	2003
	£	£
Expiring in more than two years	1,477,445	2,502,812

16. DEFERRED TAXATION

The deferred tax included in the balance sheet is as follows:

	2004	2003
	£	£
Accelerated capital allowances	26,251	42,329
Short term timing differences	-	(7,375)
Deferred tax provision	26,251	34,954

Peverel Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2004

16. DEFERRED TAXATION - continued

The movements in deferred taxation during the current and previous years are as follows:

	2004 £	2003 £
At 1 January 2004	34,954	(14,362)
Adjustments in respect of prior years	-	4,319
Deferred tax (credit) / charge in profit and loss account	(8,703)	44,997
At 31 December 2004	26,251	34,954

17. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2004	2003	2004	2003
	£	£	£	£
Ordinary shares of £1 each	5,250,000	5,250,000	5,250,000	5,250,000

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Capital reserve £	Profit and loss account £	Total share- holders' funds £
At 1 January 2003	5,250,000	658,251	89,696	5,997,947
Profit for the year	-	-	3,089,778	3,089,778
Dividends	-	-	(3,000,000)	(3,000,000)
At 31 December 2003	5,250,000	658,251	179,474	6,087,725
Profit for the year	-	-	3,138,749	3,138,749
Dividends	-	-	(2,000,000)	(2,000,000)
At 31 December 2004	5,250,000	658,251	1,318,223	7,226,474

19. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £nil (2003: £28,898).

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2004

20. FINANCIAL COMMITMENTS

At 31 December 2004, the company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Plant and equipment operating leases		
Within one year	15,104	18,834
In two to five years	55,802	101,641
	<u>70,906</u>	<u>120,475</u>

21. CONTINGENT LIABILITIES

The company has given unlimited guarantees on the bank overdrafts and loans of various UK group undertakings. At 31 December 2004 the amount outstanding under these guarantees was £8,019,975 (2003: £4,961,729).

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is Holiday Retirement Corporation, a company registered in Oregon USA. Holiday Retirement UK Limited is the smallest and largest group for which group financial statements are prepared and are available to the public and may be obtained from Companies House, Cardiff.