

Westminster Beaumont Properties Limited

**Directors' report and financial
statements**

Registered number 2851607

31 December 2005



Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Independent auditors' report to the members of Westminster Beaumont Properties Limited	4
Profit and loss account	6
Balance sheet	7
Notes	8

Company information

Directors	Michael Parsons David Duncan Jon Hather
Secretary	Jon Hather
Auditors	KPMG LLP Plym House 3 Longbridge Road Marsh Mills Plymouth PL6 8LT
Bankers	Royal Bank of Scotland London Corporate Services 2½ Devonshire Square London EC2M 4XJ
Solicitors	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA
Registered office	Suite 201 The Chambers Chelsea Harbour London SW10 0XF
Registered number	2851607

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

Principal activities

The company's principal activity is the sale of highly sheltered housing to the frail and elderly on long leases. Care and property services are provided by other group companies.

Business review

The results for the year are set out in the profit and loss account on page 6. The directors are satisfied with the company's result.

Dividends

No dividends were paid during the year (2004: *£nil*).

Future prospects

The directors expect the general level of activity in the healthcare sector, and hence the demand for highly sheltered housing, to increase.

Directors and directors' interests

The directors who held office during the year and to the date of this report were as follows:

M Parsons
D Duncan
J Hather (appointed 23 February 2005)

There are no directors' interests requiring disclosure under the Companies Act 1985. Details of directors' interests in the ultimate parent undertaking, Grove Limited, are disclosed in that company's financial statements.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board



M Parsons
Director

Suite 201
The Chambers
Chelsea Harbour
London
SW10 0XF

4 October 2006

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 UK Accounting Standards.

The financial statements are required by law to 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.

In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 its 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



KPMG LLP

Plym House
3 Longbridge Road
Plymouth
PL6 8LT
United Kingdom

Independent auditors' report to the members of Westminster Beaumont Properties Limited

We have audited the financial statements of Westminster Beaumont Properties Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 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 described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP

Chartered Accountants

Registered Auditor

4 October 2006

Profit and loss account
Year ended 31 December 2005

	<i>Note</i>	2005 £000	2004 £000
Turnover	<i>1</i>	1,640	1,586
Cost of sales		(1,499)	(1,431)
Gross profit		141	155
Administrative expenses		-	(12)
Operating profit		141	143
Interest receivable		9	3
Profit on ordinary activities before taxation	<i>2</i>	150	146
Tax on profit on ordinary activities	<i>4</i>	(7)	(45)
Retained profit for the financial year	<i>10</i>	143	101

A reconciliation of movements in equity shareholder's funds is given in note 11.

All items derive from continuing operations.

There is no difference between the results as stated above and the results on a historical cost basis.

There were no recognised gains and losses other than those shown in the profit and loss account for the current and preceding financial years.

Balance sheet
at 31 December 2005

	<i>Note</i>	2005 £000	2005 £000	2004 £000	2004 £000
Fixed assets					
Tangible assets	5		263		266
Current assets					
Stocks	6	1,393		1,036	
Debtors	7	1,816		1,873	
Cash at bank and in hand		483		389	
Creditors: amounts falling due within one year	8	3,692 (1,479)		3,298 (1,231)	
Net current assets			2,213		2,067
Net assets			2,476		2,333
Capital and reserves					
Called up share capital	9		-		-
Profit and loss account	10		2,476		2,333
Equity shareholders' funds	11		2,476		2,333

These financial statements were approved by the board of directors on 4 October 2006 and were signed on its behalf by:



D Duncan
 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.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date; and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985. FRS 21 'events after the balance sheet date' has had no material effect as there have been no events after the balance sheet date in the current or preceding years that fall under the scope of this FRS.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules. The principal accounting policies adopted by the directors are described below:

Under FRS 1 (Revised) the company is exempt from the requirement to produce a cash flow statement due to the ultimate undertaking registered in England and Wales, Barchester Healthcare Limited including the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Barchester Healthcare Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Barchester Healthcare Limited, within which the company is included, can be obtained from the address given in note 13.

Turnover

Turnover represents sales of highly sheltered property. Sales are recognised on completion.

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings - 25 years

No depreciation is provided on freehold land.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the period 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 without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

2 Profit on ordinary activities before taxation

	2005 £000	2004 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets: owned	3	4
	<u>3</u>	<u>4</u>

The remuneration of the auditors in respect of services provided to the company in the current and prior financial years was borne by another group company.

3 Remuneration of directors

The directors received no emoluments for services to the company during the year (2004: *£nil*). The directors received remuneration for services to Grove Limited of which Westminster Beaumont Properties Limited is a subsidiary undertaking, however the proportion attributable to their services to Westminster Beaumont Properties Limited is not separately identifiable.

4 Tax on profit on ordinary activities

	2005 £000	2004 £000
<i>Current taxation</i>		
Current tax on income for the period	46	45
Adjustments in respect of prior periods	(39)	-
	<u>7</u>	<u>45</u>
<i>Total on profit on ordinary activities</i>	<u>7</u>	<u>45</u>

The current tax charge for the period is lower than (2004: *higher than*) the standard rate of corporation tax in the UK of 30%, (2004: 30%). The differences are explained below.

	2005 £000	2004 £000
Profit on ordinary activities before tax	150	146
	<u>150</u>	<u>146</u>
Tax on profit on ordinary activities at standard rate	45	44
<i>Factors affecting charge for the year:</i>		
Non-qualifying depreciation	-	1
Expenses not deductible for tax purposes	1	-
Adjustments to tax in respect of prior periods	(39)	-
	<u>7</u>	<u>45</u>
Total current tax charge (see above)	<u>7</u>	<u>45</u>

Notes (continued)

5 Tangible fixed assets

	Freehold land and buildings £'000
Cost	
At beginning and end of the year	279
Depreciation	
At beginning of the year	13
Charge for the year	3
At end of the year	16
Net book value	
At 31 December 2005	263
At 31 December 2004	266

6 Stocks

	2005 £000	2004 £000
Assets for resale	1,393	1,036

Stock comprises close care units which have been developed by the company and are held for resale.

7 Debtors

	2005 £000	2004 £000
Amounts owed by group undertakings	1,816	1,873

Amounts due from group undertakings stated above are legally due on demand and are thus recoverable within one year. It is not expected that the demand would be made or that these amounts will be received within the next year.

8 Creditors: amounts falling due within one year

	2005 £000	2004 £000
Trade creditors	2	2
Amounts owed to group undertakings	1,271	1,053
Group relief payable	158	102
Corporation tax	46	70
Accruals and deferred income	2	4
	1,479	1,231

Notes (continued)

9 Called up share capital

	2005 £	2004 £
Authorised		
1,000 (2004: 1,000) ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 (2004: 2) ordinary shares of £1 each	2	2

10 Reserves

	Profit and loss account £'000
At beginning of the year	2,333
Profit for the financial year	143
At end of the year	2,476

11 Reconciliation of movement in shareholder's funds

	2005 £000	2004 £000
Profit for the financial year	143	101
Shareholder's funds at beginning of year	2,333	2,232
Shareholder's funds at end of year	2,476	2,333

12 Contingent liabilities

The company has sold retirement apartments under arrangements which entitle the purchaser to require repurchase of the apartments, in certain circumstances, at the higher of a discount to the cost or a discount to the market value. As at 31 December 2005 the total repurchase commitment notified to the company was £915,000 (2004: £694,000) and the total potential obligation is estimated at £8,930,000 (2004: £8,957,000). The directors do not estimate any impairment of the recoverable value of the underlying properties and consequently are of the opinion that no loss should accrue to the company in the event that the repurchase commitment crystallises.

13 Immediate and ultimate parent undertaking

The immediate parent undertaking is Westminster Securitisation Limited.

The ultimate UK parent undertaking is Barchester Healthcare Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate parent undertaking is Grove Limited, a company registered in Jersey.