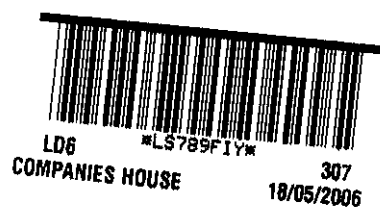


**EBBGATE NURSING HOMES (LONDON) LIMITED**

**(Registered No. 2857862)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD 27 MARCH 2005 TO 31 DECEMBER 2005**



## **EBBGATE NURSING HOMES (LONDON) LIMITED**

### **REPORT OF THE DIRECTORS**

**for the period 27 March 2005 to 31 December 2005**

The Directors present their annual report and the audited financial statements for the period 27 March 2005 to 31 December 2005.

**1. Principal activity**

The principal activity of the Company is to provide financial support to fellow group entities.

**2. Review of the business**

The Directors consider the performance of the Company during the period to be satisfactory.

**3. Change of ownership and accounting reference date**

On 5 August 2005 the entire issued share capital of the Company's previous ultimate parent undertaking was acquired by The British United Provident Association (BUPA) through BUPA's subsidiaries. The accounting reference date has been changed to 31 December.

**4. Results and dividends**

The profit for the period, after taxation, amounted to £79,000 (year ended 26 March 2005 - £61,000).

No dividend is proposed for the period (year ended 26 March 2005 - £60,000).

**5. Conversion to International Financial Reporting Standards**

The ultimate parent undertaking, BUPA, has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS). The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

**6. Directors and directors' interests**

Details of the present directors and any other person who served as a director during the period and subsequently are set out below:

N T Beazley	(appointed 1 September 2005)
J P Davies	(appointed 9 August 2005)
M Ellerby	(appointed 9 August 2005)
B D J Kent	(appointed 1 September 2005)
N R Taylor	(appointed 9 August 2005)
A D Walford	(appointed 9 August 2005, resigned 1 September 2005)
G W S Daly	(resigned 11 August 2005)
F J Sinclair-Brown	(resigned 11 August 2005)

The Directors had no interests requiring disclosure under Section 234 of the Companies Act 1985.

**7. Companies (Audit, Investigations and Community Enterprise) Act 2004**

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company.

**EBBGATE NURSING HOMES (LONDON) LIMITED**

**REPORT OF THE DIRECTORS**

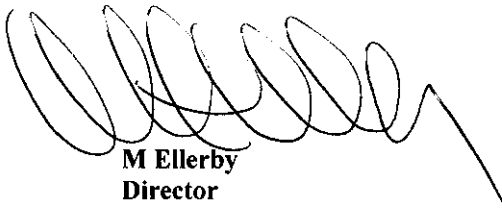
**for the period 27 March 2005 to 31 December 2005**

**8. Auditors**

During the period, Horwath Clark Whitehill LLP resigned as auditors of the Company and KPMG Audit Plc were appointed to fill the casual vacancy created. A resolution will be proposed at a general meeting to reappoint KPMG Audit Plc as auditors for the ensuing year.

Registered Office:  
Bridge House  
Outwood Lane  
Horsforth  
Leeds  
LS18 4UP

By Order of the Board



**M Ellerby**  
**Director**

9 March 2006

## **EBBGATE NURSING HOMES (LONDON) LIMITED**

### **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 judgments 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 that disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBBGATE NURSING HOMES (LONDON) LIMITED**

We have audited the financial statements of Ebbgate Nursing Homes (London) Limited for the period 27 March 2005 to 31 December 2005 which comprise of 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 period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

Leeds

9 March 2006

**EBBGATE NURSING HOMES (LONDON) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**for the period 27 March 2005 to 31 December 2005**

	<b>Note</b>	<b>27 March 2005 to 31 December 2005 £'000</b>	<b>Year ended 26 March 2005 £'000</b>
Operating expenses		<u>(6)</u>	<u>(2)</u>
<b>Operating loss</b>		(6)	(2)
Interest receivable and similar income	4	127	96
Interest payable and similar charges	5	<u>(15)</u>	<u>(33)</u>
<b>Profit on ordinary activities before taxation</b>	6	106	61
Tax on profit on ordinary activities	7	<u>(27)</u>	<u>-</u>
<b>Profit for the financial period</b>		<u>79</u>	<u>61</u>

The operating loss is all derived from continuing operations.

There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation.

There were no recognised gains and losses other than the profit for the current and prior financial periods.

The accounting policies and notes on pages 8 to 11 form part of these financial statements.

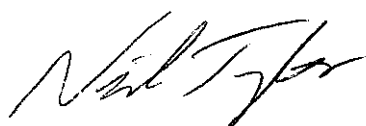
**EBBGATE NURSING HOMES (LONDON) LIMITED**

**BALANCE SHEET**  
**as at 31 December 2005**

	Note	31 December 2005 £'000	31 March 2005 £'000
<b>Current assets</b>			
Debtors	9	1,519	1,392
Cash at bank and in hand		<u>5</u>	<u>8</u>
		1,524	1,400
<b>Creditors: amounts falling due within one year</b>	10	<u>(283)</u>	<u>(238)</u>
<b>Net current assets</b>		1,241	1,162
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(492)</u>	<u>(492)</u>
		<u>749</u>	<u>670</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	<u>749</u>	<u>670</u>
<b>Equity shareholders' funds</b>		<u>749</u>	<u>670</u>

These financial statements were approved by the Board of Directors on 9 March 2006 and were signed on its behalf by:

**N R Taylor**  
**Director**



The accounting policies and notes on pages 8 to 11 form part of these financial statements.

**EBBGATE NURSING HOMES (LONDON) LIMITED**

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**for the period 27 March 2005 to 31 December 2005**

	<b>27 March 2005 to 31 December 2005 £'000</b>	<b>Year ended 26 March 2005 £'000</b>
<b>Profit for the financial period</b>	79	61
Dividends	-	(60)
<b>Net additions to shareholders' funds</b>	79	1
Opening shareholders' funds	670	669
<b>Closing shareholders' funds</b>	749	670



## **EBBGATE NURSING HOMES (LONDON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**for the period 27 March 2005 to 31 December 2005**

#### **1. STATEMENT OF ACCOUNTING POLICIES**

##### **(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, under the *historical cost accounting convention and on a going concern basis*.

As the Company is a wholly owned subsidiary undertaking of BUPA, a Company registered in England and Wales, which publishes consolidated accounts, the Company has pursuant to paragraph 17 of Financial Reporting Standard No. 8: Related Party Disclosures (FRS 8) not included details of transactions with other companies which are subsidiary undertakings of the BUPA Group. There were no other related party transactions.

##### **Accounting conventions**

A summary of the more significant accounting policies, which have been applied consistently, is set out below.

##### **(b) Cash flow statement**

Under Financial Reporting Standard No. 1: Cash Flow Statements (revised 1996) (FRS 1) the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking of BUPA, a Company that prepares a consolidated cash flow statement for the BUPA Group.

##### **(c) Taxation including deferred taxation**

The charge for taxation is based on the result for the period and takes into account deferred tax.

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of property to its market value, the fair value adjustment of fixed assets, or 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 and without it being possible to claim rollover relief. 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 it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

##### **Taxation including deferred taxation (continued)**

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 current tax rates and laws.

Trading losses surrendered to other Group subsidiary undertakings are made on a full payment basis.

##### **(d) Pensions and other post-retirement benefits**

Contributions to the defined contribution scheme are charged to the profit and loss account in the accounting period in which they occur.

#### **2. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS**

The immediate parent undertaking of the Company is ANS Plc, a Company registered in England and Wales.

The ultimate parent undertaking of the Company is BUPA, a Company registered in England and Wales, in whose accounts these financial statements are consolidated. Copies of the accounts of BUPA can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ.

# EBBGATE NURSING HOMES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period 27 March 2005 to 31 December 2005

### 3. STAFF COSTS AND DIRECTORS' REMUNERATION

The emoluments of the Directors are borne by other Group Companies and are disclosed in the financial statements of those companies. The Company has no other employees.

### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	27 March 2005 to 31 December 2005 £'000	Year ended 26 March 2005 £'000
Loan to Group undertaking	127	96

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	27 March 2005 to 31 December 2005 £'000	Year ended 26 March 2005 £'000
Loan from Group undertaking	15	33

### 6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	27 March 2005 to 31 December 2005 £'000	Year ended 26 March 2005 £'000
<b>Profit on ordinary activities before taxation is stated after charging</b>		
Auditors' remuneration		
Audit	-	1
Other services	-	1

Auditors' remuneration and amounts paid to KPMG Audit Plc and their associates for non audit services are borne by a fellow Group undertaking during the period.

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### (i) Analysis of tax charge in period

	27 March 2005 to 31 December 2005 £'000	Year ended 26 March 2005 £'000
Current tax		
UK corporation tax on profits of the period	27	-

# EBBGATE NURSING HOMES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period 27 March 2005 to 31 December 2005

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

#### (ii) Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	27 March 2005 to 31 December 2005 £'000	Year ended 26 March 2005 £'000
Profit on ordinary activities before tax	106	61
Tax charge on profit on ordinary activities at 30%	32	18
Effects of:		
Utilisation of losses brought forward	-	(18)
Movement on deferred tax not recognised	(5)	-
Total current tax charge for the period	27	-

### 8. DIVIDENDS

	27 March 2005 to 31 December 2005 £'000	Year ended 26 March 2005 £'000
Final paid £nil (year ended 26 March 2005- £600) per ordinary share	-	60

### 9. DEBTORS

	31 December 2005 £'000	26 March 2005 £'000
Amounts owed by Group undertakings	1,519	1,392

### 10. CREDITORS – amounts falling due within one year

	31 December 2005 £'000	26 March 2005 £'000
Trade creditors	1	1
Amounts owed to Group undertakings	246	232
Corporation tax	27	-
Other creditors	3	3
Accruals and deferred income	6	3
	283	239

# EBBGATE NURSING HOMES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period 27 March 2005 to 31 December 2005

### 11. CREDITORS – amounts falling due after more than one year

	31 December 2005 £'000	26 March 2005 £'000
Amount owed to Group undertaking	<u>492</u>	<u>492</u>

### 12. SHARE CAPITAL

	31 December 2005 £'000	26 March 2005 £'000
<b>Authorised</b>		
25,000 A ordinary shares of £1 each	25	25
25,000 B ordinary shares of £1 each	<u>25</u>	<u>25</u>
	<u>50</u>	<u>50</u>

	31 December 2005 £	26 March 2005 £
<b>Allotted, called-up and fully paid</b>		
50 A ordinary shares of £1 each	50	50
50 B ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<u>100</u>	<u>100</u>

### 13. RESERVES

	Profit and loss Account £'000
At 27 March 2005	670
Profit for the financial period	<u>79</u>
At 31 December 2005	<u>749</u>

### 14. COMMITMENTS

The Company had no capital commitments at the end of either period.