

SUTTON COURT HOMES LIMITED

(Registered No. 3191679)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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SUTTON COURT HOMES LIMITED

REPORT OF THE DIRECTORS for the year ended 31 December 2007

The Directors present their annual report and the audited financial statements for the year ended 31 December 2007

1 Review of the business and principal activities

Principal activities

The principal activities of the Company are the owning and operating of nursing and residential homes for the elderly

Results and dividends

The profit for the year, after taxation, amounted to £272,000 (2006 - £332,000)

No dividend was declared and paid during the year (2006 - £nil)

Review of the business

On 31 December 2006 BUPA Care Homes (ANS) Limited (formerly ANS Homes Limited), a fellow Group company, acquired the trade and the assets of the Company at net book value which was equal to fair value

2. Conversion to International Financial Reporting Standards

The ultimate parent undertaking, The British United Provident Association Limited (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

3. Directors and directors' interests

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

N T Beazley

J P Davies

M Ellerby

B D J Kent (resigned 1 November 2007)

N R Taylor

F D Gregory (appointed 1 November 2007)

4. 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

5. Employees and remuneration

Details of the number of persons employed and gross remuneration are contained in note 3 to the financial statements

6. Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

SUTTON COURT HOMES LIMITED

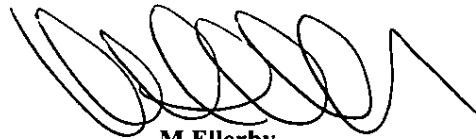
REPORT OF THE DIRECTORS
for the year ended 31 December 2007

7. Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

Registered Office
Bridge House
Outwood Lane
Horsforth
Leeds
LS18 4UP

By Order of the Board

A handwritten signature in black ink, consisting of several overlapping loops and a final upward stroke, positioned above the printed name and title.

M Ellerby
Director

13 March 2008

SUTTON COURT HOMES 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 SUTTON COURT HOMES LIMITED

We have audited the financial statements of Sutton Court Homes Limited for the year ended 31 December 2007 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG Audit Plc

Chartered Accountants

Registered Auditor

13 March 2008

1 The Embankment

Neville Street

Leeds LS1 4DW

SUTTON COURT HOMES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Turnover	1	-	2,595
Operating expenses		<u>-</u>	<u>(2,009)</u>
Operating profit		-	586
Interest receivable and similar income	4	427	26
Interest payable and similar charges	5	<u>(9)</u>	<u>(190)</u>
Profit on ordinary activities before taxation	6	418	422
Tax on profit on ordinary activities	7	<u>(146)</u>	<u>(90)</u>
Profit for the financial year		<u>272</u>	<u>332</u>

The operating profit is all derived from discontinued operations

There were no recognised gains or losses other than the profit for the year

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

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

SUTTON COURT HOMES LIMITED

BALANCE SHEET **as at 31 December 2007**

	Note	2007 £'000	2006 £'000
Current assets			
Debtors	8	7,114	10,658
Cash at bank and in hand		<u>-</u>	<u>19</u>
		7,114	10,677
Creditors: amounts falling due within one year	9	<u>(3)</u>	<u>(3,838)</u>
Net current assets		<u>7,111</u>	<u>6,839</u>
Net assets		<u>7,111</u>	<u>6,839</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	<u>7,111</u>	<u>6,839</u>
Shareholders' funds		<u>7,111</u>	<u>6,839</u>

These financial statements were approved by the Board of Directors on 13 March 2008 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

SUTTON COURT HOMES LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2007

	2007	2006
	£'000	£'000
Profit for the financial year and net addition to shareholders' funds	272	332
Opening shareholders' funds	<u>6,839</u>	<u>6,507</u>
Closing shareholders' funds	<u>7,111</u>	<u>6,839</u>

SUTTON COURT HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

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 as modified to include the revaluation of land and buildings and on a going concern basis

As the Company is a wholly owned subsidiary undertaking of BUPA, a company registered in England and Wales and 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) Turnover

Turnover represents the total amount earned by the Company in the ordinary course of business for services rendered after deducting trade discounts and Value Added Tax, where applicable. All turnover arises within the United Kingdom

(d) Taxation including deferred taxation

The charge for taxation is based on the result for the year 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

- 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

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

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. The smallest group in which these accounts are consolidated is that headed by BUPA Finance Plc, a company registered in England and Wales. Copies of the accounts of BUPA and BUPA Finance Plc can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ

SUTTON COURT HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

3. STAFF COSTS AND DIRECTORS' REMUNERATION

a) Employees

The average number of full-time equivalent employees employed by the Company during the year (including directors), analysed by category was as follows

	Number of employees	
	2007	2006
Health care	-	83

The aggregate payroll costs of these persons were as follows

	2007 £'000	2006 £'000
Wages and salaries	-	1,332
Social security costs	-	109
	-	1,441

b) Directors' remuneration

The emoluments of the Directors are borne by other Group companies and are disclosed in the financial statements of those companies

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £'000	2006 £'000
Group undertakings	427	26

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £'000	2006 £'000
Group undertakings	9	190

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off owned tangible fixed assets	-	156
Fees for the audit of the Company	1	1

Fees for the audit of the Company represent the amount receivable by the Company's auditors. The amount may not be borne by the Company.

Fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated accounts of BUPA, the ultimate parent undertaking, are required to disclose non-audit fees on a consolidated basis.

SUTTON COURT HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(i) Analysis of tax charge in year

	2007 £'000	2006 £'000
Current tax		
UK corporation tax on profits of the year	125	140
Adjustment in respect of prior years	21	1
	<u>146</u>	<u>141</u>
Deferred tax		
Origination and reversal of timing differences	-	(51)
	<u>-</u>	<u>(51)</u>
Tax on profit on ordinary activities	<u>146</u>	<u>90</u>

(ii) Factors affecting the tax charge

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

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	<u>418</u>	<u>422</u>
Tax charge on profit on ordinary activities at 30%	125	127
Effects of		
Expenses not deductible for tax purposes	-	35
Capitalised interest adjustment	-	(65)
Accelerated capital allowances	-	(10)
Deferred tax on short-term and other timing differences	-	61
Fixed assets transfers	-	(8)
Adjustment in respect of prior periods	21	1
	<u>146</u>	<u>141</u>
Total current tax charge for the year	<u>146</u>	<u>141</u>

8. DEBTORS

	2007 £'000	2006 £'000
Amounts owed by Group undertaking	<u>7,114</u>	<u>10,658</u>

9. CREDITORS – amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to Group undertakings	<u>3</u>	<u>3,838</u>

SUTTON COURT HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

10. SHARE CAPITAL

	2007 £	2006 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2007 £	2006 £
Allotted, called-up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. RESERVES

	Profit and loss account £'000
At 1 January 2007	6,839
Profit for the financial year	<u>272</u>
At 31 December 2007	<u>7,111</u>

12. COMMITMENTS

The Company had no capital commitments at the end of either year