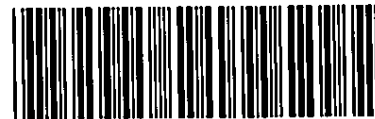


Company number: 03824405

EMLOR PROPERTY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MAY 2007

SATURDAY



AYEGJXGY

A35

23/02/2008

259

COMPANIES HOUSE

EMLOR PROPERTY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007

Contents

Page:

2	Report of the directors
3	Statement of directors' responsibilities in respect of the directors' report and the financial statements
4-5	Report of the independent auditors
6	Profit and loss account
7	Balance sheet
8-12	Notes forming part of the financial statements

Directors

S J McCarthy
C J McCarthy

Secretary and registered office

N A Lawrence (appointed 18 June 2007)
S J McCarthy (resigned 18 June 2007)
Millstream House
Parkside
Ringwood
Hampshire
BH24 3SG

Company number

03824405

Auditors

KPMG LLP
Dukes Keep
Marsh Lane
Southampton
Hampshire
SO14 3EX

EMLOR PROPERTY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 2007

The directors present their report together with the audited financial statements for the year ended 31 May 2007

Principal activity

The principal activity of the Company is to hold Investment Properties and collect rental income

Review of business

The Company traded satisfactorily during the year

Results and dividends

The profit and loss account is set out on page 6 and shows the result for the year

The directors are not proposing the payment of a final dividend (2006 - £Nil)

Directors

The following directors have held office during the year

S J McCarthy

C J McCarthy

Disclosure of information to auditors continued

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

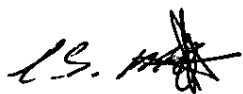
Auditors

In accordance with section 384 of the Companies Act 1985, a resolution proposing the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

Political and charitable donations

The company made no political or charitable donations during either the current or proceeding year

By order of the Board



C J McCarthy
Director

31st January 2008

EMLOR PROPERTY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007

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.

EMLOR PROPERTY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMLOR PROPERTY LIMITED

We have audited the financial statements of Emlor Property Limited for the year ended 31 May 2007 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

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

EMLOR PROPERTY LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF EMLOR PROPERTY LIMITED

- 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 May 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 LLP

KPMG LLP
Chartered Accountants

Dukes Keep
Southampton
SO14 3EX

Registered Auditor

12 February 2008

EMLOR PROPERTY LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2007**

	Note	2007	2006
		£	£
Turnover		107,984	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		107,984	-
Administrative expenses		(5,070)	-
		<hr/>	<hr/>
Operating profit		102,914	-
Interest payable	2	(69,958)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		32,956	-
Taxation on profit from ordinary activities	3	(9,886)	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		23,070	-
		<hr/>	<hr/>
Retained profit for the year	8	23,070	-
		<hr/>	<hr/>

All amounts relate to continuing activities and are stated at historical cost

All recognised gains and losses are included in the profit and loss account, accordingly no statement of total recognised gains and losses has been presented

EMLOR PROPERTY LIMITED**BALANCE SHEET AT 31 MAY 2007**

	Note	2007 £	2007 £	2006 £	2006 £
Fixed Assets					
Investment properties	4		2,751,070		-
Current assets					
Debtors	5	2		2	
		<u>2</u>		<u>2</u>	
Creditors: amounts falling due within one year	6	(2,728,000)		-	
Net current assets			(2,727,998)		2
Total assets less current liabilities			<u>23,072</u>		<u>2</u>
Net assets			<u>23,072</u>		<u>2</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account	8		23,070		-
Shareholders' funds - equity	9		<u>23,072</u>		<u>2</u>

The financial statements were approved by the Board on 31st January 2008



S J McCarthy
Director

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

EMLOR PROPERTY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Turnover

Turnover represents the value of ground rents received in the period excluding Value Added Tax.

Investment Properties

These represent reversionary interests and are valued as follows:

Investment properties are stated at cost or valuation less depreciation.

In accordance with Statement of Standard Accounting Practice 19, investment properties will normally be re-valued annually and the aggregate surplus or deficit transferred to a revaluation reserve; no depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years to run. Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount that might otherwise have been shown cannot be separately identified or quantified.

Cash flow statement

Under Financial Reporting Standard 1 (Revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published financial statements.

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit is uncertain. Any assets or liabilities have not been discounted.

EMLOR PROPERTY LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007****2 Other interest payable**

	Year to 31 May 2007 £	18 months to 31 May 2006 £
Other interest payable	69,958	-
	<u>69,958</u>	<u>-</u>

3 Taxation

	Year to 31 May 2007 £	18 months to 31 May 2006 £
Domestic current year taxation UK corporation tax at 30% (2006 30%)	9,886	-
Current tax charge	<u>9,886</u>	<u>-</u>
Deferred tax charge for year	-	-
	<u>9,886</u>	<u>-</u>

Factors affecting the tax charge for the period

The current tax charge for the period is higher (*2006 higher*) than the standard rate of corporation tax in the UK (30%, *2006 30 %*) The differences are explained below

Profit on ordinary activities before taxation	<u>32,956</u>	<u>-</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006 30%)	<u>9,886</u>	<u>-</u>

EMLOR PROPERTY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007

4 Fixed assets

Investment properties

	Freehold reversionary interests £
At 1 June 2006	-
Additions at cost	2,751,070
	<hr/>
At 31 May 2007	<u>2,751,070</u>

Freehold reversionary interests in sold units are valued at the year end by the directors on an open market value basis

5 Debtors

	2007 £	2006 £
Other debtors	2	2
	<hr/>	<hr/>
	<u>2</u>	<u>2</u>

6 Creditors: amounts falling due within one year

	2007 £	2006 £
Amounts owed to Group companies	2,718,114	-
Taxation and social security	9,886	-
	<hr/>	<hr/>
	<u>2,728,000</u>	<u>-</u>

EMLOR PROPERTY LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MAY 2007****7 Share capital**

	Authorised			
	2007 Number	2006 Number	2007 £	2006 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

	Allotted, called up and fully paid			
	2007 Number	2006 Number	2007 £	2006 £
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

8 Profit and loss account

	£
At 1 June 2006	-
Profit for the year	23,070
At 31 May 2007	<u>23,070</u>

9 Reconciliation of shareholders' funds

	2007 £	2006 £
Profit for the financial year	23,070	-
Opening shareholders' funds	<u>2</u>	<u>2</u>
Closing shareholders' funds	<u>23,072</u>	<u>2</u>

EMLOR PROPERTY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MAY 2007

10 Related Party Transactions

During the year Emlor Property Limited purchased a number of Freehold developments from its parent company Churchill Retirement Living Limited at a value of £2,751,070 (2006 £Nil) Emlor Property Limited is a 100% subsidiary of Churchill Retirement Living Limited Churchill Retirement Living Limited collected £90,999 (2006 £Nil) of ground rent and £16,985 (2006 £Nil) of transfer fees on behalf of Emlor Property Limited Churchill Retirement Living Limited charged Emlor Property Limited £3,424 for the administration of the company Churchill Retirement Living Limited charged Emlor Property Limited £69,958 of interest on the outstanding balance at the year end The balance owed to Churchill Retirement Living Limited at 31 May 2007 was £2,718,114 (2006 £Nil)

11 Parent company

At both 31 May 2007 and 31 May 2006 the Company was a wholly owned subsidiary of Churchill Retirement Living Limited, in to which the results of the Company are consolidated Copies of these consolidated financial statements may be obtained from the registered office of Churchill Retirement Living Limited at Millstream House, Parkside, Ringwood, Hampshire, BH24 3SG