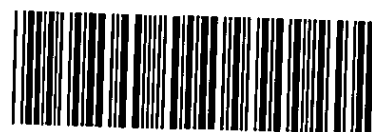


LAKEWOOD LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2008

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COMPANIES HOUSE

LAKEWOOD LIMITED

COMPANY INFORMATION

DIRECTOR	S Lakhani
COMPANY SECRETARY	Mrs I Lakhani
COMPANY NUMBER	4076355
REGISTERED OFFICE	435 St Mary's Lane Upminster Essex RM14 3NU
AUDITORS	Tenon Audit Limited 88-96 Market Street West Preston PR1 2EU
BANKERS	Barclays Bank Plc PO Box 544 54 Lombard Street London EC3V 9EX Bank of Scotland 3 Mid New Cutlins Edinburgh EH11 4DH Deutsche Bank AG London Winchester House 1 Great Winchester Street London EC2N 2DB
SOLICITORS	DLA Piper Scotland LLP Rutland Square Edinburgh EH1 2AA

LAKEWOOD LIMITED

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LAKEWOOD LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JULY 2008

The director presents his report and the financial statements for the year ended 31 July 2008.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual reports may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITIES

The company's principal activities are the operation and leasing of nursing homes.

BUSINESS REVIEW

The director is satisfied with the performance of the company during the year.

Turnover has increased marginally from the prior year due to an increased occupancy level at the nursing home operated by the company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £93,225 (2007 - £29,649).

The directors recommend that no dividend be paid in respect of the year.

DIRECTOR

The director who served during the year was:

S Lakhani

LAKEWOOD LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2008**

PROVISION OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to reappoint Tenon Audit Limited as auditors for the ensuing year will be proposed at the Annual General Meeting.

This report was approved by the board on

22 MAY 2009

and signed on its behalf.



S Lakhani
Director

LAKEWOOD LIMITED

INDEPENDENT AUDITORS' REPORT TO LAKEWOOD LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts of Lakewood Limited for the year ended 31 July 2008, which comprise the abbreviated Profit and loss account, the Balance sheet and the related notes, together with the financial statements of the company for the year ended 31 July 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 'The special Auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts which comprise the abbreviated Profit and loss account, the Balance sheet and the related notes have been properly prepared in accordance with that provision.

Tenon Audit Limited

TENON AUDIT LIMITED

Registered Auditor

88-96 Market Street West
Preston
PR1 2EU

Date: **28 MAY 2009**

LAKEWOOD LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2008**

	Note	2008 £	2007 £
GROSS PROFIT		1,814,683	1,657,368
Administrative expenses		<u>(1,408,914)</u>	<u>(1,308,064)</u>
OPERATING PROFIT	2	405,769	349,304
Interest receivable		20,316	25,679
Interest payable	4	<u>(340,221)</u>	<u>(345,334)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		85,864	29,649
Tax on profit on ordinary activities	5	<u>7,361</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	12	<u><u>93,225</u></u>	<u><u>29,649</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

LAKEWOOD LIMITED

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2008**

	2008 £	2007 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	85,864	29,649
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	22,705	22,705
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	108,569	52,354
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	115,930	52,354

The notes on pages 7 to 13 form part of these financial statements.

LAKEWOOD LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 JULY 2008**

	Note	£	2008 £	£	2007 £	£
FIXED ASSETS						
Tangible fixed assets	6		7,089,698		7,136,900	
Fixed asset investments			100		100	
			<u>7,089,798</u>		<u>7,137,000</u>	
CURRENT ASSETS						
Debtors	7	1,712,928		1,604,224		
Cash at bank and in hand		95,984		168,817		
		<u>1,808,912</u>		<u>1,773,041</u>		
CREDITORS: amounts falling due within one year	8	(708,687)		(730,489)		
NET CURRENT ASSETS			<u>1,100,225</u>		<u>1,042,552</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,190,023</u>		<u>8,179,552</u>	
CREDITORS: amounts falling due after more than one year	9	(5,115,278)		(5,198,032)		
NET ASSETS			<u><u>3,074,745</u></u>		<u><u>2,981,520</u></u>	
CAPITAL AND RESERVES						
Called up share capital	11		100		100	
Revaluation reserve	12		3,078,796		3,101,501	
Profit and loss account	12		(4,151)		(120,081)	
SHAREHOLDERS' FUNDS	13		<u><u>3,074,745</u></u>		<u><u>2,981,520</u></u>	

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on

22 MAY 2009



S Lakhani
Director

The notes on pages 7 to 13 form part of these financial statements.

LAKEWOOD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2%	straight line
Plant & machinery	-	20%	reducing balance
Fixtures & fittings	-	20%	reducing balance

1.5 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

LAKEWOOD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008

1. ACCOUNTING POLICIES (continued)

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 INVESTMENT PROPERTIES

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The director considers that this accounting policy results in the financial statements giving a true and fair view. The affect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the director, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where the deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	53,968	54,392
Auditors' remuneration	8,500	6,400
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2007 - £NIL).

LAKEWOOD LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2008**

3. STAFF COSTS

Staff costs were as follows:

	2008 £	2007 £
Wages and salaries	1,044,412	963,556
Social security costs	82,553	77,415
	<u>1,126,965</u>	<u>1,040,971</u>

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

	2008 No.	2007 No.
Nursing staff and management	<u>62</u>	<u>64</u>

4. INTEREST PAYABLE

	2008 £	2007 £
On bank loans and overdrafts	<u>340,221</u>	<u>345,334</u>

5. TAXATION

	2008 £	2007 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	-	-
DEFERRED TAX		
Origination and reversal of timing differences	69,685	-
In relation to losses carried forward	(77,046)	-
TOTAL DEFERRED TAX (see note 10)	<u>(7,361)</u>	<u>-</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>(7,361)</u>	<u>-</u>

LAKEWOOD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008

5. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK (21%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	85,864	29,649
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2007 - 19%)	18,031	5,633
EFFECTS OF:		
Expenses not deductible for tax purposes	280	2,952
Capital allowances for year in excess of depreciation	(3,059)	(8,358)
Utilisation of tax losses	(10,986)	(227)
Group relief	(4,266)	-
CURRENT TAX CHARGE FOR THE YEAR (see note above)	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Total £
COST OR VALUATION				
At 1 August 2007	7,150,000	13,779	114,916	7,278,695
Additions	-	2,534	4,232	6,766
At 31 July 2008	7,150,000	16,313	119,148	7,285,461
DEPRECIATION				
At 1 August 2007	53,118	7,472	81,205	141,795
Charge for the year	44,612	1,768	7,588	53,968
At 31 July 2008	97,730	9,240	88,793	195,763
NET BOOK VALUE				
At 31 July 2008	7,052,270	7,073	30,355	7,089,698
At 31 July 2007	7,096,882	6,307	33,711	7,136,900

LAKEWOOD LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2008**

6. TANGIBLE FIXED ASSETS (continued)

Included in land and buildings is freehold land at valuation of £3,116,667 (2007 - £3,116,667), (cost £1,997,331 (2007 - £1,997,331)) which is not depreciated.

Included within the net book value of land and buildings above are investment properties at valuation, amounting to £3,250,000.

7. DEBTORS

	2008 £	2007 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	32,002	33,335
DUE WITHIN ONE YEAR		
Trade debtors	44,433	82,347
Amounts owed by group undertakings	1,628,125	1,457,607
Other debtors	907	10,055
Called up share capital not paid	100	100
Prepayments and accrued income	-	20,780
Deferred tax asset (see note 10)	7,361	-
	<u>1,712,928</u>	<u>1,604,224</u>

**8. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Bank loans and overdrafts	99,938	94,938
Trade creditors	23,584	23,983
Amounts owed to group undertakings	526,373	553,911
Social security and other taxes	21,936	21,128
Other creditors	9,423	6,618
Accruals and deferred income	27,433	29,911
	<u>708,687</u>	<u>730,489</u>

**9. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2007 £
Bank loans	<u>5,115,278</u>	<u>5,198,032</u>

LAKEWOOD LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2008**

**9. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	2008 £	2007 £
Repayable by instalments	<u>4,647,000</u>	<u>4,753,181</u>

Bank loans are secured on the company's freehold land and buildings. These are repayable by monthly instalments, the maturity date being 20 April 2013. Interest is payable quarterly in arrears and is charged at a margin of 1.3% p.a. above Deutsche Bank AG's base rate. At the balance sheet date the interest rate payable stood at 6.43%.

10. DEFERRED TAXATION

	2008 £	2007 £
At beginning of year	-	-
Credited during year	7,361	-
	<u>7,361</u>	<u>-</u>
At end of year	<u>7,361</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	2008 £	2007 £
Tax losses carried forward	<u>7,361</u>	<u>-</u>

11. SHARE CAPITAL

	2008 £	2007 £
AUTHORISED		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

LAKEWOOD LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2008**

12. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 August 2007	3,101,501	(120,081)
Profit for the year	-	93,225
Transfer between revaluation reserve and profit & loss account	(22,705)	22,705
At 31 July 2008	<u>3,078,796</u>	<u>(4,151)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	2,981,520	2,951,871
Profit for the year	<u>93,225</u>	<u>29,649</u>
Closing shareholders' funds	<u>3,074,745</u>	<u>2,981,520</u>

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a subsidiary of The Holmes Care Limited, incorporated in England and Wales. The company's ultimate parent company is The Holmes Care (Group) Limited, incorporated in England and Wales. Copies of consolidated accounts for this company are available from Companies House.

The company is controlled by S Lakhani.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with members of the group headed by The Holmes Care (Group) Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group.