

HEALTHCARE PROPERTIES (OXFORD) LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2009**



HEALTHCARE PROPERTIES (OXFORD) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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HEALTHCARE PROPERTIES (OXFORD) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009

DIRECTORS

Mr R Borg
Mr R Beney

SECRETARY

Mr R Borg

REGISTERED OFFICE

31a St James's Square
London SW1Y 4JR

REGISTERED NUMBER

4556634

INDEPENDENT AUDITORS

PricewaterhouseCoopers CI LLP
National Westminster House
Le Truchot
St Peter Port
Guernsey GY1 4ND

PRINCIPAL BANKERS

Bank of Scotland
Bishopsgate Exchange
155 Bishopsgate
London EC2M 3YB

HEALTHCARE PROPERTIES (OXFORD) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their annual report and the audited financial statements to the shareholders for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The Company's principal activity is that of an investment property holding company

RESULTS

The result for the year is shown on page 5

DIVIDENDS

The directors do not propose a dividend for the year ended 31 December 2009 (2008 nil)

DIRECTORS

The directors of the Company at 31 December 2009, all of whom have been directors for the whole of the year then ended, were

Mr R Borg
Mr R Beney

SECRETARY

The secretary of the Company at 31 December 2009 was Mr R Borg who had been secretary for the whole year then ended

DIRECTORS' INTERESTS

The directors have no interests in the shares of the Company

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office, and a resolution to reappoint them as auditors to the Company will be proposed at the annual general meeting

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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,
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

HEALTHCARE PROPERTIES (OXFORD) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

In accordance with Section 418, each director at the date of the approval of the directors' report, confirms that

- (a) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) the directors have taken all steps necessary as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board


Director **RALPH BONEY**

18/8/10
Date


Director **RICHARD BORG**

18/8/10
Date

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHCARE PROPERTIES (OXFORD) LIMITED

We have audited the financial statements of Healthcare Properties (Oxford) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

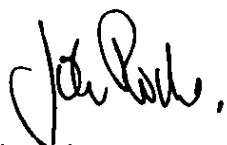
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare financial statements and the Directors' Report in accordance with the small company regime.



John Roche (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey Channel Islands

18 August 2010

HEALTHCARE PROPERTIES (OXFORD) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Rent receivable	1,2	2,393,446	2,388,626
Administrative expenses		(417,562)	(368,534)
Operating profit	3	<u>1,975,884</u>	<u>2,020,092</u>
Other interest receivable and similar income		92,644	57,981
Amortisation of negative goodwill		118,884	118,886
Interest payable and similar charges	4	(1,084,410)	(1,120,605)
Profit on ordinary activities before taxation		<u>1,103,002</u>	<u>1,076,354</u>
Tax on profit of ordinary activities	5	(341,095)	(33,190)
Retained profit for the year		<u>761,907</u>	<u>1,043,164</u>

There are no differences between the operating profit before tax and the profit for the year as stated above and their historical cost equivalents

The results above are all in respect of continuing operations of the Company

The notes on pages 8 to 16 form part of these financial statements

HEALTHCARE PROPERTIES (OXFORD) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009


	Notes	2009 £	2008 £
Retained profit for the year		761,907	1,043,164
Movement in unrealised surplus on revaluation of properties	6, 14	320,477	(905,491)
Total recognised gains for the year		<u>1,082,384</u>	<u>137,673</u>


The notes on pages 8 to 16 form part of these financial statements

HEALTHCARE PROPERTIES (OXFORD) LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Investment properties	6	33,890,522	33,570,045
Investments	7	1,463,806	1,463,817
Negative goodwill	8	(277,411)	(396,295)
Accrued income	1	1,523,897	1,374,776
		<u>36,600,814</u>	<u>36,012,343</u>
CURRENT ASSETS			
Debtors	9	4,252,982	1,576,958
Cash at bank and in hand		15,968	206,093
		<u>4,268,950</u>	<u>1,783,051</u>
CREDITORS amounts falling due within one year	10	(4,909,563)	(3,005,952)
NET CURRENT LIABILITIES		<u>(640,613)</u>	<u>(1,222,901)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>35,960,201</u>	<u>34,789,442</u>
CREDITORS: amounts falling due after one year	11	(19,159,940)	(19,113,318)
PROVISIONS FOR LIABILITIES AND CHARGES	12	(3,391,673)	(3,349,920)
NET ASSETS		<u>13,408,588</u>	<u>12,326,204</u>
SHAREHOLDERS' FUNDS			
Share capital	13	1	1
Revaluation reserve	14	10,943,486	10,623,009
Profit and loss account	14	2,465,101	1,703,194
TOTAL SHAREHOLDERS' FUNDS	15	<u>13,408,588</u>	<u>12,326,204</u>

The financial statements on pages 5 to 16 were approved by the board of directors on 18 August 2010 and were signed on its behalf by

Director

 RALPH BONEY

Director

 RICHARD BORG

The notes on pages 8 to 16 form part of these financial statements

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

1.2 Revenue recognition

Revenue consists of minimum lease rentals and business licence fees payable over the terms of the operating leases, recognised on a straight line basis, and incremental lease rentals payable under rent escalation clauses in the leases recognised as they arise. Every investment property is accounted for individually. Operating lease agreements are based on leasing contracts of either 7 or 35 years.

The Company treats all of its tenant leases as operating leases. This classification is considered by the directors for each property on acquisition. An operating lease is a lease in which substantially all the risks and rewards of the asset (investment property) remain with the lessor and as such these assets remain on the Company's balance sheet. Lease payments from the lessee are recognised as rental income and as such disclosed in the Profit and Loss Account on a straight-line basis over the period of the lease.

Accrued income is provided to recognise guaranteed future income over the period of the lease. Accrued income is recognised under non-current assets for all amounts not released to the Profit and Loss Account within 12 months of the balance sheet date and not receivable within 12 months. Amounts due to be released within 12 months of the balance sheet date are recognised in receivables under current assets.

1.3 Other income & expenses

All other income and expenses are accounted for on an accruals basis.

1.4 Taxation & deferred taxation

Taxation represents the amount estimated to be payable or recoverable in respect of the taxable profit or loss for the period, along with adjustments to estimates in respect of previous periods. Deferred taxation has been recognised as a liability or asset if a transaction has occurred at the balance sheet date that gives rise to an obligation to pay more taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred taxation assets and liabilities recognised have not been discounted.

1.5 Cash

Cash comprises cash on hand and deposits repayable on demand with banks and other short term highly liquid investments repayable on demand and bank overdrafts.

1.6 Investment properties

The investment properties are stated at market value. Temporary changes in the carrying value of investment properties are credited to the revaluation reserve in shareholder's equity. Permanent decreases in the market value are charged to the Profit and Loss Account.

On disposal, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Profit and Loss Account. Amounts in the revaluation reserve relating to the property are transferred to retained earnings.

Acquisition and disposal of properties are considered to have taken place where, by the end of the accounting period, there is a legally binding, unconditional and irrevocable contract and legal completion has taken place subsequently.

In accordance with SSAP 19, no depreciation or amortisation is provided in respect of freehold properties or leasehold properties with unexpired lease terms in excess of 20 years.

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

1.7 Negative goodwill

Negative goodwill arising on acquisitions is capitalised and amortised on a straight line basis over its useful economic life

1.8 Borrowings

Borrowings are initially recognised as the proceeds received, net of issue costs incurred. Debt arrangement fees which therefore qualify to be treated as issue costs are deducted from the gross amount of bank borrowings and are amortised to the Profit and Loss Account over the period of the borrowings as a component of the interest payable. Other finance costs are written off as they are incurred.

1.9 Investments

Investments are stated at cost less provision for any permanent diminution in value.

1.10 Cash flow statement

Under Financial Reporting Standard No 1 (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

1.11 Basis of non-consolidation

These are separate financial statements which do not include the reported results and net assets of the Company's wholly owned subsidiary undertakings (Note 7).

Under Financial Reporting Standard No 2 the Company is exempt from the requirement to prepare consolidated financial statements on the grounds of its size.

2. TURNOVER

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. OPERATING PROFIT

	2009 £	2008 £
Operating profit is stated after charging		
Auditors' remuneration	13,496	12,688
	<hr/>	<hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
On loans repayable between 2 to 5 years	1,084,410	1,120,605
	<hr/>	<hr/>

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

5. TAXATION

	2009	2008
	£	£
Current tax	299,342	-
Deferred tax (Note 12)	41,753	33,188
	<u>341,095</u>	<u>33,188</u>
Profit on ordinary activities before tax	<u>1,103,002</u>	<u>1,076,354</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	308,841	301,379
Effects of		
Disallowed management charge	57,773	82,832
Disallowed interest charge	5,235	-
Accelerated capital allowances	(15,697)	(22,607)
Adjustment relating to prior year	50,000	-
Utilisation of tax losses	(106,810)	(361,605)
Current tax charge for the year	<u>299,342</u>	<u>-</u>

6. INVESTMENT PROPERTY

	2009	2008
	£	£
As at 1 January	33,570,045	34,475,536
Movement in unrealised surplus on revaluation of properties	320,477	(905,491)
Valuation as at 31 December	<u>33,890,522</u>	<u>33,570,045</u>

A valuation was made at 31 December 2009 by Colliers CRE, Chartered Surveyors and International Property Consultants ('Colliers'), on an investment value basis. CRE recommended that a capitalisation rate in the range of 6.0% to 7.5% should be used. The carrying value of the investment properties of £33,890,522 is made up of the gross Colliers valuation of £35,414,419 less accrued income of £1,523,897. It is the director's opinion that this valuation reflects the fair value of the investment properties as at the 31 December 2009. On a historical cost basis, the properties would be included at an original cost of £22,947,036 (2008 - £22,947,036). As disclosed in note 11, the Company has created a fixed charge over the properties.

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

7. INVESTMENTS

	2009 £	2008 £
Balance brought forward	1,463,817	1,463,817
Write off of investments	(11)	-
Balance carried forward	<u>1,463,806</u>	<u>1,463,817</u>

The investments are in the Company's subsidiaries, The Manor House Nursing Home Limited and Hollygarth Care Homes Limited and in the preference share capital of European Care (England) Limited (see below)

Company	Principle activity	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings				
The Manor House Nursing Home Limited	Dormant	England	Ordinary	100
Hollygarth Care Homes Limited	Dormant	England	Ordinary	100
Other significant interests				
European Care (England) Limited	Provision of Healthcare Services	England	Preference	100

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the last relevant financial year were as follows

	Capital and reserves 2009 £	Result for the year 2009 £	Capital and reserves 2008 £	Result for the year 2008 £
The Manor House Nursing Home Limited	482,476	-	482,476	-
Hollygarth Care Homes Limited	606,330	-	606,330	-
	<u>1,088,806</u>	<u>-</u>	<u>1,088,806</u>	<u>-</u>

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

7 INVESTMENTS (continued)

The investments amounting to £1,463,806 (2008 - £1,463,817) comprised of

- i) £482,476 (2008 - £482,487) representing 11,500 Ordinary A shares of 1p and 300 Ordinary B shares of 1p each in The Manor House Nursing Home Limited
- ii) £606,330 (2008 - £606,330) representing 67,002 Ordinary shares of £1 in Hollygarth Care Homes Limited
- iii) £375,000 (2008 - £375,000) representing 375,000 preference shares of £1 each in European Care (England) Limited These shares are non-voting and repayable between March 2036 and February 2037 or earlier on termination of leases with European Care (England) Limited

During the year, the Company received £2,244,325 (2008 - £2,187,336) in rental income and business fees income from European Care (England) Limited under the terms of a long term lease

8 NEGATIVE GOODWILL

	2009	2008
	£	£
As at 1 January	396,295	515,181
Amortisation	(118,884)	(118,886)
As at 31 December	<u>277,411</u>	<u>396,295</u>

On 5 May 2005, the Company acquired 100% of the share capital of Hollygarth Care Homes Limited On the same day the assets and the business were leased to a third party operator under a 7 year lease The negative goodwill is being amortised over the life of the lease

9. DEBTORS

	2009	2008
	£	£
Prepayments	2,486,461	483,574
Loans	770,397	692,810
Amounts due from other group companies	648,507	171,083
Other debtors	<u>347,617</u>	<u>229,491</u>
	<u>4,252,982</u>	<u>1,576,958</u>

Amounts due from other group companies were £Nil (2008 - £22,576) from Healthcare Properties (Ashlea) Limited, £31,956 (2008 - £31,956) from Healthcare Properties UK Limited, £500,300 (2008 - £300) from Public Service Properties Investments Limited, £1,224 (2008 - £1,224) from Healthcare Properties Etzelgut Limited and £115,027 (2008 - £115,027) from HCP Stonelea Limited These balances are repayable on demand, interest free and unsecured

Prepayments include £2,485,111 (2008 - £482,224) in respect of capital expenditure relating to the planned expansion of certain properties owned by the Company On completion of work at a property the accumulated costs will be transferred to Investment Property

Included in Other debtors and prepayments is an amount of £236,975 (2008 - £117,080) in respect of capitalised rent

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

10 CREDITORS amounts falling due within one year

	2009	2008
	£	£
Bank loans and overdrafts	451,402	452,152
Amounts due to other group companies	4,058,549	2,450,595
Other creditors	6,328	7,811
Accruals	93,942	95,394
Corporation Tax	299,342	-
	<u>4,909,563</u>	<u>3,005,952</u>

Amounts owed to other group companies were £362,476 (2008 - £362,476) to The Manor House Nursing Home Limited, £2,972,839 (2008 - £1,445,290) to Public Service Properties Investments Limited, £40,700 (2008 - £36,500) to Healthcare Properties (Ashlea) Limited, £606,329 (2008 - £606,329) to Hollygarth Care Homes Limited and £100,246 (2008 - £246) to Healthcare Properties LDK Limited. These balances are repayable on demand, interest free and unsecured.

11 CREDITORS: amounts falling due after one year

	2009	2008
	£	£
Bank loan	16,963,970	16,917,348
Other loans	2,195,970	2,195,970
	<u>19,159,940</u>	<u>19,113,318</u>

In September 2007, the Company renegotiated its facility agreements with the Bank of Scotland which are repayable in full after 5 years on an interest only basis. As part of the financing the Company cross guaranteed the obligations of three affiliated companies up to a maximum of £83million. The loan is secured against the total assets of the three companies.

The Company had previously executed interest rate swap agreements to fix the interest over a twenty year term. At 31st December 2009 the principal balance outstanding under the swap agreements was £15,593,010 (2008 - £16,792,397).

The Company also has borrowings of £2,195,970 (2008 - £2,195,970) from its immediate holding company, Healthcare Properties (Ashlea) Limited, which is repayable on demand with the permission of the Bank of Scotland. This loan is unsecured and interest free.

The maturities of the bank loan facilities due after one year are as follows

	2009	2008
	£	£
Due after 1 year but before 2 years	-	-
Due after 2 years but before 5 years	16,963,970	16,917,348
Due after 5 years	-	-
Total bank borrowings due after 1 year	<u>16,963,970</u>	<u>16,917,348</u>
Total bank borrowings	<u>17,415,372</u>	<u>17,369,500</u>

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

12 PROVISIONS FOR DEFERRED TAXATION

	2009 £	2008 £
As at 1 January	3,349,920	3,316,730
Deferred tax on straight line lease income	41,753	33,190
As at 31 December	<u>3,391,673</u>	<u>3,349,920</u>

Deferred taxation is provided on timing differences arising from the recognition of accrued income (see Note 1 2)

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the properties were sold. The total amount un-provided for is £2,765,762 (2008 - £2,653,335). At present, it is not envisaged that any tax will become payable in the foreseeable future.

13 SHARE CAPITAL

	2009 £	2008 £
Authorised		
Equity interests:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity interests:		
1 Ordinary share of £1 each	1	1

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

14. RESERVES

	2009	2009	2008	2008
	REVALUATION RESERVE £	PROFIT AND LOSS ACCOUNT £	REVALUATION RESERVE	PROFIT AND LOSS ACCOUNT
As at 1 January 2009	10,623,009	1,703,194	11,528,500	660,030
Retained profit for the year	-	761,907	-	1,043,164
Revaluation during the year	320,477	-	(905,491)	-
As at 31 December 2009	10,943,486	2,465,101	10,623,009	1,703,194

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2009	2008
	£	£
Retained profit for the year	761,907	1,043,164
Other recognised gains and losses (Note 6)	320,477	(905,491)
Net addition to capital and reserves	1,082,384	137,673
Opening shareholders' funds	12,326,204	12,188,531
Closing shareholders' funds	13,408,588	12,326,204

16. EMPLOYEES & DIRECTORS REMUNERATION

There were no employees during the year apart from the directors who waived their right to remuneration

17 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The immediate controlling company is Healthcare Properties (Ashlea) Limited, a company registered in Guernsey, Channel Islands. In the opinion of the directors, the ultimate controlling company is Public Service Properties Investments Limited, a company registered in the British Virgin Islands whose shares are listed on the AIM segment of the London Stock Exchange.

Public Service Properties Investments Limited has issued a letter to the Company confirming that it has the means to continue to support the normal financial obligations of the Company.

18. RELATED PARTY TRANSACTIONS

The Company was charged management fees of £371,634 (2008 - £285,330) by Public Service Properties Investments Limited (formerly USI Group Holdings Limited) and £4,200 (2008 - £10,500) by Healthcare Properties (Ashlea) Limited, for services rendered during the course of the year ended 31 December 2009. The amounts remaining unpaid to and from Group companies at 31 December 2009 are detailed in Notes 9, 10 & 11.

HEALTHCARE PROPERTIES (OXFORD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

19 FINANCIAL COMMITMENTS

In October 2008, the Company entered into an agreement with Pyeroy Construction Limited for design and construction work to be carried out at an investment property owned by the Company. The total value of the contract is £2,648,318 and the date for completion of the works is anticipated to be October 2010. As at 31 December 2009 the Company had paid £2,141,257 in respect of this contract, with £507,061 still payable subject to the successful completion of the work in accordance with the terms of the agreement.

20 POST BALANCE SHEET EVENTS

The Company made final payment of £538,637 in respect of the contract referred to in Note 19 above. In addition the Company expects to execute additional design and build contracts totalling approximately £8.24 million in respect of similar capital expenditure projects. The Company expects to capitalise rent at the rate of £746,706 per annum for a period of 18 months from the commencement of each project.

Apart from the matters disclosed above, there have been no circumstances or events subsequent to the year end which require adjustment of, or disclosure in, the financial statements.