

**BRAMLEY COURT (CARE HOMES)
LIMITED**

Report and Financial Statements

30 September 2010



BRAMLEY COURT (CARE HOMES) LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the accounts	7

BRAMLEY COURT (CARE HOMES) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

E J Coyle
G Sizer

REGISTERED OFFICE

Park Hall
Middleton St George Hospital
Darlington
County Durham
DL2 1TS

BANKERS

Ulster Bank Limited
11-16 Donegall Square East
Belfast
BT7 5UB

SOLICITORS

DLA Piper UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

ACCOUNTANTS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

BRAMLEY COURT (CARE HOMES) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2010.

ACTIVITIES

The principal activity of the company during the period has been the letting of investment property.

DIRECTORS

The directors who served throughout the year and since were as follows

E J Coyle
G Sizer

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 7, of the financial statements

AUDITORS

Each of the persons who are directors of the company at the date of this report confirms that.

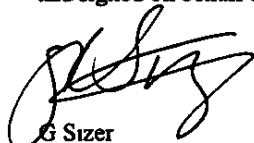
- So far as the director is aware there is no relevant audit information of which the company's auditors are unaware, and
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

EXEMPTIONS

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Approved by the Board of Directors
and signed on behalf of the Board



G Sizer
Director

Date 28/3/11

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 judgments 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, 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMLEY COURT (CARE HOMES) LIMITED

We have audited the financial statements of Bramley Court (Care Homes) Limited for the year ended 30 September 2010 which comprise the Balance Sheet, Profit and Loss Account, Statement of Total Recognised Gains and Losses, and the related notes 1 to 14. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 explained more fully in the Directors' Responsibilities Statement, 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 (APB's) Ethical Standards for Auditors.

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 30 September 2010 and of its profit for the year there ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

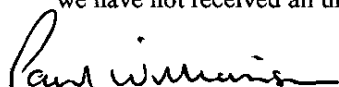
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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.



Paul Williamson BSc FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne, United Kingdom

Date 28/3/11

BRAMLEY COURT (CARE HOMES) LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 30 September 2010**

	Note	2010 £	1 May 2008 to 30 September 2009 £
TURNOVER	1	403,090	561,748
Administrative expenses		(211)	(3,630)
OPERATING PROFIT	3	402,879	558,118
Interest payable and similar charges		(302,865)	(470,145)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		100,014	87,973
Tax on profit on ordinary activities	4	-	121,728
PROFIT FOR THE FINANCIAL YEAR/PERIOD		<u>100,014</u>	<u>209,701</u>

All activities derive from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **Year ended 30 September 2010**

	2010 £	2009 £
Profit for the financial year	100,014	209,701
Unrealised surplus on revaluation of investment properties	844,649	-
	<u>944,663</u>	<u>209,701</u>

BRAMLEY COURT (CARE HOMES) LIMITED

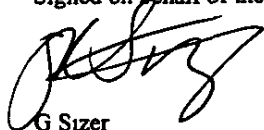
BALANCE SHEET 30 September 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	5	<u>5,412,000</u>	<u>4,567,351</u>
CURRENT ASSETS			
Debtors	6	351,121	251,602
Cash at bank and in hand		-	-
		<u>351,121</u>	<u>251,602</u>
CREDITORS: amounts falling due within one year	7	<u>(147,121)</u>	<u>(147,616)</u>
NET CURRENT ASSETS		<u>204,000</u>	<u>103,986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,616,000</u>	<u>4,671,337</u>
CREDITORS: amounts falling due after more than one year	8	<u>(2,466,029)</u>	<u>(2,466,029)</u>
NET ASSETS		<u><u>3,149,971</u></u>	<u><u>2,205,308</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	589,774	489,760
Investment revaluation reserve	10	<u>2,560,196</u>	<u>1,715,547</u>
SHAREHOLDERS' FUNDS	11	<u><u>3,149,971</u></u>	<u><u>2,205,308</u></u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime

The financial statements of Bramley Court (Care Homes) Limited registered number 05107197 were approved by the Board of Directors on 28/3/11

Signed on behalf of the Board of Directors



G Sizer

Director

NOTES TO THE ACCOUNTS
Year ended 30 September 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current and preceding financial period.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards.

Going concern

The company's principal activity is described in the Directors' Report. The financial position of the company is set out on page 6.

The current economic conditions create uncertainty over (a) the property yields and valuation, and (b) the liquidity position of the company.

As highlighted in note 8 to the financial statements, the company meets its day-to-day working capital requirements through inter-company borrowings.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its existing intercompany borrowings.

Thus the directors have a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable in respect of rental income on investment properties, and is derived from the company's principal activity. All turnover originates in the United Kingdom.

Rental income from operating leases is recognised in line with the terms of the relevant lease.

Tangible fixed assets and depreciation

Investment properties are initially capitalised at cost. Cost includes all costs of development including capitalisation of interest where appropriate. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress.

In accordance with SSAP19 'Accounting for Investment Properties', investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties. The directors consider this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP19 'Accounting for Investment Properties'. The financial effect of the departure from the statutory accounting rules cannot be reasonably quantified as there are a number of factors reflected in the annual valuation and the amount, which otherwise might have been shown, and cannot be separately identified.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

BRAMLEY COURT (CARE HOMES) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2010

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

Cash flow statement

The company is not presenting a cash flow statement in accordance with the exemption in FRS 1 'Cash Flow Statements'. The company qualifies as a small company in companies legislation.

2. EMPLOYEES

The average number of employees (including directors) were

	2010 No.	2009 No.
Directors	2	2

No emoluments were received or are receivable by any director in respect of services during the current or preceding year.

3. OPERATING PROFIT

Operating costs, other than financing costs, are met by the parent undertaking, Zest Investment Group Limited. Fees payable to the company's auditors for the audit of the company's accounts are also met by the parent and it is not practicable to allocate the fee.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

i) Analysis of tax charge on ordinary activities

	2010 £	2009 £
United Kingdom corporation tax on the profit for the period	-	14,261
Deferred tax	-	(135,989)
Tax on profit on ordinary activities	-	(121,728)

BRAMLEY COURT (CARE HOMES) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2010

4. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

11) Factors affecting tax charge for the current period

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 28% (2009 21%)

The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	100,014	87,973
Tax at 28% (2009 21%) thereon	28,004	18,474
Group relief	(28,004)	(18,474)
Current tax charge for year	-	-

5. TANGIBLE FIXED ASSETS

	Investment properties £
Cost	
At 1 October 2009	4,567,351
Revaluation	844,649
At 30 September 2010	5,412,000
Net book value	
At 30 September 2010	5,412,000
At 30 September 2009	4,567,351

The directors have valued the investment property at £5,412,000 at 30 September 2010 based on a gross initial yield of 7.75% and the annual passing rental income of £419,440

6. DEBTORS

	2010 £	2009 £
Amounts due from group undertakings	351,121	251,602

BRAMLEY COURT (CARE HOMES) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2010

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Corporation tax	-	14,063
Accruals and deferred income	147,121	133,553
	<u>147,121</u>	<u>147,616</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Amounts owed to group undertakings	<u>2,466,029</u>	<u>2,466,029</u>

9. SHARE CAPITAL

	2010 £	2009 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

BRAMLEY COURT (CARE HOMES) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2010

10. RESERVES

	Profit and loss account £	Revaluation reserve £
At 1 October 2009	489,760	1,715,547
Retained profit for the year	100,014	-
Movement in investment revaluation reserve	-	844,649
At 30 September 2009	<u>589,774</u>	<u>2,560,196</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	2,205,308	1,995,607
Retained profit for the year	100,014	209,701
Movement in investment revaluation reserve	844,649	-
Closing shareholders' funds	<u>3,149,971</u>	<u>2,205,308</u>

12. COMMITMENTS

The company is party to an omnibus guarantee in favour of Ulster Bank to secure group borrowings. The total borrowings outstanding at the period end were £22,580,854 (2009 £12,226,184).

The bank loans are secured by a fixed and floating charge over all the assets of the company.

13. RELATED PARTY TRANSACTIONS

The company is exempt from the requirements of FRS 8 'Related Party Disclosures' to disclose transactions with other members of the group. Other than as disclosed below, there have been no transactions with the directors of the company (refer to note 2), or of the group in the year.

The bank loans are secured by a fixed and floating charge over all the assets of the company.

14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors regard Zest Investment Group Limited, a company incorporated in England and Wales, as being the company's ultimate parent company. The only group in which the results of Bramley Court (Care Homes) Limited will be consolidated is that headed by Zest Investment Group Limited.

Zest Investment Group Limited is jointly controlled by the directors who both individually hold 31.67 per cent of the issued share capital of the company.

ADDITIONAL INFORMATION

The additional information consisting of the detailed profit and loss account has been prepared from the accounting records of the company. Whilst it is unaudited and does not form part of the statutory financial statements, it should be read in conjunction with them and the responsibilities section of the auditors' report thereon.

BRAMLEY COURT (CARE HOMES) LIMITED

TRADING PROFIT AND LOSS ACCOUNT **Year ended 30 September 2010**

		1 May 2008 to 30 September 2009
	2010	
	£	£
TURNOVER		
Rental income	403,090	561,748
ADMINISTRATIVE EXPENSES		
Professional fees	-	-
Sundry expenses	-	3,630
Bank charges	211	-
	(211)	3,630
OPERATING PROFIT	402,879	558,118
INTEREST PAYABLE AND SIMILAR CHARGES		
Bank loan interest	302,865	464,462
Interest on late payment of tax	-	5,683
	(302,865)	(470,145)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	100,014	87,973