

CLIFTON COURT NURSING HOME LIMITED

REPORT AND ACCOUNTS

28th February, 1995

Company Number 145063

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REPORT OF THE DIRECTORSDirectors

J. Barkley  
A.I. Forbes

The Directors have pleasure in submitting their report and statement of accounts of the company for the year ended 28th February, 1995.

Activity

The company's principal activity is the operation of a nursing home and no change is expected in that activity.

Results and Dividend

The loss for the year after taxation amounted to £151,581. The Directors do not recommend the payment of any dividend.

Directors and their interests

The Directors at the date of this report are stated above. Mr A.I. Forbes was appointed a Director on 24th August, 1994. In addition, Mr J.J. Taylor served as a Director until his resignation on 20th May, 1994.

No Director had an interest in the shares of the Company, nor in the preference stocks of The Governor and Company of the Bank of Scotland ("Bank of Scotland"), the Company's ultimate parent undertaking, nor in the shares of any other undertakings within the Bank of Scotland group, at any time during the year.

Directors' beneficial interests in the ordinary stock units of Bank of Scotland, were as follows:-

	<u>At 28th February, 1994</u>	<u>At 28th February, 1995</u>
	<u>Ordinary Stock Units of 25p each</u>	<u>Ordinary Stock Units of 25p each</u>
J. Barkley	50,435	51,559

Options to subscribe for ordinary stock of Bank of Scotland were granted to or exercised by Directors during the year to 28th February, 1995 as follows:

Directors and their interests (continued)Executive Stock Options

	At 1 Mar 94	Granted	Exercised	At 28 Feb 95	Closing Weighted Average Exercise Price (p)	Date Options Exercisable
J. Barkley	56,000	18,000	-	74,000	154.0	1995-2004

No options lapsed during the year. Options were granted during the year at a price of 201.5p per share. The exercise price for options granted under the Executive Stock Option Scheme is the market price at the date of grant without deduction of any discount.

Savings Related Stock Options

	At 1 Mar 94	Granted	Exercised	At 28 Feb 95	Closing Weighted Average Exercise Price (p)	Market Price at Date of Exercise	Date Options Exercisable
J. Barkley	8,149	528	2,026	6,651	89.7	208.0p	1995-2002

No options lapsed during the year. Options were granted during the year at a price of 163.6p per share. The exercise price for options granted under the Savings Related Stock Option Scheme is 80% of the market price at the date of grant.

The market price of the shares at 28th February 1995 was 203.0p and the range during the year was 172.5p to 247.0p per share.

Auditors

In accordance with the provisions of Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, Ernst and Young will continue in office as auditors.

By Order of the Board,



K. M. Bothwell,  
Secretary.

Registered Office  
The Mound,  
EDINBURGH, EH1 1YZ

24 April, 1995

PROFIT AND LOSS ACCOUNTFor the year ended 28th February, 1995

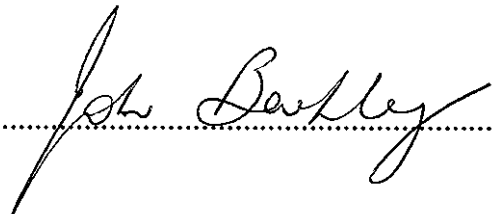
		1995	Eight months ended 28th February 1994
	<u>Notes</u>	<u>£</u>	<u>£</u>
Turnover		27,314	-
Operating expenses		(139,812)	(5,678)
Operating loss		<u>(112,498)</u>	<u>(5,678)</u>
Interest paid on loan from parent undertaking		(39,083)	-
Retained loss on ordinary activities before and after taxation	2	<u>(151,581)</u>	<u>(5,678)</u>
Profit and Loss Account at 1st March, 1994		(5,678)	-
Profit and Loss Account at 28th February, 1995		<u><u>(157,259)</u></u>	<u><u>(5,678)</u></u>

All gains and losses arising during the year have been recognised in the profit and loss account and derive from continuing operations of the company.

The notes on pages 5 to 7 form part of these accounts.

BALANCE SHEETAs at 28th February, 1995

		<u>1995</u> £	<u>1994</u> £
	<u>Notes</u>		
<u>Fixed Assets</u>	3	1,376,416	471,455
<u>Current Assets</u>			
Stocks		772	-
Cash at bank and in hand		300	100
Prepayments		2,525	-
		<u>3,597</u>	<u>100</u>
<u>Creditors: amounts falling due within one year</u>	4	(1,537,172)	(477,133)
Net Current Liabilities		<u>(1,533,575)</u>	<u>(477,033)</u>
Total Assets less Current Liabilities		<u>(157,159)</u>	<u>(5,578)</u>
<u>Capital and Reserves</u>			
Called up share capital	5	100	100
Profit and loss account		(157,259)	(5,678)
Equity shareholders' funds	6	<u>(157,159)</u>	<u>(5,578)</u>

.....Director

.....Director

24 April, 1995

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The notes on pages 5 to 7 form part of these accounts.

NOTES TO THE ACCOUNTS1. Accounting policiesBasis of preparation

The accounts have been prepared on a going concern basis because facilities are currently made available by the parent undertaking and ultimate parent undertaking which are sufficient to meet the company's obligations as they fall due.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with currently applicable accounting standards.

Turnover

Turnover represents fees receivable.

Interest

Interest payable is taken into account when charged and has been capitalised to the extent that it can fairly be attributed to the property in the course of construction.

Fixed Assets

The investment property is stated at cost. The investment property and integral fixed plant is not depreciated as it is considered that residual values, based on prices prevailing at the time of acquisition, are such that any charge would not be significant. In addition, it is the policy to maintain the property to a high standard with regular maintenance expenditure being charged against operating profit. Depreciation is provided on all other tangible fixed assets on a straight line basis over their expected useful lives as follows:

Fixtures and Fittings	15%
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2. Loss on ordinary activities before and after taxation

The loss on ordinary activities before and after taxation is stated after charging :

	<u>1995</u>	<u>1994</u>
	£	£
Audit fees	1,000	1,000
Management fees	12,240	4,678

The company has no employees and none of the Directors receives any emoluments from the company.

NOTES TO THE ACCOUNTS (continued)3. Tangible Fixed Assets

<u>Cost</u>	Property in the course of <u>construction</u> £	Investment <u>Property</u> £	Fixtures & <u>Fittings</u> £	<u>Total</u> £
At 1st March, 1994	471,455	-	-	471,455
Additions	793,569	-	120,717	914,286
Transfers on completion	(1,265,024)	1,265,024	-	-
At 28th February, 1995	-	1,265,024	120,717	1,385,741
<u>Depreciation</u>				
At 1st March, 1994	-	-	-	-
Charged in the year	-	-	9,325	9,325
At 28th February, 1995	-	-	9,325	9,325
<u>Net Book Value</u>				
At 28th February, 1995	-	1,265,024	111,392	1,376,416
At 28th February, 1994	471,455	-	-	471,455

Included in the cost of the investment property is £17,871 relating to capitalised interest.

4. Creditors: amounts falling due within one year

	<u>1995</u> £	<u>1994</u> £
Trade creditors	418	-
Amounts due to ultimate parent undertaking	140,050	5,023
Amounts due to parent undertaking	1,392,645	471,110
Accruals	4,059	1,000
	<u>1,537,172</u>	<u>477,133</u>

5. Share Capital

	<u>1995</u> £	<u>1994</u> £
<u>Authorised</u>		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Issued, called up and fully paid</u>		
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

NOTES TO THE ACCOUNTS (continued)6. Reconciliation of movements in equity shareholders' funds

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Equity shareholders' funds at 1st March, 1994	(5,578)	-
Loss attributable to shareholders	(151,581)	(5,678)
Share capital subscribed	-	100
Equity shareholders' funds at 28th February, 1995	<u>(157,159)</u>	<u>(5,578)</u>

7. Capital Commitments

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Amounts contracted, but not provided for	<u>-</u>	<u>596,000</u>

8. Parent undertaking

The Company's parent undertaking is BOS Property Assets Limited and its ultimate parent undertaking is The Governor and Company of Bank of Scotland, incorporated by Act of the Scottish Parliament in 1695. The company is included in the consolidated accounts of Bank of Scotland and copies of its Annual Report and Accounts may be obtained from its Head Office at The Mound, Edinburgh.



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss for the year. The Directors consider that in preparing the financial statements on pages 3 to 7 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the 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.

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REPORT OF THE AUDITORS TO THE MEMBERS OF  
CLIFTON COURT NURSING HOME LIMITED

We have audited the accounts on pages 3 to 7, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 8, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 28th February, 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Edinburgh.

11 *Way*  
April, 1995