



**BALMORAL NURSING HOMES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2005

Registered no SC 158340

BALMORAL NURSING HOMES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MAY 2004

Company registration number: SC 158340

Registered office: 193 - 199 Bath Street
Glasgow
G2 4HU

Director: J Storey

Secretary: S T Kime

BALMORAL NURSING HOMES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MAY 2004

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BALMORAL NURSING HOMES LIMITED

REPORT OF THE DIRECTOR

The director presents his report together with the financial statements for the year ended 31 May 2004.

Principal activity

The principal activity of the company is the operating of quality nursing homes in the United Kingdom. The results for the year are set out on page 3.

Director

The director of the company who served during the period or from date of appointment if later were:

J Storey

Director's responsibilities for the financial statements

United Kingdom company law requires the director to prepare financial statements for each financial year which 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 director is responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD



J Storey
Director

27 September 2005

BALMORAL NURSING HOMES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of Value Added Tax.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Freehold buildings	over 50 years
Plant and machinery	15% on cost

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company a obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

BALMORAL NURSING HOMES LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 MAY 2004

	Note	Year ended 31 May 2005 £'000	Period ended 31 May 2004 £'000
Turnover		-	903
Cost of sales		-	(21)
Gross profit		-	882
Administrative expenses		-	(477)
Profit on disposal of fixed assets		677	-
Operating profit		677	405
Net interest	2	110	(18)
Profit on ordinary activities before taxation	1	787	387
Tax on profit on ordinary activities	3	10	8
Profit on ordinary activities after taxation		797	395
Dividends	4	(989)	(611)
Loss retained and transferred from reserves		(192)	(216)

All transactions arise from continuing operations.

There were no recognised gains or losses other than the loss for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.

BALMORAL NURSING HOMES LIMITED**BALANCE SHEET AT 31 MAY 2004**

	Note	2005 £'000	2004 £'000
Fixed assets			
Tangible assets	5	-	1,773
Current assets			
Debtors	6	1,304	-
Cash at bank and in hand		-	95
		1,304	95
Creditors: amounts falling due within one year	7	(81)	(451)
Net current assets/(liabilities)		1,223	(356)
Total assets less current liabilities		1,223	1,417
Provisions for liabilities and charges	8	-	(2)
		1,223	1,415
Capital and reserves			
Called up share capital	9	1,019	1,019
Profit and loss account	10	204	396
Shareholders' funds		1,223	1,415

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledges their responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company/

The financial statements were approved by the Sole Director on 27 September 2005.


J Storey - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

BALMORAL NURSING HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MAY 2004

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	Year ended 31 May 2005 £'000	Period ended 31 May 2004 £'000
Auditors remuneration	-	4
Directors remuneration	-	61
Depreciation	-	43

The auditors' remuneration (for audit and non audit services) is borne by Cannon Capital Ventures Limited, and is shown as part of the charge in the accounts of that company.

The profit on sale of tangible fixed assets of £677,000 arose on the transfer of fixed assets to other companies in the Cannon Capital Ventures Limited group.

2 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 May 2005 £'000	Period ended 31 May 2004 £'000
Bank interest	(3)	-
Loan interest	-	18
Interest payable to group undertakings	(107)	-
	(110)	

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 May 2005 £'000	Period ended 31 May 2004 £'000
United Kingdom corporation tax at 30% (2004: 30%)	-	92
Deferred tax	-	(100)
Adjustments in respect of prior period	(10)	-
Total tax charge	(10)	(8)

BALMORAL NURSING HOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MAY 2004

4 DIVIDENDS

	Year ended 31 May 2005 £'000	Period ended 31 May 2004 £'000
Dividends paid at 97p per share (2004: 60p per share)	989	611

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant, machinery and motor vehicles £'000	Total £'000
Cost			
At 1 June 2004	1,998	96	2,094
Disposals	(1998)	(96)	(2,094)
At 31 May 2005	-	-	-
Depreciation			
At 1 June 2004	250	71	321
Disposals	(250)	(71)	(321)
At 31 May 2005	-	-	-
Net book amount at 31 May 2005	-	-	-
Net book amount at 31 July 2004	1,748	25	1,773

6 DEBTORS

	2005 £'000	2004 £'000
Amounts due from parent undertakings	1,304	-

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Trade creditors	-	12
Loans and overdrafts	-	261
Corporation tax	81	91
Other creditors and accruals	-	87
	81	451

BALMORAL NURSING HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MAY 2004

8 PROVISIONS

Provisions for deferred taxation on accelerated capital allowances are:

	£'000
At 1 June 2004	2
Released during the year	(2)
At 31 May 2005	-

9 SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised 1,050,000 ordinary shares of £1 each	1,050	1,050
Allotted, called up and fully paid 1,018,729 ordinary shares of £1 each	1,019	1,019

10 RESERVES

	Profit and loss account £'000
At 1 June 2004	396
Loss for the year	(192)
At 31 May 2005	204

11 CAPITAL COMMITMENTS

The company had no capital commitments at 31 May 2005 or 31 July 2004.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 May 2005 or 31 July 2004.

13 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.