

2027217

Report of the Directors and
Financial Statements for the Year Ended 31 December 2004
for
Mitrecroft Limited



Mitrecroft Limited

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for the Year Ended 31 December 2004

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Mitrecroft Limited

Company Information
for the Year Ended 31 December 2004

DIRECTORS:

Noel Kelly
Nigel Kelly

SECRETARY:

Noel Kelly

REGISTERED OFFICE:

The Old Prebendal House
Station Road
Shipton -U- Wychwood
Oxon
OX7 6BQ

REGISTERED NUMBER:

2027217 (England and Wales)

AUDITORS:

Lawrence Braham & Co.
Registered Auditor
8a Accommodation Road
London NW11 8ED

Mitrecroft Limited

Report of the Directors for the Year Ended 31 December 2004

The directors present their report with the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company for operating nursing homes and property development.

DIRECTORS

The directors during the year under review were:

Noel Kelly	
B Kelly	- resigned 30.9.04
Nigel Kelly	- appointed 31.5.04

The beneficial interests of the directors holding office on 31 December 2004 in the issued share capital of the company were as follows:

	31.12.04	1.1.04 or date of appointment if later
Ordinary shares £1 shares		
Noel Kelly	-	-
Nigel Kelly	-	-
Ordinary "A" shares £1 shares		
Noel Kelly	35,999	35,999
Nigel Kelly	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 directors are required to

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

AUDITORS

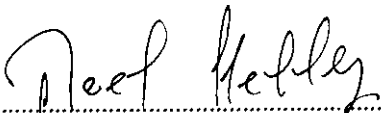
The auditors, Lawrence Braham & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Mitrecroft Limited

Report of the Directors
for the Year Ended 31 December 2004

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Noel Kelly - Director

Date: 12/8/2005

**Report of the Independent Auditors to the Shareholders of
Mitrecroft Limited**

We have audited the financial statements of Mitrecroft Limited for the year ended 31 December 2004 on pages five to eleven. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lawrence Braham & Co.
Registered Auditor
8a Accommodation Road
London NW11 8ED

Date: 12/8/05

Mitrecroft Limited

**Profit and Loss Account
for the Year Ended 31 December 2004**

		<u>31.12.04</u>		<u>31.12.03</u>	
	Notes	£	£	£	£
TURNOVER	2		115,533		188,975
Administrative expenses			(855,998)		14,780
OPERATING PROFIT	3		971,531		174,195
Income from investments		100,000		55,000	
Interest receivable and similar income		<u>599</u>	<u>100,599</u>	<u>225</u>	<u>55,225</u>
			1,072,130		229,420
Interest payable and similar charges			<u>40,471</u>		<u>69,227</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,031,659		160,193
Tax on profit on ordinary activities	4		<u>12,679</u>		<u>18,745</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,018,980		141,448
Dividends	5		<u>30,000</u>		-
			988,980		141,448
Retained profit brought forward			<u>389,897</u>		<u>248,449</u>
RETAINED PROFIT CARRIED FORWARD			<u>£1,378,877</u>		<u>£389,897</u>

The notes form part of these financial statements

Mitrecroft Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2004

	<u>31.12.04</u>	<u>31.12.03</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	1,018,980	141,448
Total gains and (losses) recognised relating to the year		
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£1,018,980</u>	<u>£141,448</u>

The notes form part of these financial statements

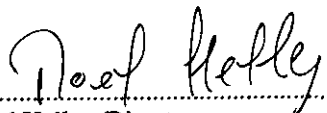
Mitrecroft Limited

Balance Sheet
31 December 2004

		31.12.04		31.12.03	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		-		2,400,683
Investments	8		396,718		396,718
			396,718		2,797,401
CURRENT ASSETS:					
Debtors	9	1,094,291		148,541	
Cash at bank		245,073		36,891	
		1,339,364		185,432	
CREDITORS: Amounts falling due within one year	10	157,205		734,104	
NET CURRENT ASSETS/(LIABILITIES):			1,182,159		(548,672)
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,578,877		2,248,729
CREDITORS: Amounts falling due after more than one year	11		-		793,221
			£1,578,877		£1,455,508
CAPITAL AND RESERVES:					
Called up share capital	12		200,000		200,000
Revaluation reserve	13		-		865,611
Profit and loss account			1,378,877		389,897
SHAREHOLDERS' FUNDS:			£1,578,877		£1,455,508

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


Noel Kelly - Director

Approved by the Board on 12/8/2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- not provided
Plant and machinery etc	- at 12.5% and 25% per annum on cost

No depreciation is provided on freehold property and improvements as they are maintained in good condition and in the opinion of the directors, any depreciation involved would not be material.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. TURNOVER

Turnover represents rental income and is derived wholly within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.04	31.12.03
	£	£
Depreciation - owned assets	683	-
Profit on disposal of fixed assets	(865,611)	-
Auditors' remuneration	<u>2,000</u>	<u>1,575</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.04	31.12.03
	£	£
Current tax:		
UK corporation tax	<u>12,679</u>	<u>18,745</u>
Tax on profit on ordinary activities	<u>12,679</u>	<u>18,745</u>

5. DIVIDENDS

	31.12.04	31.12.03
	£	£
Ordinary shares shares of £1 each		
Final - share type 1	<u>30,000</u>	<u>-</u>

Notes to the Financial Statements
for the Year Ended 31 December 2004

6. **GROUP FINANCIAL STATEMENTS**

The company has taken advantage of the exemption not to prepare group financial statements conferred by Section 248 Companies Act 1985.

7. **TANGIBLE FIXED ASSETS**

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST:			
At 1 January 2004	2,400,000	54,694	2,454,694
Disposals	<u>(2,400,000)</u>	<u>-</u>	<u>(2,400,000)</u>
At 31 December 2004	<u>-</u>	<u>54,694</u>	<u>54,694</u>
DEPRECIATION:			
At 1 January 2004	-	54,011	54,011
Charge for year	<u>-</u>	<u>683</u>	<u>683</u>
At 31 December 2004	<u>-</u>	<u>54,694</u>	<u>54,694</u>
NET BOOK VALUE:			
At 31 December 2004	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2003	<u>2,400,000</u>	<u>683</u>	<u>2,400,683</u>

8. **FIXED ASSET INVESTMENTS**

	£
COST:	
At 1 January 2004 and 31 December 2004	<u>396,720</u>
PROVISIONS:	
At 1 January 2004 and 31 December 2004	<u>2</u>
NET BOOK VALUE:	
At 31 December 2004	<u>396,718</u>
At 31 December 2003	<u>396,718</u>
	31.12.04
	£
Unlisted investments	<u>396,718</u>
	31.12.03
	£
	<u>396,718</u>

Mitrecroft Limited

Notes to the Financial Statements
for the Year Ended 31 December 2004

8. **FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Old Prebendal House Limited

Nature of business: nursing and residential home

	%		
Class of shares:	holding		
Ordinary shares	100.00		
		31.12.04	31.12.03
		£	£
Aggregate capital and reserves		428,022	366,182
Profit for the year		<u>61,840</u>	<u>25,817</u>

Pridestatus Limited

Nature of business: nursing and residential home

	%		
Class of shares:	holding		
Ordinary shares	100.00		
Ordinary B shares	100.00		
		30.6.04	30.6.03
		£	£
Aggregate capital and reserves		729,147	671,962
Profit for the year		<u>57,185</u>	<u>23,723</u>

Welwyn Homes Limited

Nature of business: property development

	%		
Class of shares:	holding		
Ordinary	27.00		
		30.9.04	30.9.03
		£	£
Aggregate capital and reserves		603,990	297,051
Profit/(Loss) for the year/period		<u>306,939</u>	<u>(88,199)</u>

9. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.04	31.12.03
	£	£
Amounts owed by related companies	152,563	148,541
Amounts owed by group co	<u>941,728</u>	<u>-</u>
	<u>1,094,291</u>	<u>148,541</u>

Mitrecroft Limited

Notes to the Financial Statements
for the Year Ended 31 December 2004

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

	31.12.04	31.12.03
	£	£
Bank loans and overdrafts	-	118,826
Trade creditors	1,500	1,500
Other creditors	54,022	4,002
Amounts owed to subsidiary	38,504	569,916
Dividend proposed	30,000	-
Taxation	12,679	18,745
Accrued expenses	20,500	21,115
	<u>157,205</u>	<u>734,104</u>

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

	31.12.04	31.12.03
	£	£
Bank loans	<u>-</u>	<u>793,221</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>-</u>	<u>153,220</u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.04	31.12.03
			£	£
110,002	Ordinary shares	£1	110,002	110,002
89,998	Ordinary "A" shares	£1	<u>89,998</u>	<u>89,998</u>
			<u>200,000</u>	<u>200,000</u>

13. REVALUATION RESERVE

	31.12.04	31.12.03
	£	£
Brought forward	<u>-</u>	<u>865,611</u>

14. ULTIMATE PARENT COMPANY

Essex Quay Property & Management Limited, a company registered in the Republic of Ireland, is the ultimate holding company.

15. CONTINGENT LIABILITIES

The company has an intercompany cross guarantee with its subsidiary company Old Prebendal House Limited. At 31st December 2004 the amount guaranteed was £1,075,000.

16. RELATED PARTY DISCLOSURES

The freehold property of the company was leased to its subsidiary company. Operating lease rentals received were: 2004 (£113,333) and 2003 (£170,000).

Mitrecroft Limited**Profit and Loss Account
for the Year Ended 31 December 2004**

	31.12.04		31.12.03	
	£	£	£	£
Income:				
Rents received	113,333		170,000	
Lease premiums	<u>2,200</u>		<u>18,975</u>	
		115,533		188,975
Other income:				
Income from unlisted investments	100,000		55,000	
Deposit account interest	<u>599</u>		<u>225</u>	
		<u>100,599</u>		<u>55,225</u>
		216,132		244,200
Expenditure:				
Management fee	5,000		13,000	
Sundry expenses	-		(2)	
Auditors remuneration	<u>2,000</u>		<u>1,575</u>	
		<u>7,000</u>		<u>14,573</u>
		209,132		229,627
Finance costs:				
Bank int pay > 5 yr	40,471		69,227	
Bank charges	<u>1,930</u>		<u>207</u>	
		<u>42,401</u>		<u>69,434</u>
		166,731		160,193
Depreciation:				
Fixtures & fittings		<u>683</u>		<u>-</u>
		166,048		160,193
Profit on disposal of fixed assets:				
Freehold property		<u>865,611</u>		<u>-</u>
NET PROFIT		<u><u>£1,031,659</u></u>		<u><u>£160,193</u></u>