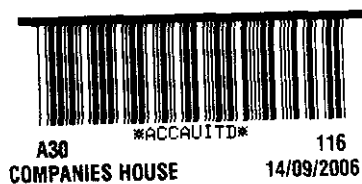


Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 December 2005
for
Mitrecroft Limited



Mitrecroft Limited

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for the Year Ended 31 December 2005

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Mitrecroft Limited

Company Information
for the Year Ended 31 December 2005

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)

ACCOUNTANTS:

Lawrence Braham & Co.
18 The Rise
Edgware
Middlesex
HA8 8NR

Mitrecroft Limited

Report of the Directors
for the Year Ended 31 December 2005

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

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
Nigel Kelly

The beneficial interests of the directors holding office on 31 December 2005 in the issued share capital of the company were as follows:

	31.12.05	1.1.05
Ordinary shares £1 shares		

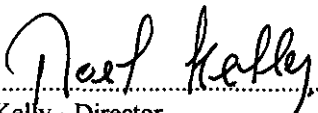
Noel Kelly	-	-
Nigel Kelly	-	-

Ordinary "A" shares £1 shares

Noel Kelly	35,999	35,999
Nigel Kelly	-	-

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:31/8/06.....

Mitrecroft Limited

Profit and Loss Account
for the Year Ended 31 December 2005

		<u>31.12.05</u>		<u>31.12.04</u>	
	Notes	£	£	£	£
TURNOVER	2		-		115,533
Administrative expenses			<u>2,328</u>		<u>(855,998)</u>
OPERATING (LOSS)/PROFIT	3		(2,328)		971,531
Income from investments		45,000		100,000	
Interest receivable and similar income		<u>4,010</u>		<u>599</u>	
			<u>49,010</u>		<u>100,599</u>
			46,682		1,072,130
Interest payable and similar charges			<u>-</u>		<u>40,471</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			46,682		1,031,659
Tax on profit on ordinary activities	4		<u>5,838</u>		<u>12,679</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			40,844		1,018,980
Retained profit brought forward			<u>1,378,877</u>		<u>389,897</u>
			1,419,721		1,408,877
Dividends	5		<u>(35,000)</u>		<u>(30,000)</u>
RETAINED PROFIT CARRIED FORWARD			<u><u>£1,384,721</u></u>		<u><u>£1,378,877</u></u>

The notes form part of these financial statements

Mitrecroft Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2005

	<u>31.12.05</u>	<u>31.12.04</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	40,844	1,018,980
Total gains and (losses) recognised relating to the year		
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£40,844</u>	<u>£1,018,980</u>

The notes form part of these financial statements

Mitrecroft Limited

Balance Sheet

31 December 2005

		<u>31.12.05</u>		<u>31.12.04</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		-		-
Investments	8		<u>396,718</u>		<u>396,718</u>
			396,718		396,718
CURRENT ASSETS:					
Debtors	9	1,073,727		1,094,291	
Investments	10	372,905		-	
Cash at bank		<u>190,276</u>		<u>245,073</u>	
		1,636,908		1,339,364	
CREDITORS: Amounts falling due within one year	11	<u>448,905</u>		<u>157,205</u>	
NET CURRENT ASSETS:			<u>1,188,003</u>		<u>1,182,159</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£1,584,721</u>		<u>£1,578,877</u>
CAPITAL AND RESERVES:					
Called up share capital	12		200,000		200,000
Profit and loss account			<u>1,384,721</u>		<u>1,378,877</u>
SHAREHOLDERS' FUNDS:			<u>£1,584,721</u>		<u>£1,578,877</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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 January 2005).

ON BEHALF OF THE BOARD:


Noel Kelly - Director

Approved by the Board on 31/8/06

The notes form part of these financial statements

Mitrecroft Limited

Notes to the Financial Statements
for the Year Ended 31 December 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 January 2005).

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.

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 (LOSS)/PROFIT**

The operating loss (2004 - operating profit) is stated after charging/(crediting):

	31.12.05	31.12.04
	£	£
Depreciation - owned assets	-	683
Profit on disposal of fixed assets	-	(865,611)
Auditors' remuneration	-	2,000
	<u>-</u>	<u>-</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:

	31.12.05	31.12.04
	£	£
Current tax:		
UK corporation tax	<u>5,838</u>	<u>12,679</u>
Tax on profit on ordinary activities	<u>5,838</u>	<u>12,679</u>

5. **DIVIDENDS**

	31.12.05	31.12.04
	£	£
Ordinary shares shares of £1 each		
Final - share type 1	<u>35,000</u>	<u>30,000</u>

Mitrecroft Limited

Notes to the Financial Statements
for the Year Ended 31 December 2005

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**

	Plant and machinery etc
	£
COST:	
At 1 January 2005	
and 31 December 2005	<u>54,694</u>
DEPRECIATION:	
At 1 January 2005	
and 31 December 2005	<u>54,694</u>
NET BOOK VALUE:	
At 31 December 2005	<u>-</u>

8. **FIXED ASSET INVESTMENTS**

	£
COST:	
At 1 January 2005	
and 31 December 2005	<u>396,720</u>
PROVISIONS:	
At 1 January 2005	
and 31 December 2005	<u>2</u>
NET BOOK VALUE:	
At 31 December 2005	<u>396,718</u>
At 31 December 2004	<u>396,718</u>

	31.12.05	31.12.04
	£	£
Unlisted investments	<u>396,718</u>	<u>396,718</u>

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:	%
Ordinary shares	holding 100.00

	31.12.05	31.12.04
	£	£
Aggregate capital and reserves	-	428,022
Profit for the year	-	61,840

Mitrecroft Limited

Notes to the Financial Statements
for the Year Ended 31 December 2005

8. **FIXED ASSET INVESTMENTS - continued**

Pridestatus Limited

Nature of business: nursing and residential home

	% holding		
Class of shares:			
Ordinary shares	100.00		
Ordinary B shares	100.00		
		30.6.05	30.6.04
		£	£
Aggregate capital and reserves		759,536	729,147
Profit for the year		<u>30,389</u>	<u>57,185</u>

Welwyn Homes Limited

Nature of business: property development

	% holding		
Class of shares:			
Ordinary	27.00		
		30.9.05	30.9.04
		£	£
Aggregate capital and reserves		647,979	603,990
Profit for the year		<u>43,989</u>	<u>306,939</u>

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

	31.12.05	31.12.04
	£	£
Amounts owed by related companies	240,498	152,563
Amounts owed by group company	<u>833,229</u>	<u>941,728</u>
	<u>1,073,727</u>	<u>1,094,291</u>

10. **CURRENT ASSET INVESTMENTS**

	31.12.05	31.12.04
	£	£
Listed investments	<u>372,905</u>	<u>-</u>

Market value of listed investments at 31 December 2005 - £365,700.

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

	31.12.05	31.12.04
	£	£
Trade creditors	-	1,500
Other creditors	77,018	54,022
Amounts owed to subsidiary	332,424	38,504
Dividend proposed	35,000	30,000
Taxation	463	12,679
Accrued expenses	<u>4,000</u>	<u>20,500</u>
	<u>448,905</u>	<u>157,205</u>

Mitrecroft Limited

Notes to the Financial Statements
for the Year Ended 31 December 2005

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.05 £	31.12.04 £
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. ULTIMATE PARENT COMPANY

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

14. CONTINGENT LIABILITIES

The company has an intercompany cross guarantee with its subsidiary company Old Prebendal House Limited. At 31st December 2005 the amount guaranteed was £1,105,668.

Mitrecroft Limited

Profit and Loss Account
for the Year Ended 31 December 2005

	<u>31.12.05</u>		<u>31.12.04</u>	
	£	£	£	£
Income:				
Rents received	-		113,333	
Lease premiums	<u>-</u>		<u>2,200</u>	
		-		115,533
Other income:				
Income from unlisted investments	45,000		100,000	
Deposit account interest	<u>4,010</u>		<u>599</u>	
		<u>49,010</u>		<u>100,599</u>
		49,010		216,132
Expenditure:				
Management fee	-		5,000	
Sundry expenses	753		-	
Auditors remuneration	-		2,000	
Accountancy	<u>1,575</u>		<u>-</u>	
		<u>2,328</u>		<u>7,000</u>
		46,682		209,132
Finance costs:				
Bank int pay > 5 yr	-		40,471	
Bank charges	<u>-</u>		<u>1,930</u>	
		-		<u>42,401</u>
		46,682		166,731
Depreciation:				
Fixtures & fittings		<u>-</u>		<u>683</u>
		46,682		166,048
Profit on disposal of fixed assets:				
Freehold property		<u>-</u>		<u>865,611</u>
NET PROFIT		<u>£46,682</u>		<u>£1,031,659</u>