

Company Registration No. 2428421 (England and Wales)

NOVAHEATH LIMITED

**DIRECTOR'S REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2004



NOVAHEATH LIMITED

COMPANY INFORMATION

Director	S Walsh
Secretary	C Walsh
Company number	2428421
Registered office	4th Floor St Alphage House 2 Fore Street London EC2Y 5DH
Accountants	UHY Hacker Young 4th Floor, St Alphage House 2 Fore Street London EC2Y 5DH

NOVAHEATH LIMITED

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DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2004

The director presents his report and financial statements for the year ended 31 March 2004.

Principal activities

The principal activity of the company continued to be that of property development and investment.

Director

The following director has held office since 1 April 2003:

S Walsh

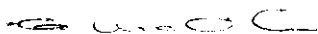
Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 March 2004	1 April 2003
S Walsh	1	1

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

By order of the board



C Walsh

Secretary

1 November 2004

NOVAHEATH LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF NOVAHEATH LIMITED

In accordance with the engagement letter dated 25 October 1999, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Novaheath Limited for the year ended 31 March 2004, set out on pages 3 to 11 from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 March 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

UHY Hacker Young

UHY Hacker Young

1 November 2004

Chartered Accountants
Reporting Accountants

NOVAHEATH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover		145,519	139,291
Administrative expenses		(26,451)	(13,167)
Other operating income		1,335	1,567
Operating profit		120,403	127,691
Other interest receivable and similar income	2	10,926	8,920
Amounts written off investments	3	-	(39,771)
Interest payable and similar charges		(112)	-
Profit on ordinary activities before taxation		131,217	96,840
Tax on profit on ordinary activities	4	(29,500)	(28,479)
Profit on ordinary activities after taxation	11	101,717	68,361

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

NOVAHEATH LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2004

	2004 £	2003 £
Profit for the financial year	101,717	68,361
Unrealised surplus on revaluation of properties	521,099	-
Total recognised gains and losses relating to the year	<u>622,816</u>	<u>68,361</u>

NOVAHEATH LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5	1,400,000		865,000	
Investments	6	66,334		65,000	
		<u>1,466,334</u>		<u>930,000</u>	
Current assets					
Debtors	7	45,323		32,103	
Cash at bank and in hand		454,187		348,641	
		<u>499,510</u>		<u>380,744</u>	
Creditors: amounts falling due within one year	8	<u>(118,379)</u>		<u>(83,087)</u>	
Net current assets		<u>381,131</u>		<u>297,657</u>	
Total assets less current liabilities		<u>1,847,465</u>		<u>1,227,657</u>	
Creditors: amounts falling due after more than one year	9	<u>(701,401)</u>		<u>(704,410)</u>	
		<u>1,146,064</u>		<u>523,247</u>	
Capital and reserves					
Called up share capital	10	100		100	
Revaluation reserve	11	645,803		124,704	
Profit and loss account	11	500,161		398,443	
Shareholders' funds - equity interests	12	<u>1,146,064</u>		<u>523,247</u>	

NOVAHEATH LIMITED

BALANCE SHEET

AS AT 31 MARCH 2004

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 this Act relating to accounts, 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.

The financial statements were approved by the Board on 1 November 2004



S Walsh
Director

NOVAHEATH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover represents gross rents and service charges receivable from third parties.

1.3 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value and are not depreciated.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, *Accounting for investment properties*, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

No provision is made for deferred tax on gains recognised on revaluing property to its market value unless the company has a binding contract, at the balance sheet date, to sell the revalued assets.

2	Other interest receivable and similar income	2004 £	2003 £
	Bank interest	10,926	8,761
	Other interest	-	159
		<u>10,926</u>	<u>8,920</u>
3	Amounts written off investments	2004 £	2003 £
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	39,771

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

4 Taxation	2004 £	2003 £
Domestic current year tax		
U.K. corporation tax	29,500	31,500
Adjustment for prior years	-	(3,021)
Current tax charge	<u>29,500</u>	<u>28,479</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>131,217</u>	<u>96,840</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	<u>39,365</u>	<u>29,052</u>
Effects of:		
Non deductible expenses	308	-
Adjustments to previous periods	-	(3,021)
Dividends and distributions received	(351)	(349)
Other tax adjustments	(9,822)	2,797
	(9,865)	(573)
Current tax charge	<u>29,500</u>	<u>28,479</u>
5 Tangible fixed assets		
		Investment properties £
Cost or valuation		
At 1 April 2003		865,000
Additions		13,901
Revaluation		<u>521,099</u>
At 31 March 2004		<u>1,400,000</u>

The freehold property was valued by Land Commercial Ltd, Chartered Surveyors, on an open market basis for existing use in April 2004.

At 31 March 2004 the historical cost of the property is £754,197 (2003: £740,296).

In the event of the disposal of the freehold property at its revalued amount, the potential charge to UK corporation tax is £76,000 at 31 March 2004.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

6 Fixed asset investments

	Managed investments £
Cost or valuation	
At 1 April 2003	104,770
Additions	1,335
At 31 March 2004	106,105
Provisions for diminution in value	
At 1 April 2003 & at 31 March 2004	39,771
Net book value	
At 31 March 2004	66,334
At 31 March 2003	65,000

Fixed asset investments comprise funds invested in a managed fund operated by the company's bankers.

At 31 March 2004, the market value of investments amounted to £65,191 (2003: £54,883).

7 Debtors	2004 £	2003 £
Trade debtors	45,323	29,094
Other debtors	-	3,009
	45,323	32,103
 8 Creditors: amounts falling due within one year	 2004 £	 2003 £
Taxation and social security	42,956	31,500
Other creditors and accruals	75,423	51,587
	118,379	83,087

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

9	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Amounts due to related party	<u>701,401</u>	<u>704,410</u>
	Analysis of loans		
	Wholly repayable within five years	<u>701,401</u>	<u>704,410</u>
	Loan maturity analysis		
	In more than one year but not more than two years	<u>701,401</u>	<u>704,410</u>
10	Share capital	2004	2003
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
11	Statement of movements on reserves		
		Revaluation reserve	Profit and loss account
		£	£
	Balance at 1 April 2003	124,704	398,444
	Retained profit for the year	-	101,717
	Revaluation during the year	<u>521,099</u>	<u>-</u>
	Balance at 31 March 2004	<u>645,803</u>	<u>500,161</u>

NOVAHEATH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

12 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Profit for the financial year	101,717	68,361
Other recognised gains and losses	521,099	-
Net addition to shareholders' funds	622,816	68,361
Opening shareholders' funds	523,247	454,886
Closing shareholders' funds	1,146,064	523,247

13 Control

The company is controlled by the trustees of the Ann Davis Settlement, which owns 99% of the shares, and by its director Mr S Walsh, whose children are the beneficiaries of that trust.

14 Related party transactions

At the financial year-end, the company owed £701,401 (2003:£704,410) to S & W (Holdings) Limited and £1,380 (2003: £nil) to Faulthurst Construction Limited and was owed £nil (2003: £3,009) by Faulthurst Limited. The aforementioned companies are all controlled by the company's director, Mr S Walsh. S & W (Holdings) Limited has given an undertaking not to seek full repayment of the amount owed within the next twelve months from the date of approval of these accounts. No interest has been charged by S & W (Holdings) Limited on the outstanding amount.