

NOVAHEATH LIMITED

DIRECTOR'S REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005



Company Registration No. 2428421 (England and Wales)

NOVAHEATH LIMITED

COMPANY INFORMATION

Director	S Walsh
Secretary	C Walsh
Company number	2428421
Registered Office	1B Shaftesbury Road Edmonton London N18 1SS
Accountants	Ledgers 8 Hilliard Road Northwood Middlesex HA6 1SN

NOVAHEATH LIMITED

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NOVAHEATH LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2005**

The director presents his report and financial statements for the year ended 31 March 2005.

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 2004:

S Walsh

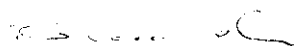
Director's interests

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

	Ordinary shares of £1 each	
	31 March 2005	1 April 2004
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
22 March 2006

NOVAHEATH LIMITED

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

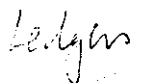
FOR THE YEAR ENDED 31 MARCH 2005

In accordance with the engagement letter dated 9th January 2006, 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 2005, set out on pages 3 to 11 from the accounting records and explanations you have given 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.

You have acknowledged on the balance sheet for the year ended 31 March 2005 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.



Ledgers
Accountants

22 March 2006

NOVAHEATH LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	2005 £	2004 £
Turnover		174,208	145,519
Administrative expenses		(27,058)	(26,451)
Other operating income		1,455	1,335
Operating profit		<u>148,605</u>	<u>120,403</u>
Other interest receivable and similar income	2	19,121	10,926
Interest payable and similar charges		-	(112)
Profit on ordinary activities before taxation		<u>167,726</u>	<u>131,217</u>
Tax on profit on ordinary activities	3	(40,802)	(29,500)
Profit on ordinary activities after taxation	10	<u><u>126,924</u></u>	<u><u>101,717</u></u>

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 2005**

	2005 £	2004 £
Profit for the financial year	126,924	101,717
Unrealised surplus on revaluation of properties	-	521,099
Total recognised gains and losses relating to the year	<u>126,924</u>	<u>622,816</u>

NOVAHEATH LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2005**

		2005		2004	
		£	£	£	£
	Notes				
Fixed assets					
Tangible assets	4		1,400,000		1,400,000
Investments	5		67,853		66,334
			<u>1,467,853</u>		<u>1,466,334</u>
Current assets					
Debtors	6	48,323		45,323	
Cash at bank and in hand		571,294		454,187	
		<u>619,617</u>		<u>499,510</u>	
Creditors: amounts falling due within one year	7	<u>(113,081)</u>		<u>(118,379)</u>	
Net current assets			506,536		381,131
Total assets less current liabilities			<u>1,974,389</u>		<u>1,847,465</u>
Creditors: amounts falling due after more than one year	8		(701,401)		(701,401)
			<u>1,272,988</u>		<u>1,146,064</u>
Capital and reserves					
Called up share capital	9		100		100
Revaluation reserve	10		645,803		645,803
Profit and loss account	10		627,085		500,161
Shareholders's funds - equity interests	11		<u>1,272,988</u>		<u>1,146,064</u>

NOVAHEATH LIMITED

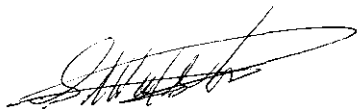
**BALANCE SHEET
AS AT 31 MARCH 2005**

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 22nd March 2006.



S. Walsh
Director

NOVAHEATH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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

	2005 £	2004 £
Bank interest	19,014	10,926
Other interest	107	-
	<u>19,121</u>	<u>10,926</u>

NOVAHEATH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	2005 £	2004 £
3. Taxation		
Domestic current year tax		
U.K. corporation tax	40,802	29,500
Current tax charge	<u>40,802</u>	<u>29,500</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>167,726</u>	<u>131,217</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30%	<u>50,318</u>	<u>39,365</u>
Effects of:		
Non deductible expenses	-	308
Dividends and distributions received	(151)	(351)
Other tax adjustments	(9,365)	(9,822)
Current tax charge	<u>40,802</u>	<u>29,500</u>

4. Tangible fixed assets

Investment Properties

Cost or valuation

As at 1 April 2004	1,400,000	865,000
Additions	-	13,901
Revaluation	-	521,099
As at 31 March 2005	<u>1,400,000</u>	<u>1,400,000</u>

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

As at 31 March 2005 the historical cost of the property is £754,197. (2004 : £754,197)

NOVAHEATH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

	2005 £	2004 £
5. Fixed asset investments		
Managed Investments		
Cost or valuation		
Cost as at 1 April 2004	106,105	104,770
Additions	1,519	1,335
Cost as at 31 March 2005	<u>107,624</u>	<u>106,105</u>
Provisions for diminution in value		
As at 1 April 2004 and 31 March 2005	<u>39,771</u>	<u>39,771</u>
Net book value		
As at 1 April 2004	<u>66,334</u>	<u>65,000</u>
As at 31 March 2005	<u>67,853</u>	<u>66,334</u>

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

As at 31 March 2005, the market value of the investments amounted to £73,028.
(2004 : £65,191)

6. Debtors		
Trade debtors	<u>48,323</u>	<u>45,323</u>
7. Creditors : amounts falling due within one year		
Taxation and social security	41,474	42,956
Other creditors and accruals	71,607	75,423
	<u>113,081</u>	<u>118,379</u>

NOVAHEATH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

	2005 £	2004 £
8. Creditors : amounts falling due after one year		
Amounts due to related party	<u>701,401</u>	<u>701,401</u>
Analysis of loans		
Wholly repayable within five years	<u>701,401</u>	<u>701,401</u>
Loan maturity analysis		
In more than one year but not more than two years	<u>701,401</u>	<u>701,401</u>
9. Share capital		
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>
10. Statement of movements on reserves		
	Revaluation reserve £	Profit & loss account £
Balance at 1 April 2004	645,803	500,161
Retained profit in the year	-	126,924
Balance at 31 March 2005	<u>645,803</u>	<u>627,085</u>
11. Reconciliation of movements in shareholders' funds		
	2005 £	2004 £
Profit for the financial year	126,924	101,717
Other recognised gains and losses	-	521,099
Net addition to shareholders' funds	<u>126,924</u>	<u>622,816</u>
Opening shareholders' funds	1,146,064	523,247
Closing shareholders' funds	<u>1,272,988</u>	<u>1,146,063</u>

NOVAHEATH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

12. 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.

13. Related party transactions

At the financial year-end, the company owed £701,401 (2004 : £701,401) to S & W (Holdings) Limited and £1,380 (2004 : £1,380) to Faulthurst Construction 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.