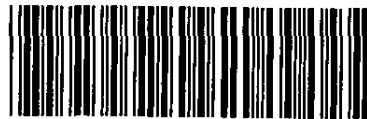


Registered Number SC281176

Morar Properties Limited
Annual report and financial statements
for the year ended 31 July 2011

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Morar Properties Limited

Annual report and financial statements for the year ended 31 July 2011

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Morar Properties Limited

Directors and advisers for the year ended 31 July 2011

Directors

S Lakhani

Company secretary

I Lakhani

Registered Office

C/O DLA Piper Scotland LLP

Collins House

Rutland Square

Edinburgh

EH1 2AA

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

Solicitors

DLA Piper Scotland LLP

Collins House

Rutland Square

Edinburgh

EH1 2AA

Morar Properties Limited

Director's report for the year ended 31 July 2011

The director presents his annual report and the financial statements for the year ended 31 July 2011.

Principal activities

The company is intending to construct a nursing home.

Business review

The director is currently seeking development funding to initiate the construction of a nursing home on this site.

Property revaluation

The land and buildings were revalued on 5 April 2012 by Colliers International Property Consultants Limited on an open market existing use basis. The revaluation of £349,138 (2010: £nil) was charged to the revaluation reserve.

Results

The loss for the financial year amounted to £25,442 (2010: £32,440). The director is unable to recommend that a dividend be paid in respect of the year (2010: £nil).

Director

The director who held office during the year and up to the date of signing the financial statements is given below:

S Lakhani

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law, the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Morar Properties Limited

Director's report for the year ended 31 July 2011 (continued)

Disclosures of information to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. The director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved by the board on 20th April 2012 and signed on its behalf.



S Lakhani
Director

Morar Properties Limited

Director's report for the year ended 31 July 2011 (continued)

Disclosures of information to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. The director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved by the board on April 2012 and signed on its behalf.

S Lakhani
Director

Independent auditors' report to the members of Morar Properties Limited

We have audited the financial statements of Morar Properties Limited for the year ended 31 July 2011 which comprise the Profit and loss account, the Balance sheet, the Accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Morar Properties Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Arif Ahmad (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

20 April 2012

Morar Properties Limited

Profit and loss account for the year ended 31 July 2011

	Note	2011 £	2010 £
Administrative expenses		(3,521)	(3,745)
Operating loss	1	(3,521)	(3,745)
Interest payable	2	(21,921)	(23,030)
Loss on ordinary activities before taxation		(25,442)	(26,775)
Tax on loss on ordinary activities	3	-	(5,665)
Loss for the financial year	9	(25,442)	(32,440)

All amounts relate to continuing operations.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical equivalents.

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account.

Morar Properties Limited

Balance sheet as at 31 July 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	4	3,200,000	2,850,862
Creditors - amounts falling due within one year	5	(2,929,610)	(2,904,168)
Net current liabilities		(2,929,610)	(2,904,168)
Total assets less current liabilities		270,390	(53,306)
Net assets/(liabilities)		270,390	(53,306)
Capital and reserves			
Called up share capital	8	100	100
Revaluation reserve	9	349,138	-
Profit and loss account	9	(78,848)	(53,406)
Total shareholders' funds/(deficit)	10	270,390	(53,306)

The financial statements on pages 6 to 12 were approved by the board of directors on 20th April 2012 and were signed on its behalf by:



S Lakhani
Director

Registered number SC281176

Morar Properties Limited

Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies are set out below and applied consistently.

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 (Revised 1996).

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2%	straight line
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Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Morar Properties Limited

Notes to the financial statements for the year ended 31 July 2011

1 Operating loss

During the year, no director received any emoluments (2010: £nil). Auditor's remuneration was borne by another group company.

2 Interest payable

	2011 £	2010 £
On bank loans and overdrafts	21,921	23,030

3 Taxation

(a) Analysis of charge in the year:

	2011 £	2010 £
Deferred tax		
Origination and reversal of timing differences	-	(5,665)
Tax charge on loss on ordinary activities	-	(5,665)

The tax assessed for the year is at the standard rate of corporation tax in the UK. The differences are explained below:

	2011 £	2010 £
Loss on ordinary activities before taxation	(25,442)	(26,775)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.67% (2010: 21%)	(5,259)	(5,623)
Effects of:		
Other timing differences	-	5,623
Group relief claimed	5,259	-
Current tax charge for the year	-	-

Morar Properties Limited

Notes to the financial statements for the year ended 31 July 2011 (continued)

4 Tangible fixed assets

	Land and buildings
	£
Cost	
At 1 August 2010	2,850,862
Revaluation	349,138
At 31 July 2011	3,200,000
Depreciation	
At 1 August 2010 and 31 July 2011	-
Net book amount	
At 31 July 2011	3,200,000
At 1 August 2010	2,850,862

Land and buildings represent freehold land, therefore have not been depreciated.

The land and buildings were revalued on 5 April 2012 by Colliers International Property Consultants Limited on an open market existing use basis.

5 Creditors – Amounts falling due within one year

	2011	2010
	£	£
Bank overdraft	17,538	1,694
Bank loan	603,685	603,685
Amounts owed to group undertakings	2,307,789	2,298,789
Accruals	598	-
	2,929,610	2,904,168

The bank loan and overdraft is secured over the subsidiary company's property and by cross guarantees with other group companies. The loan is paid monthly and interest is charged at 3.00% above the Libor rate.

Amounts owed to group undertakings are unsecured, repayable on demand and interest-free.

Morar Properties Limited

Notes to the financial statements for the year ended 31 July 2011 (continued)

6 Deferred tax

	2011	2010
	£	£
Provision for deferred tax		
At 1 August 2010	-	5,665
Charged during the year	-	(5,665)
At 31 July 2011	-	-

7 Contingent liabilities

The company has guaranteed loans taken out by certain other group companies.

8 Called up share capital

	2011	2010
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

9 Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 August 2010	-	(53,406)
Loss for the financial year	-	(25,442)
Revaluation adjustment	349,138	-
At 31 July 2011	349,138	(78,848)

Morar Properties Limited

Notes to the financial statements for the year ended 31 July 2011 (continued)

10 Reconciliation of movements in total shareholders' funds/(deficit)

	2011	2010
	£	£
Opening total shareholders' deficit	(53,306)	(20,866)
Loss for the financial year	(25,442)	(32,440)
Revaluation adjustment	349,138	-
Closing total shareholders' funds/(deficit)	270,390	(53,306)

11 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with members of its group on the grounds that at least 90% of the voting rights in the company are controlled within the group.

12 Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is The Holmes Care (Group) Limited, a company incorporated in England and Wales. Consolidated accounts for this company are available from Companies House.

The company is controlled by S Lakhani, the company's director.