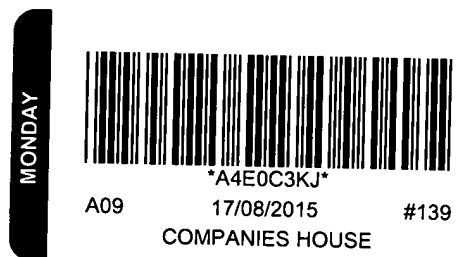


Financial Statements

Morar Properties Limited

For the year ended 31 July 2014



Registered number: SC281176

Morar Properties Limited

Company Information

Director	S Lakhani
Company secretary	I Lakhani
Registered number	SC281176
Registered office	C/O DLA Piper Rudnick Gray Cary Scotland LLP Rutland Square Edinburgh EH1 2AA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 80 Compair Crescent Ipswich Suffolk IP2 0EH

Morar Properties Limited

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Director's Report

For the year ended 31 July 2014

The director presents his report and the financial statements for the year ended 31 July 2014.

Director's responsibilities statement

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 elected to prepare 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 judgments and accounting 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 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 him 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.

Director

The director who served during the year was:

S Lakhani

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Morar Properties Limited

Director's Report

For the year ended 31 July 2014

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 6 August 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'S Lakhani', written over a horizontal line.

S Lakhani
Director



Independent Auditor's Report to the Members of Morar Properties Limited

We have audited the financial statements of Morar Properties Limited for the year ended 31 July 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditor's 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 director and auditor

As explained more fully in the Director's responsibilities statement, the director is 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Morar Properties Limited

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report in preparing the Director's report.

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

James Brown (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Ipswich

14 August 2015

Profit and Loss Account

For the year ended 31 July 2014

	Note	2014 £	2013 £
Administrative expenses		(1,650)	(2,025)
Operating loss	2	(1,650)	(2,025)
Interest payable and similar charges		-	(21,839)
Loss on ordinary activities before taxation		(1,650)	(23,864)
Tax on loss on ordinary activities	3	-	-
Loss for the financial year	7	(1,650)	(23,864)

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

There were no recognised gains and losses for 2014 or 2014 other than those included in the Profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

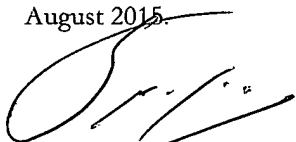
Balance Sheet

As at 31 July 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	4		3,450,000		3,200,000
Creditors: amounts falling due within one year	5		(3,238,661)		(2,987,011)
Net assets			<u>211,339</u>		<u>212,989</u>
Capital and reserves					
Called up share capital	6		100		100
Revaluation reserve	7		349,138		349,138
Profit and loss account	7		(137,899)		(136,249)
Shareholders' funds	8		<u>211,339</u>		<u>212,989</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 August 2015.



S Lakhani
Director

The notes on pages 7 to 10 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 July 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

These financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on finance from the ultimate parent company who have confirmed that they will continue to provide financial support. As a result, the director considers it appropriate for the financial statements to be prepared on the going concern basis.

1.3 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.

1.4 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.

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

1.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

2. Operating loss

The company has no employees other than directors. During the year, no director received any emoluments (2013 - £NIL).

Auditor's remuneration was borne by another group company.

Notes to the Financial Statements

For the year ended 31 July 2014

3. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.33% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(1,650)</u>	<u>(23,864)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.33% (2013 - 20%)	(368)	(4,773)
Effects of:		
Unrelieved loss on disposal of operation	368	-
Group relief	-	4,773
	<u>-</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

4. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 August 2013	3,200,000
Additions	250,000
At 31 July 2014	<u>3,450,000</u>
Depreciation	
At 1 August 2013 and 31 July 2014	<u>-</u>
Net book value	
At 31 July 2014	<u>3,450,000</u>
At 31 July 2013	<u>3,200,000</u>

The freehold property is land and hence is not depreciated.

The freehold property was revalued in November 2012 by Christie & Co. Chartered Surveyors, on an open market value basis, in accordance with the RICS Appraisal and Valuation Manual.

Notes to the Financial Statements

For the year ended 31 July 2014

4. Tangible fixed assets (continued)

If the freehold property had not been included at valuation they would have been included under the historical cost convention as follows:

	2014 £	2013 £
Cost	2,850,862	2,850,862
Accumulated depreciation	-	-
Net book value	<u>2,850,862</u>	<u>2,850,862</u>

5. Creditors: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	<u>3,238,661</u>	<u>2,987,011</u>

6. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

7. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2013	349,138	(136,249)
Loss for the year		(1,650)
At 31 July 2014	<u>349,138</u>	<u>(137,899)</u>

Notes to the Financial Statements

For the year ended 31 July 2014

8. Reconciliation of movement in shareholders' funds

	2014	2013
	£	£
Opening shareholders' funds	212,989	236,853
Loss for the financial year	(1,650)	(23,864)
Closing shareholders' funds	<u>211,339</u>	<u>212,989</u>

9. Contingent liabilities

The company has guaranteed loans taken out by certain other group companies. The potential liability in respect of this guarantee is £23,948,000 (2013 - £25,690,384).

10. Related party transactions

As a wholly owned subsidiary undertaking of The Holmes Care (Group) Limited, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosure" not to disclose transactions with other members of the group headed by The Holmes Care (Group) Limited, since that company produces consolidated financial statements which are available to the public and which include Morar Properties Limited.

11. Ultimate parent undertaking and controlling party

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

The Holmes Care (Group) Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements.

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