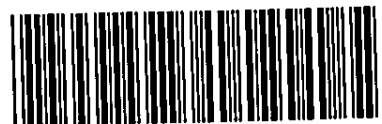


CANTERBURY LEASED HOMES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

TUESDAY



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COMPANIES HOUSE

CANTERBURY LEASED HOMES LIMITED

COMPANY INFORMATION

Directors	K J Groombridge A K Stein
Secretary	K J Groombridge
Company number	05576495
Registered office	Bordesley Hall The Holloway Alvechurch Birmingham B48 7QA
Auditors	PKF (UK) LLP 17 Rothesay Place Edinburgh EH3 7SQ
Bankers	Allied Irish (GB) 61 Temple Row Birmingham B2 5LT
Solicitors	Lodders Solicitors 10 Elm Court Arden Street Stratford-upon-Avon Warwickshire CV37 6PA

CANTERBURY LEASED HOMES LIMITED

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CANTERBURY LEASED HOMES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company during the period was the provision of care home services

Directors

The directors who served during the year were

K J Groombridge
A K Stein

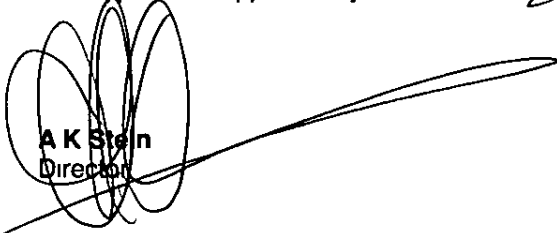
Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

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

This report was approved by the board on 22 APRIL 2008 and signed on its behalf


A K Stein
Director

CANTERBURY LEASED HOMES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2007

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 directors are responsible for keeping proper accounting records that 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 1985. They are 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

CANTERBURY LEASED HOMES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANTERBURY LEASED HOMES LIMITED

We have audited the financial statements of Canterbury Leased Homes Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CANTERBURY LEASED HOMES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANTERBURY LEASED HOMES LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



PKF (UK) LLP

Registered auditors

Edinburgh, UK

Date

23 April 2008

CANTERBURY LEASED HOMES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	year ended 31 December 2007 £	period ended 31 December 2006 £
TURNOVER	1	1,506,927	57,108
Cost of sales		(856,646)	(29,180)
GROSS PROFIT		650,281	27,928
Administrative expenses		(651,478)	(27,337)
OPERATING (LOSS)/PROFIT	2	(1,197)	591
Interest receivable		721	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(476)	591
Tax on (loss)/profit on ordinary activities	3	-	261
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	(476)	852

All amounts relate to continuing operations

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

The notes on pages 7 to 12 form part of these financial statements

CANTERBURY LEASED HOMES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Intangible fixed assets	4		24,167		-
Tangible fixed assets	5		246,470		49,754
			<u>270,637</u>		<u>49,754</u>
CURRENT ASSETS					
Debtors	6	225,721		115,053	
Cash at bank and in hand		170,917		42,845	
		<u>396,638</u>		<u>157,898</u>	
CREDITORS: amounts falling due within one year	7	(285,384)		(104,860)	
NET CURRENT ASSETS			<u>111,254</u>		<u>53,038</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>381,891</u>		<u>102,792</u>
CREDITORS: amounts falling due after more than one year	8		(381,415)		(101,840)
NET ASSETS			<u>476</u>		<u>952</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account	11		376		852
SHAREHOLDERS' FUNDS	12		<u>476</u>		<u>952</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

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

22 April 2008

A/K Stein
Director

The notes on pages 7 to 12 form part of these financial statements

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises residents' fees receivable for the service supplied in the year

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated useful economic life.

Amortisation is provided at the following rates:

Goodwill	-	5% straight line
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1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over the expected useful lives of the assets on the following bases:

Leasehold improvements	-	over the 35 year leasehold period
Fixtures, fittings and equipment	-	20 % straight line

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 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.

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.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES (continued)

1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned

Other grants received are credited to the profit and loss account as the related expenditure is incurred

2. OPERATING (LOSS)/PROFIT

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

	year ended 31 December 2007 £	period ended 31 December 2006 £
Amortisation - intangible fixed assets	833	-
Depreciation of tangible fixed assets		
- owned by the company	32,781	843
Auditors' remuneration & expenses	4,000	2,200
Rent - operating leases	280,888	10,751
Capital grant income released in year	(6,082)	-
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2006 - £NIL) from this company

3. TAXATION

	year ended 31 December 2007 £	period ended 31 December 2006 £
Deferred tax (see note 9)		
Origination and reversal of timing differences	-	(261)
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	<u> </u>	<u> </u>

CANTERBURY LEASED HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

4 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2007	-
Additions	<u>25,000</u>
At 31 December 2007	<u>25,000</u>
Amortisation	
At 1 January 2007	-
Charge for the year	<u>833</u>
At 31 December 2007	<u>833</u>
Net book value	
At 31 December 2007	<u>24,167</u>
At 31 December 2006	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Leasehold improvement £	Furniture, fittings and equipment £	Total £
Cost				
At 1 January 2007	-	-	50,597	50,597
Additions	2,725,000	16,481	213,016	2,954,497
Disposals	(2,725,000)	-	-	(2,725,000)
At 31 December 2007	<u>-</u>	<u>16,481</u>	<u>263,613</u>	<u>280,094</u>
Depreciation				
At 1 January 2007	-	-	843	843
Charge for the year	-	-	32,781	32,781
At 31 December 2007	<u>-</u>	<u>-</u>	<u>33,624</u>	<u>33,624</u>
Net book value				
At 31 December 2007	<u>-</u>	<u>16,481</u>	<u>229,989</u>	<u>246,470</u>
At 31 December 2006	<u>-</u>	<u>-</u>	<u>49,754</u>	<u>49,754</u>

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

6. DEBTORS

	2007 £	2006 £
Trade debtors	96,511	91,541
Amounts owed by group undertakings	22,696	-
Other debtors	106,253	23,251
Deferred tax asset (see note 9)	261	261
	<u>225,721</u>	<u>115,053</u>

7. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	26,699	4,253
Amounts owed to group undertakings	118,688	9,823
Social security and other taxes	29,643	6,811
Other creditors	110,354	83,973
	<u>285,384</u>	<u>104,860</u>

8. CREDITORS: Amounts falling due after more than one year

	2007 £	2006 £
Other creditors	<u>381,415</u>	<u>101,840</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2007 £	2006 £
Repayable other than by instalments	<u>335,482</u>	<u>89,828</u>

9. DEFERRED TAX ASSET

	2007 £	2006 £
At 1 January 2007	261	-
Released during the year	-	261
	<u>261</u>	<u>261</u>
At 31 December 2007	<u>261</u>	<u>261</u>

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

9. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows

	2007 £	2006 £
Accelerated capital allowances	261	(5,787)
Tax losses carried forward	-	5,526
	<u>261</u>	<u>(261)</u>

10. SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. RESERVES

	Profit and loss account £
At 1 January 2007	852
Loss for the year	(476)
	<u>376</u>
At 31 December 2007	<u>376</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Opening shareholders' funds	952	-
(Loss)/profit for the year	(476)	852
Shares issued during the year	-	100
	<u>476</u>	<u>952</u>
Closing shareholders' funds	<u>476</u>	<u>952</u>

13. OPERATING LEASE COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows

	2007 £	2006 £
Expiry date*		
After more than 5 years	<u>387,596</u>	<u>152,000</u>

CANTERBURY LEASED HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

14 RELATED PARTY TRANSACTIONS

Included within creditors is an amount of £118,688 (2006 - £5,891) due to Canterbury Care Holdings Limited, the parent company, in respect of expenses paid on its behalf. Included within the balance is the management charge of £106,000 (2006 - £6,005).

Included within debtors is an amount of £22,696 (2006 -£3,932 creditor) due from Canterbury Care Homes Limited, a fellow group company.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors believe the immediate and ultimate parent company to be Canterbury Care Holdings Limited, a company controlled by the directors.

CANTERBURY LEASED HOMES LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Page	year ended 31 December 2007 £	period ended 31 December 2006 £
TURNOVER	14	1,506,927	57,108
Cost of sales	14	(856,646)	(29,180)
		<hr/>	<hr/>
GROSS PROFIT		650,281	27,928
Gross profit %		43 2 %	48 9 %
LESS: OVERHEADS			
Administration expenses	14	(370,590)	(16,586)
Establishment expenses	15	(280,888)	(10,751)
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT		(1,197)	591
Interest receivable	15	721	-
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE YEAR		(476)	591
		<hr/>	<hr/>

CANTERBURY LEASED HOMES LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

	year ended 31 December 2007 £	period ended 31 December 2006 £
TURNOVER		
Resident fees	1,500,845	57,108
Grants	6,082	-
	<u>1,506,927</u>	<u>57,108</u>
	year ended 31 December 2007 £	period ended 31 December 2006 £
COST OF SALES		
Wages and salaries	748,087	25,278
National insurance	57,605	1,730
Consumables	50,954	2,172
	<u>856,646</u>	<u>29,180</u>
	year ended 31 December 2007 £	period ended 31 December 2006 £
ADMINISTRATION EXPENSES		
Staff training	27,238	366
Motor running costs	306	-
Hotels, travel and subsistence	745	-
Printing and stationery	3,831	169
Telephone and fax	2,878	235
Computer costs	4,067	273
Advertising and promotion	121	-
Trade subscriptions	1,585	-
Legal and professional	12,912	548
Auditors' remuneration	4,000	2,200
Auditors' remuneration - non-audit	600	-
Bank charges	278	-
Bad debts	7,634	-
Rates	12,245	828
Light and heat	46,960	1,437
Cleaning	16,468	329
Insurances	10,178	300
Repairs and maintenance	72,392	2,025
Sundry establishment expenses	2,318	822
Depreciation - plant and machinery	32,781	843
Amortisation - intangible fixed assets	833	-
Management charges	106,000	6,005
Medical supplies	4,220	206
	<u>370,590</u>	<u>16,586</u>

CANTERBURY LEASED HOMES LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	year ended 31 December 2007 £	period ended 31 December 2006 £
ESTABLISHMENT EXPENSES		
Rent - operating leases	<u>280,888</u>	<u>10,751</u>
	year ended 31 December 2007 £	period ended 31 December 2006 £
INTEREST RECEIVABLE		
Bank interest receivable	<u>721</u>	<u>-</u>