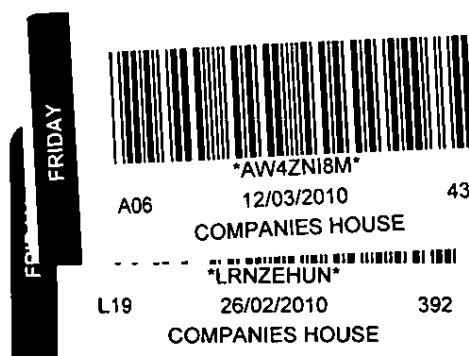


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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2009
FOR
MNS CARE PLC



MNS CARE PLC

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FOR THE YEAR ENDED 31 AUGUST 2009

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MNS CARE PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2009

DIRECTORS.

S Ruparelia
Mrs P Ruparelia

SECRETARY:

S Ruparelia

REGISTERED OFFICE:

4 Ambassador House
Wolseley Road
Harrow
Middlesex
HA3 5RT

REGISTERED NUMBER:

3331726 (England and Wales)

MNS CARE PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2009

The directors present their report with the financial statements of the company for the year ended 31 August 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of operation, acquisition of land and development of care homes

REVIEW OF BUSINESS

The results for the year and financial position of the company are shown in the annexed financial statements

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2009

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2008 to the date of this report

S Ruparelia
Mrs P Ruparelia

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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 judgements 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



S Ruparelia - Director

26 February 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
MNS CARE PLC

We have audited the financial statements of MNS Care Plc for the year ended 31 August 2009 on pages four to sixteen. These 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 Sections 495 and 496 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 a Report of the Auditors 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 are properly prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

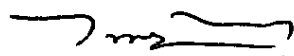
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 which 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.

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 August 2009 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Report of the Directors is consistent with the financial statements.



M I Ashraf FCCA (Senior Statutory Auditor)
For and on behalf of Sigma Accountants Ltd
Chartered Certified Accountants and Registered Auditors
74 St Brelades Road, Crawley, RH11 9RJ

27 February 2010

MNS CARE PLC
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	31 8 09 £	31 8 08 £
TURNOVER		3,343,075	3,245,992
Cost of sales		<u>2,245,929</u>	<u>2,318,104</u>
GROSS PROFIT		1,097,146	927,888
Administrative expenses		<u>473,138</u>	<u>515,448</u>
		624,008	412,440
Other operating income		<u>10,470</u>	<u>18,656</u>
OPERATING PROFIT	3	634,478	431,096
Cost of fundamental reorg		<u>117,091</u>	<u>-</u>
		517,387	431,096
Interest receivable and similar income		<u>899</u>	<u>-</u>
		518,286	431,096
Interest payable and similar charges	4	<u>311,388</u>	<u>205,755</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		206,898	225,341
Tax on profit on ordinary activities	5	<u>65,000</u>	<u>78,260</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>141,898</u>	<u>147,081</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

MNS CARE PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2009

	31 8 09	31 8 08
	£	£
PROFIT FOR THE FINANCIAL YEAR	141,898	147,082
Revaluation of land and buildings	-	<u>4,537,333</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>141,898</u>	<u>4,684,415</u>

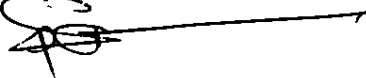
The notes form part of these financial statements

MNS CARE PLC**BALANCE SHEET**
31 AUGUST 2009

	Notes	31 8 09 £	31 8 08 £
FIXED ASSETS			
Intangible assets	6	162,860	179,898
Tangible assets	7	8,469,633	8,547,609
Investments	8	<u>87,700</u>	<u>87,699</u>
		8,720,193	8,815,206
CURRENT ASSETS			
Debtors	9	1,857,287	1,826,329
Cash at bank and in hand		<u>537,236</u>	<u>530,869</u>
		2,394,523	2,357,198
CREDITORS			
Amounts falling due within one year	10	<u>2,457,818</u>	<u>2,391,480</u>
NET CURRENT LIABILITIES		<u>(63,295)</u>	<u>(34,282)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,656,898	8,780,924
CREDITORS			
Amounts falling due after more than one year	11	(3,250,573)	(3,516,497)
PROVISIONS FOR LIABILITIES	13	<u>(10,966)</u>	<u>(10,966)</u>
NET ASSETS		<u>5,395,359</u>	<u>5,253,461</u>
CAPITAL AND RESERVES			
Called up share capital	14	500,000	500,000
Revaluation reserve	15	4,537,333	4,537,333
Profit and loss account	15	<u>358,026</u>	<u>216,128</u>
SHAREHOLDERS' FUNDS	16	<u>5,395,359</u>	<u>5,253,461</u>

The financial statements were approved by the Board of Directors on 26 February 2010 and were signed on its behalf by

S Ruparelia - Director



The notes form part of these financial statements

MNS CARE PLC
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	31 8 09 £	£	31 8 08 £	£
Net cash inflow from operating activities	1		620,748		732,164
Returns on investments and servicing of finance	2		(310,489)		(205,755)
Taxation			(38,990)		-
Capital expenditure	2		<u>(44,191)</u>		<u>(1,242,080)</u>
			227,078		(715,671)
Financing	2		<u>(220,711)</u>		<u>1,052,029</u>
Increase in cash in the period			<u>6,367</u>		<u>336,358</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period			6,367		336,358
Cash outflow/(inflow) from decrease/(increase) in debt			<u>251,972</u>		<u>(963,958)</u>
Change in net debt resulting from cash flows			<u>258,339</u>		<u>(627,600)</u>
Movement in net debt in the period			258,339		(627,600)
Net debt at 1 September			<u>(4,411,676)</u>		<u>(3,784,076)</u>
Net debt at 31 August			<u>(4,153,337)</u>		<u>(4,411,676)</u>

The notes form part of these financial statements

MNS CARE PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2009

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 8 09	31 8 08
	£	£
Operating profit	634,478	431,096
Depreciation charges	139,204	158,686
De-merger expenses	(117,092)	-
(Increase)/Decrease in debtors	(40,951)	43,082
Increase in creditors	<u>5,109</u>	<u>99,300</u>
Net cash inflow from operating activities	<u>620,748</u>	<u>732,164</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 8 09	31 8 08
	£	£
Returns on investments and servicing of finance		
Interest received	899	-
Interest paid	<u>(311,388)</u>	<u>(205,755)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(310,489)</u>	<u>(205,755)</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(44,191)</u>	<u>(1,242,080)</u>
Net cash outflow for capital expenditure	<u>(44,191)</u>	<u>(1,242,080)</u>
 Financing		
New loans in year	-	1,200,000
Loan repayments in year	(251,972)	(236,041)
Amount introduced by directors	<u>31,261</u>	<u>88,070</u>
Net cash (outflow)/inflow from financing	<u>(220,711)</u>	<u>1,052,029</u>

The notes form part of these financial statements

MNS CARE PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2009

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 9 08 £	Cash flow £	At 31 8 09 £
Net cash			
Cash at bank and in hand	<u>530,869</u>	<u>6,367</u>	<u>537,236</u>
	<u>530,869</u>	<u>6,367</u>	<u>537,236</u>
Debt			
Debts falling due within one year	(1,436,042)	(3,958)	(1,440,000)
Debts falling due after one year	<u>(3,506,503)</u>	<u>255,930</u>	<u>(3,250,573)</u>
	<u>(4,942,545)</u>	<u>251,972</u>	<u>(4,690,573)</u>
Total	<u>(4,411,676)</u>	<u>258,339</u>	<u>(4,153,337)</u>

The notes form part of these financial statements

MNS CARE PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1999, is being amortised evenly over its estimated useful life of 20 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 2% on cost
Plant and machinery	- 15% on cost
Motor vehicles	- 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

-provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

-deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax and laws enacted or substantively enacted at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

MNS CARE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2009

2 STAFF COSTS

	31 8 09	31 8 08
	£	£
Wages and salaries	1,909,200	1,892,458
Social security costs	146,695	140,994
Other pension costs	12,000	15,000
	<u>2,067,895</u>	<u>2,048,452</u>

The average monthly number of employees during the year was as follows

	31 8 09	31 8 08
Nursing and care	150	150
Head office	4	4
	<u>154</u>	<u>154</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	31 8 09	31 8 08
	£	£
Hire of plant and machinery	13,661	15,061
Depreciation - owned assets	122,166	141,648
Goodwill amortisation	17,038	17,038
Auditors' remuneration	5,000	17,250
Auditors' remuneration for non audit work	8,910	5,075
	<u>24,231</u>	<u>79,340</u>
Directors' remuneration	-	3,000
Directors' pension contributions to money purchase schemes	-	-

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 8 09	31 8 08
	£	£
Bank loan and overdraft - interest	309,388	205,755
Sundry interest	2,000	-
	<u>311,388</u>	<u>205,755</u>

MNS CARE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2009

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 8 09 £	31 8 08 £
Current tax		
UK corporation tax	65,000	88,637
Deferred tax	-	(10,377)
Tax on profit on ordinary activities	<u>65,000</u>	<u>78,260</u>

6 INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 September 2008
and 31 August 2009

340,750

AMORTISATION

At 1 September 2008
Amortisation for year

160,852
17,038

At 31 August 2009

177,890

NET BOOK VALUE

At 31 August 2009

162,860

At 31 August 2008

179,898

7 TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST/VALUATION					
At 1 September 2008	8,707,920	125,000	1,153,603	11,570	9,998,093
Additions	<u>6,241</u>	-	<u>37,950</u>	-	<u>44,191</u>
At 31 August 2009	<u>8,714,161</u>	<u>125,000</u>	<u>1,191,553</u>	<u>11,570</u>	<u>10,042,284</u>
DEPRECIATION					
At 1 September 2008	488,287	11,875	938,754	11,569	1,450,485
Charge for year	<u>45,180</u>	<u>750</u>	<u>76,236</u>	-	<u>122,166</u>
At 31 August 2009	<u>533,467</u>	<u>12,625</u>	<u>1,014,990</u>	<u>11,569</u>	<u>1,572,651</u>
NET BOOK VALUE					
At 31 August 2009	<u>8,180,694</u>	<u>112,375</u>	<u>176,563</u>	<u>1</u>	<u>8,469,633</u>
At 31 August 2008	<u>8,219,633</u>	<u>113,125</u>	<u>214,849</u>	<u>1</u>	<u>8,547,608</u>

MNS CARE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2009

7 TANGIBLE FIXED ASSETS - continued

Included in cost of land and buildings is freehold land of £6,536,420 (2008 - £6,536,420) which is not depreciated

Freehold land and buildings were valued by Taylors, Chartered surveyors, in March 2009

8 FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date in the share capital of companies include the following

Maurya Restaurants Ltd

Country of incorporation England

Nature of business Operation of restaurants

	%		
Class of shares	holding		
Ordinary	100 00		
		31 8 09	31 8 08
		£	£
Aggregate capital and reserves		(512,440)	(443,890)
Loss for the year		<u>(68,550)</u>	<u>(76,152)</u>
			Loans to
			group
			undertakings
			£
At 1 September 2008			
and 31 August 2009			<u>87,700</u>

9 DEBTORS

	31 8 09	31 8 08
	£	£
Amounts falling due within one year		
Trade debtors	68,864	36,167
Other debtors	220	220
Prepayments	<u>23,481</u>	<u>15,227</u>
	<u>92,565</u>	<u>51,614</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>1,764,722</u>	<u>1,764,722</u>
Aggregate amounts	<u>1,857,287</u>	<u>1,816,336</u>

Amounts owed by group undertakings represents interest free loan payable by the holding company Sai Ram Care Ltd

MNS CARE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2009

10 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 8 09	31 8 08
	£	£
Bank loans and overdrafts (see note 12)	1,440,000	1,436,042
Trade creditors	279,878	263,488
Corporation Tax	216,721	190,711
PAYE Liability	45,441	48,944
Other creditors	28,309	40,899
Directors' current accounts	384,335	353,074
Accrued expenses	63,134	58,322
	<u>2,457,818</u>	<u>2,391,480</u>

11 CREDITORS· AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 8 09	31 8 08
	£	£
Bank loans (see note 12)	<u>3,250,573</u>	<u>3,506,503</u>

12 LOANS

An analysis of the maturity of loans is given below

	31 8 09	31 8 08
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>1,440,000</u>	<u>1,436,042</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>240,000</u>	<u>236,042</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>720,000</u>	<u>708,126</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>2,290,573</u>	<u>2,562,335</u>

SECURED DEBTS

The following secured debts are included within creditors

	31 8 09	31 8 08
	£	£
Bank loans	<u>4,690,573</u>	<u>4,942,545</u>

The bank overdraft and loans are secured by a first legal charge on the properties owned by the company and by a debenture containing fixed and floating charges over the assets of the company

MNS CARE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2009

13 PROVISIONS FOR LIABILITIES

	31 8 09	31 8 08
	£	£
Deferred tax	<u>10,966</u>	<u>10,966</u>
		Deferred tax
		£
Balance at 1 September 2008		<u>10,966</u>
Balance at 31 August 2009		<u>10,966</u>

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 8 09	31 8 08
Number	Class	Nominal value	£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

15 RESERVES

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 September 2008	216,128	4,537,333	4,753,461
Profit for the year	<u>141,898</u>		<u>141,898</u>
At 31 August 2009	<u>358,026</u>	<u>4,537,333</u>	<u>4,895,359</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 8 09	31 8 08
	£	£
Profit for the financial year	141,898	147,082
Other recognised gains and losses relating to the year (net)	<u>-</u>	<u>4,537,333</u>
Net addition to shareholders' funds	141,898	4,684,415
Opening shareholders' funds	<u>5,253,462</u>	<u>569,047</u>
Closing shareholders' funds	<u>5,395,360</u>	<u>5,253,462</u>

17 ULTIMATE PARENT COMPANY

The ultimate parent company is Sai Ram Care Ltd

The director S Ruparelia is the controlling party

MNS CARE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2009

18 RELATED PARTY DISCLOSURES

During the year the company paid rent of £12,000 to the director, S Ruparelia for the use of premises owned by him

As at the balance sheet date the company owed £384,335 to the director S Ruparelia