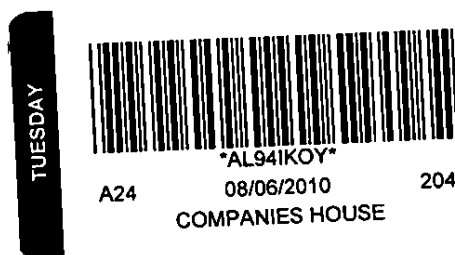


Speciality Care (EMI) Limited  
(formerly Speciality Care (EMI) PLC)  
Annual report and financial statements  
for the year ended 31 December 2009

Registered number 2192205



# **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

## **Annual report and financial statements for the year ended 31 December 2009**

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# **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

## **Directors and advisors**

### **Executive Directors**

Ted Smith  
Avril Evans  
David Manson  
Christine Cameron  
Julian Ball

### **Secretary**

Scott Morrison  
Craegmoor House  
Perdiswell Park  
Worcester  
WR3 7NW

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **Solicitors**

Pinsent Masons  
3 Colmore Circus  
Birmingham  
B4 6BH

DLA Piper (UK) Solicitors LLP  
3 Noble Street  
London  
EC2V 7EE

### **Registered Office**

Craegmoor House  
Perdiswell Park  
Worcester  
WR3 7NW

### **Bankers**

Barclays Bank  
1 Churchill Place  
London  
E14 5HP

Allied Irish Banks Plc  
1 Undershaft  
St Helen's  
London  
EC3A 8AB

# **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

## **Directors' report for the year ended 31 December 2009**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

### **Principal activities**

The principal activity of the Company continues to be care delivery

### **Review of business and future developments**

On 11 September 2008 the Company changed its name from Speciality Care (EMI) PLC to Speciality Care (EMI) Limited

Both the level of continuing business and the year end position were satisfactory, despite the overall loss for the year. The Directors have put measures in place that they believe will improve the Company's performance in the forthcoming financial year. The Directors of Craegmoor Group Limited (formerly Craegmoor Topco Limited), its ultimate parent company in the United Kingdom, manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe a separate business review and future developments summary for the Company is not relevant for an understanding of the business and future strategy. The business review and future developments of the Craegmoor Group Limited group, which includes the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009 which does not form part of this report.

### **Results and dividends**

The profit and loss account shows a loss after tax for the year of £295,000 (2008: loss of £729,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008: £Nil).

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Craegmoor Group Limited, and are not managed separately. Accordingly, the principal risks and uncertainties of the Craegmoor Group Limited group ("the Group"), which include those of the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009.

### **Key Performance Indicators ("KPIs")**

The Directors of Craegmoor Group Limited manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe that analysis using separate key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Craegmoor Group Limited group, which includes the Company, is discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009.

### **Directors**

The following Directors have held office for the whole year and up to the date of signing the financial statements unless otherwise stated:

Ted Smith	
Charles Cameron	Resigned 20 February 2009
Christine Cameron	Appointed 16 June 2009
David Manson	
Avril Evans	
Julian Ball	Appointed 30 September 2009

### **Changes in tangible assets**

The movements in tangible assets during the year are set out in note 8 to the financial statements.

# **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

## **Directors' report for the year ended 31 December 2009 (continued)**

### **Financial instruments**

The Company's financial instruments primarily comprise debtors and creditors with other group companies arising directly from its operations. No trading in financial instruments has been undertaken.

There are no significant risks arising directly from the Company's financial instruments. However, the Company is reliant on the ongoing support of the Craegmoor Group, which has long term financing and overdraft facilities in place. The board of Craegmoor Group Limited, the ultimate UK parent undertaking, has reviewed and agreed the policies for managing the risks related to these facilities as set out below.

#### *Liquidity risk*

The Group has secured long term financing and revolving credit facilities with financial institutions, which have high credit ratings that are designed to ensure the Group has sufficient available funds for operations. The majority of the £215,938,000 (2008: £216,682,000) debt held by the Group, in the form of loan notes and bank loans (but excluding preference shares and finance leases), is repayable in 2016 to 2018.

#### *Interest rate and cash flow risk*

The Group has entered into interest rate swaps to ensure certainty over future interest cash flows. As a consequence, 100% (2008: 77%) of the Group's borrowings are at fixed rates of interest.

#### *Credit risk*

A fellow subsidiary company, Craegmoor Facilities Company Limited, bears the credit risk for the Company.

### **Going Concern**

The Company is a subsidiary of Speciality Care Limited which owns a number of companies which operate loss making homes. As a consequence of this, Speciality Care Limited and its subsidiaries are reliant on the ongoing financial support and funding of Craegmoor Group Limited, the ultimate parent undertaking, in the United Kingdom, in order to continue as a going concern for a period of not less than twelve months from the date of approval of these financial statements.

The Directors of Craegmoor Group Limited have indicated that they are prepared to continue to provide this funding for the intermediate future being at least for the next twelve months and the financial statements have therefore been prepared on a going concern basis.

### **Statement of Directors' responsibilities**

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). Under company law the Directors must not approve the financial statements unless they are 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.

# **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

## **Directors' report for the year ended 31 December 2009 (continued)**

### **Statement of Directors' responsibilities (continued)**

In preparing those 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 confirm they have complied with the above requirements in preparing the financial statements

The Directors are 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. 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 of disclosure of information to auditors**

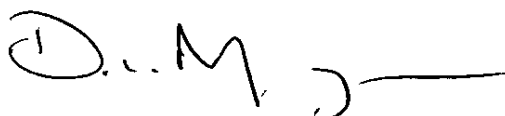
In the case of each of the persons who are directors at the time when the report is approved the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he or she 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

### **Independent Auditors**

The Company has elected, in accordance with section 487 of the Companies Act 2006, to dispense with the obligation to appoint auditors annually

By order of the Board

A handwritten signature in black ink, appearing to read 'D. Manson', followed by a horizontal line.

David Manson  
Director  
7 May 2010

## **Independent auditors' report to the members of Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

We have audited the financial statements of Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC) for the year ended 31 December 2009 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Note of historical cost profit and losses, the Balance sheet 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 pages 3 and 4 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 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.

### **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 December 2009 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**

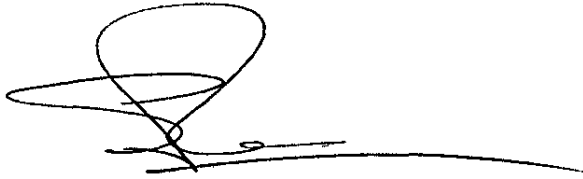
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC) (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

A handwritten signature in black ink, consisting of a large, stylized loop at the top and a long, horizontal stroke extending to the right.

Stephen Rowe (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
7 May 2010



## Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

### Profit and loss account for the year ended 31 December 2009

		2009	2008 Before exceptional items	2008 Exceptional items (Note 5)	2008
	Note	£'000	£'000	£'000	£'000
<b>Turnover</b>		<b>4,084</b>	4,026	-	4,026
Cost of sales		(244)	(262)	-	(262)
<b>Gross profit</b>		<b>3,840</b>	3,764	-	3,764
Administrative expenses		(4,138)	(3,745)	(750)	(4,495)
<b>Operating (loss) / profit</b>	4	<b>(298)</b>	19	(750)	(731)
Interest receivable and similar income	6	3	2	-	2
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(295)</b>	21	(750)	(729)
Tax on loss on ordinary activities	7	-	-	-	-
<b>(Loss) / profit for the financial year</b>	14	<b>(295)</b>	21	(750)	(729)

All activities relate to continuing operations

## **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

### **Statement of total recognised gains and losses for the year ended 31 December 2009**

	Note	2009 £'000	2008 £'000
Loss for the financial year		(295)	(729)
Unrealised surplus on revaluation of properties	8	-	778
<b>Total recognised gains and losses for the financial year</b>		<b>(295)</b>	<b>49</b>

### **Note of historical cost profits and losses for the year ended 31 December 2009**

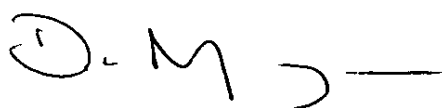
	2009 £'000	2008 £'000
Reported loss on ordinary activities before taxation	(295)	(729)
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	60	26
<b>Historical cost loss for the year before taxation</b>	<b>(235)</b>	<b>(703)</b>
<b>Historical cost loss for the financial year</b>	<b>(235)</b>	<b>(703)</b>

# Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

## Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	8	1,532	1,567
<b>Current assets</b>			
Stocks	9	1	1
Debtors	10	380	660
		381	661
<b>Creditors</b> amounts falling due within one year	11	(735)	(255)
<b>Net current (liabilities)/assets</b>		(354)	406
<b>Total assets less current liabilities</b>		1,178	1,973
<b>Provision for liabilities</b>	12	(250)	(750)
<b>Net assets</b>		928	1,223
<b>Capital and reserves</b>			
Called up share capital	13	236	236
Share premium account	14	1,383	1,383
Revaluation reserve	14	778	778
Profit and loss reserve	14	(1,469)	(1,174)
<b>Total shareholders' funds</b>	15	928	1,223

The financial statements on pages 7 to 18 were approved by the Board of Directors on 7 May 2010 and signed on its behalf by



David Manson  
Director  
Company registered number 2192205

# **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

## **Notes to the financial statements for the year ended 31 December 2009**

### **1 Principal accounting policies**

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

#### **Going Concern**

The Company is a subsidiary of Speciality Care Limited which owns a number of companies which operate loss making homes. As a consequence of this, Speciality Care Limited and its subsidiaries are reliant on the ongoing financial support and funding of Craegmoor Group Limited, the ultimate parent undertaking, in the United Kingdom, in order to continue as a going concern for a period of not less than twelve months from the date of approval of these financial statements.

The Directors of Craegmoor Group Limited have indicated that they are prepared to continue to provide this funding for the intermediate future being at least for the next twelve months and the financial statements have therefore been prepared on a going concern basis.

#### **Turnover**

Turnover represents amounts invoiced and accrued for care services provided during the year in the UK, net of credit notes and excluding Value Added Tax. Where services are invoiced in advance the related income is deferred to match the period in which the service is provided. The Directors consider that the Company's turnover all derives from one class of business.

#### **Tangible assets**

The cost of tangible assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Land and buildings are revalued by independent, professionally qualified valuers every five years. These valuations are carried out on an existing use, open market value basis, and in the intervening years are updated by the Directors with the assistance of independent professional advice as required.

Increases in the revalued amounts of land and buildings are credited to revaluation reserves.

Subsequent to a revaluation, depreciation is based on revalued amounts. Depreciation on tangible assets, other than land, is calculated to write off their cost, less estimated residual values, by equal annual instalments on the following bases:

Short leasehold land and buildings	- over the lease term
Building improvements	- over 10 years
Equipment	- over 7 years
Furniture and fittings	- over 3, 5 or 10 years
Computer equipment	- over 3 or 5 years

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS 11, "Impairment of fixed assets and goodwill". The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk weighted cost of capital determined from time to time based on the capital structure of the group. Realisable value is determined by independent, professional valuers on an existing use, open market value basis.

# **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

## **Notes to the financial statements for the year ended 31 December 2009 (continued)**

### **1 Principal accounting policies (continued)**

#### **Tangible assets (continued)**

Provisions for impairment in the carrying value of land and buildings are charged against revaluation reserves in the balance sheet to the extent that they relate to a reversal of prior increases. Impairments to below historical cost are charged to the profit and loss account. Reversals of previous impairments are credited to the profit and loss account to the extent that they return the asset carrying value to its depreciated historic cost, with any amount over and above that value being credited to the revaluation reserve.

#### **Provisions**

Provisions for dilapidation lease costs are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. The provisions are not discounted.

#### **Debtors**

Provisions are made against those trade debtor amounts where settlement is considered unlikely.

#### **Stocks**

Stocks are valued at the lower of average cost and estimated net realisable value.

#### **Operating leases**

Operating lease rentals are charged to the profit and loss account in equal annual instalments over the lease term.

#### **Corporation tax**

UK Corporation Tax is provided at amounts expecting to be paid (or recovered) using the tax rates and bases that have been enacted, or substantially enacted by the balance sheet date. Corporation tax payable may be reduced wholly or in part by the surrender of losses by fellow group companies. Payments made, if any, to surrendering companies for losses are reflected in the tax charge.

#### **Deferred taxation**

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is only recognised to the extent that the transfer of economic benefits in the future is deemed to be more likely than not. Deferred tax assets and liabilities recognised are not discounted.

#### **Cash flow statement**

The Company is a wholly owned subsidiary of Craegmoor Group Limited, and the cash flows of the Company are included in the consolidated group cash flow statement of that company. Consequently, the Company is exempt under the terms of FRS 1 (Revised) from publishing a cash flow statement.

### **2 Directors' emoluments**

The emoluments of the Directors were paid by Craegmoor Facilities Company Limited, a fellow subsidiary of Craegmoor Group Limited. The Directors were also directors of a number of other fellow subsidiaries during the year ended 31 December 2009 and 31 December 2008 and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the emoluments of the Directors are disclosed within the accounts of Craegmoor Facilities Company Limited.

## Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 3 Employee information

The below disclosures are in respect of employees that carried out work in connection with the Company's operations during the year. However, these persons are employed by a fellow subsidiary company. The average monthly number of persons (including Executive Directors) during the year was

	2009	2008
Analysis by function	Number	Number
Nursing	90	86
Ancillary	25	25
Administration	7	8
	122	119
Staff costs (for the above persons)	£'000	£'000
Management charge in lieu of staff costs	2,135	2,097

#### 4 Operating loss

	2009	2008
	£'000	£'000
Operating loss is stated after charging:		
Depreciation of tangible assets	213	109
Operating lease rentals		
Plant and machinery	7	7
Other	983	981
Management charges from fellow subsidiaries	2,732	2,467

The audit fee for the Company for the year ended 31 December 2009 of £1,500 (2008 £2,000) is borne by a fellow subsidiary company and included within the management charge.

The management charges from fellow subsidiary undertakings, Craegmoor Facilities Company Limited and Craegmoor Healthcare Company Limited, relate to an allocation of operating costs incurred on behalf of the Company and its fellow subsidiaries.

#### 5 Exceptional administrative expenses

	2009	2008
	£'000	£'000
Dilapidations provision	-	750

The exceptional administrative items had no effect on the charge for current taxation for the financial year as a result of the availability of group relief (2008 £Nil).

# Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 6 Interest receivable and similar income

	2009 £'000	2008 £'000
Interest on rental deposits	3	2

### 7 Tax on loss on ordinary activities

There is no current or deferred tax charge for the year (2008 £Nil). The tax assessed for the year differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2009 of 28% (2008 28.5%). The differences are explained below:

	2009 £'000	2008 £'000
<b>Loss on ordinary activities before taxation</b>	<b>(295)</b>	<b>(729)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	(82)	(208)
Effects of:		
Expenses not deductible for tax purposes	40	62
Capital allowances for the year (in excess of) / less than depreciation	(12)	148
Short term timing differences	(3)	(2)
Transfer pricing adjustment	14	23
Group relief surrendered / (received) not paid for	43	(26)
Rate difference	-	3
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

#### Factors affecting current and future tax charges

No provision has been made for deferred taxation on gains recognised on revaluing property to its market value. Such tax would only become payable if the property was sold without it being possible to claim rollover relief or utilise available losses. The total amount unprovided for at 28% is £218,000 (2008 £218,000 at 28%).

## Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 7 Tax on loss on ordinary activities (continued)

In accordance with the Group accounting policy a deferred tax asset has not been recognised due to the uncertainty over recoverability of the following

	2009	2008
	£'000	£'000
Accelerated capital allowances	117	204
Short term timing differences	52	48
	<b>169</b>	<b>252</b>

A deferred tax asset would be recognised to the extent that the company makes future taxable profits which could not be satisfied by group relief

#### 8 Tangible assets

	Short leasehold land and buildings	Fixtures and fittings	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 January 2009	787	1,384	2,171
Additions	88	90	178
<b>At 31 December 2009</b>	<b>875</b>	<b>1,474</b>	<b>2,349</b>
<b>Accumulated depreciation</b>			
At 1 January 2009	28	576	604
Charge for the year	80	133	213
<b>At 31 December 2009</b>	<b>108</b>	<b>709</b>	<b>817</b>
<b>Net book value</b>			
<b>At 31 December 2009</b>	<b>767</b>	<b>765</b>	<b>1,532</b>
At 31 December 2008	759	808	1,567

In accordance with FRS15 and the Group's accounting policy, the land and buildings occupied by the Company, were revalued by external valuers, Christie & Co, Chartered Surveyors and Valuers, as at 18 July 2008, being the date the Craegmoor Group (No 5) Limited (formerly Craegmoor Limited) group was acquired by the Craegmoor Group Limited group. These valuations were carried out on the basis of existing use value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

In accordance with accounting requirements, the entire portfolio will be revalued every five years, the next valuation being 18 July 2013, together with interim revaluations every three years.



# Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 8 Tangible assets (continued)

Where appropriate, the Directors have performed "value in use" calculations on an existing use open market value basis in accordance with the requirements of FRS 11, "Impairments of fixed assets and goodwill". The valuations considered the expected future performance of the entities based upon all known conditions. A risk weighted average cost of capital of 10.65% (2008: 10.87%) was used in these calculations.

The impact of these valuation techniques can be summarised as follows:

	2009	2008
	£'000	£'000
<b>Directors' valuations</b>		
(Value in use tests, look back tests and revisions to estimation techniques as described above)		
Upward valuation – charged to revaluation reserve	-	778
Included in statement of total recognised gains and losses	-	778
If land and buildings had not been revalued they would have been included at the following amounts:		
	2009	2008
	£'000	£'000
Cost	102	15
Aggregate depreciation	(27)	(7)
<b>Net book value</b>	<b>75</b>	<b>8</b>

### 9 Stocks

	2009	2008
	£'000	£'000
Consumables	1	1

# Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 10 Debtors

Amounts falling due within one year	2009 £'000	2008 £'000
Trade debtors	30	78
Amounts owed by group undertakings	248	469
Other debtors	98	98
Prepayments and accrued income	4	15
	<b>380</b>	<b>660</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

### 11 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due to group undertakings	644	-
Other creditors	9	74
Accruals and deferred income	82	181
	<b>735</b>	<b>255</b>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

### 12 Provisions for liabilities

	Dilapidations £'000
At 1 January 2009	750
Utilised in the year	(500)
<b>At 31 December 2009</b>	<b>250</b>

Provisions have been recorded for costs of returning properties held under operating leases to the state of repair at the inception of the lease. These provisions are generally expected to be utilised on the termination of the underlying leases, although some costs have been incurred in the current year.

# Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 13 Called up share capital

	2009 £'000	2008 £'000
<b>Authorised</b>		
5,000,000 (2008 5,000,000) Ordinary shares of 10p each	500	500
1,100,000 (2008 1,100,000) Convertible preference shares of 10p each	110	110
	610	610
<b>Issued and fully paid</b>		
1,294,610 (2008 1,294,610) Ordinary shares of 10p each	129	129
1,066,670 (2008 1,066,670) Convertible preference shares of 10p each	107	107
	236	236

The shareholders of the preference shares are entitled to convert into an equal number of 10p ordinary shares. On winding up, the shareholders are entitled, on any repayment of capital, to the repayment of any nominal value in preference to the holders of any other class of share.

### 14 Reserves

	Profit and loss reserve £'000	Share premium account £'000	Revaluation reserve £'000
At 1 January 2009	(1,174)	1,383	778
Loss for the financial year	(295)	-	-
<b>At 31 December 2009</b>	<b>(1,469)</b>	<b>1,383</b>	<b>778</b>

### 15 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Loss for the financial year	(295)	(729)
Unrealised surplus on revaluation of properties	-	778
Net (decrease)/ increase shareholders' funds	(295)	49
Opening shareholders' funds	1,223	1,174
<b>Closing shareholders' funds</b>	<b>928</b>	<b>1,223</b>

## **Speciality Care (EMI) Limited (formerly Speciality Care (EMI) PLC)**

### **Notes to the financial statements**

#### **for the year ended 31 December 2009 (continued)**

#### **16 Contingent liabilities**

There is a fixed and floating charge over the assets of the Company and certain of its fellow subsidiaries in respect of an external loan undertaken by an intermediate parent undertaking. Amounts drawn down on the facility of £192,622,000 (2008 £207,000,000) amounted to £179,767,000 (2008 £179,023,000) inclusive of accrued interest, as at 31 December 2009.

#### **17 Capital commitments**

At 31 December 2009 the Company had instructed suppliers to carry out works on ongoing capital projects with a total value of £Nil (2008 £569,000).

#### **18 Financial commitments**

At 31 December 2009 the Company had annual commitments for land and buildings under non-cancellable operating leases as follows:

	2009	2008
	£'000	£'000
Expiring in more than five years	983	917

#### **19 Post balance sheet events**

The Directors do not consider there have been any material events since the year end requiring disclosure in accordance with FRS 21 "Events after the Balance Sheet Date".

#### **20 Related party transactions**

The Company has taken advantage of the exemption granted under paragraph 5 of the amendment to FRS 8 and not disclosed any transactions with other group companies where they are wholly owned by a common parent.

#### **21 Immediate and ultimate parent companies**

The Directors regard Speciality Care Limited, a company registered in England and Wales, as the immediate parent company of Speciality Care (EMI) Limited, and Craegmoor Group Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom. The ultimate controlling party is Advent Miro (Cayman) Limited, a company registered in the Cayman Islands.

Craegmoor Group Limited is the parent company of the largest and smallest group in which Speciality Care (EMI) Limited is consolidated. Copies of Craegmoor Group Limited's consolidated financial statements may be obtained from its registered office, Craegmoor House, Perdiswell Park, Worcester, WR3 7NW.