

# **Elmbridge Village Limited**

Report and Financial Statements

Year Ended

31 March 2018

Company Number 01483278

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# Elmbridge Village Limited

## Report and financial statements for the year ended 31 March 2018

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### Directors

A Ovey  
N Donaldson  
S D Burgess  
W Crawford

### Secretary and registered office

S Rees, 1st Floor Brunswick House, Regent Park, 299 Kingston Road, Leatherhead, Surrey, KT22 7LU

### Company number

01483278

### Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

# Elmbridge Village Limited

## Strategic report for the year ended 31 March 2018

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### Analysis of development, performance and position of the business

Construction of the first phase development project (Manor House) was completed in the previous year and included a new bar/restaurant, library, main hall and multi-function rooms. These facilities have been very popular with all village residents as well as demand for the remaining apartments, with the last units expected to be sold early next year. Construction of the second phase (Arun House) is well progressed with completion expected spring 2018 and positive interest already being shown for the new units being built here. Historically, the distribution of costs incurred by the central developments team has been allocated to projects based on a fixed rate of £22.5k for each unit sold in the year and has been the process used again this year. However, this method is being replaced by one that allocates central costs in the year based on the proportion of actual land & construction costs incurred across all projects in the same year. This method effectively means central costs are moved into project WIP costs in the same year they are incurred and do not build up for allocation in future years. In the year to March 2018 both the historical and new allocation methods were used to move central costs into project WIP, but from next year only the new method will be used. Both phases are being treated as combined for the purposes of profit recognition with the high cost of investment in the upgraded village facilities being fully offset by incomes from actual and forecast unit sales.

Property activity was impacted by the disruption related to construction on the new units at the site with 17 units of resales (2017: 14) being lower than the typical annual volume of previous years. However, activity picked up in the latter part of the year as the second phase construction nears completion and the village settles into its new facilities.

### Key performance indicators

Based on the sales of 8 new units out of a two phase total of 39 either completed or in construction, a development profit of £101,560 was recognised in the year to March 2018 (2017: £422,202). The rate of profit recognition per unit was lower in the current as project costs were impacted by the effective two methods of centrally allocated costs (see note above) The balance of units at Manor House are expected to be sold in 2018 along with additional sales from the Arun House phase which will also be available in the 2018/19 year.

Gross profit from property activities was £650,669 (2017: £630,896) which included assignment fees from 17 resold units (2017: 14) with none of them coming from stock units (2017: 2), which was slightly higher than the previous year but still below historical levels. Other property income included ground rents from existing units at the village and garage sales/rentals.

### Principal risks and uncertainties

The directors consider the following to be the principal risks and uncertainties facing the business.

#### *The housing market and property sales*

The company earns income from assignment fees received on the re-sale of apartments and is thus exposed to price changes and liquidity variations in the housing market. Because of the nature of the company's product and its customers, the directors believe it is less exposed to these risks than most others in the general housing market.

#### *Standards of safety and care*

A failure to manage the health and safety of our residents, employees, contractors and visitors to the village could lead to proceedings against the group and resultant reputational damage. High general health and safety standards are maintained by an annual cycle of audits and monthly board reporting, backed up by clear procedures and staff training.

### On behalf of the board

  
N Donaldson

Director

Date 20 November 2018

# Elmbridge Village Limited

## Report of the directors for the year ended 31 March 2018

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### Principal activity

The company owns the freehold interest in an estate of residential units at Elmbridge Village, Surrey which was developed by the company and is occupied by retired persons, under lease agreements. Certain services are provided to the residents and the company consents to the assignment of leases or repurchases the leases and grants new leases for the properties on the estate. The company expects to continue to own and benefit from its freehold interest.

### Results and Dividends

The statement of comprehensive income is set out on page 8 and shows the result for the year. Dividends of £Nil were paid to the ordinary shareholders on 31 March 2018 (2017 - £Nil).

### Directors

The directors of the company during the year and up to the date of this report were:

N Welby	(resigned 29 September 2017)
S D Burgess	
N Donaldson	
D Phillips	(resigned 29 September 2017)
W Crawford	
A Ovey	(appointed 29 September 2017)

### Events during the year

The largest group in which the results of the company are consolidated is that headed by Retirement Villages Group Limited.

As of 29th September 2017, 100% of the shares in the Retirement Villages Group Limited were acquired by the following:

- Harvitour Limited, registered in England and Wales
- AXA Selectiv' Immo, registered in France; and
- AXA Selectiv' Immoservice, registered in France, represented by the management company, AXA REIM SGP

Also as of 29th September 2017 all care home staff were transferred into a single entity within the Retirement Villages group called RV Care Homes Limited, registered in England and Wales and all village nursing staff and domiciliary care staff were transferred into a single entity within the Retirement Villages group called RV Extra Care Limited, registered in England and Wales. This process was carried under the Transfer of Undertakings (Protection of Employment) or TUPE Regulations.

On the same date and as part of the agreement for the sale of all shares in Retirement Villages Group Limited outlined above, all shares in RV Care Homes Limited and RV Extra Care Limited were sold to HC-One Limited, registered in England and Wales. The trade and current assets of the care service business were also sold to HC-One Limited on this day.

Finally on 29th September 2017 all loans within the Retirement Villages Group Limited and all its subsidiary companies were repaid in full, with the exception of a small outstanding balance owed to the RBS Bank plc by Lime Tree Village Limited, registered in England and Wales.

# Elmbridge Village Limited

## Report of the directors (*continued*) for the year ended 31 March 2018

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### Event Fees in Retirement Properties

In September 2009, the OFT (now the Competition and Markets Authority, or CMA) launched a formal investigation into transfer fees (Event Fees) in the retirement housing sector. For the purposes of this note an Event Fee shall be taken to encompass the assignment fee that is part of all Retirement Villages residential property leases. The directors of the Retirement Villages Group considered the outcome of the investigation in 2013 did not provide sufficient clarity in connection with this matter.

In 2014 the Law Commission was asked to consider this issue and to produce recommendations that would provide a satisfactory outcome for all connected parties regarding Event Fees.

In March 2017 the Law Commission published its final report on Event Fees in Retirement Properties which recommended an outline code of practice in relation to Event Fees. The Retirement Villages Group has been supportive of the Law Commission process and is fully compliant with all its final recommendations.

In November 2017 the Government provided an interim response that welcomed the report in line with its own Housing White Paper and stated it was working towards creating legislation which would include all recommendations within the report being implemented.

The directors of Retirement Villages Group consider its treatment and reporting of assignment fees within resident property leases are consistent with both the Law Commission's final report and any anticipated legislation on this issue.

### Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

### Approval

On behalf of the Board



Neil Donaldson

### Director

Date 20 November 2018

# Elmbridge Village Limited

## Statement of director's responsibilities

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### Directors' responsibilities

The directors are responsible for preparing the directors' 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 company 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 that 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 accounting estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

# Elmbridge Village Limited

## Independent auditor's report

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### Independent auditor's report to the members of Elmbridge Village Limited

#### Opinion

We have audited the financial statements of Elmbridge Village Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Elmbridge Village Limited

## Independent auditor's report (*continued*)

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the directors have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Report of the directors.

We have nothing to report in respect of the following matters in relation to which 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.

### Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



# Elmbridge Village Limited

## Independent auditor's report (*continued*)

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### Use of our report

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.



**John Everingham** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom  
Date: 22 November 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Elmbridge Village Limited

## Statement of comprehensive income for the year ended 31 March 2018

	Note	2018 £	2017 £
<b>Turnover</b>	3	<b>4,835,821</b>	5,095,862
Cost of sales		<b>(4,039,186)</b>	(4,042,764)
<b>Gross profit</b>		<b>796,635</b>	1,053,098
Administrative expenses		<b>(214,069)</b>	(186,616)
Fair value movement on investment property		<b>5,145,000</b>	445,000
<b>Operating profit</b>	4	<b>5,727,566</b>	1,311,482
Interest payable and similar charges	5	-	(18,490)
<b>Profit on ordinary activities before taxation</b>		<b>5,727,566</b>	1,292,992
Taxation credit on profit on ordinary activities	6	<b>(874,650)</b>	(21,700)
<b>Profit and total comprehensive income for the financial year</b>		<b>4,852,916</b>	1,271,292

All amounts relate to continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

# Elmbridge Village Limited

## Balance sheet at 31 March 2018

<i>Company number 1483278</i>	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible assets	7		11,635,993		6,578,856
<b>Current assets</b>					
Stocks	8	10,079,905		8,207,367	
Debtors	9	224,412		403,360	
Cash at bank and in hand		21,350		408,563	
		<u>10,325,667</u>		<u>9,019,290</u>	
<b>Creditors: amounts falling due within one year</b>	10	(7,212,480)		(6,490,532)	
<b>Net current assets</b>			<u>3,113,187</u>		<u>2,528,758</u>
<b>Total assets less current liabilities</b>			<u>14,749,180</u>		<u>9,107,614</u>
<b>Provisions for liabilities</b>	11		(2,330,179)		(1,541,529)
<b>Total net assets</b>			<u>12,419,001</u>		<u>7,566,085</u>
<b>Capital and reserves</b>					
Called up share capital	12		10,000		10,000
Revaluation reserve			540,069		540,069
Investment property reserve			10,088,650		5,818,300
Profit and loss account			1,780,282		1,197,716
			<u>12,419,001</u>		<u>7,566,085</u>

The financial statements were approved by the board of directors and authorised for issue on 20 November 2018

  
N Donaldson  
Director

The notes on pages 11 to 19 form part of these financial statements

# Elmbridge Village Limited

## Statement of changes in equity For the year ended 31 March 2018

	Share capital £	Revaluation reserve £	Investment property reserve £	Profit and loss account £	Total equity £
<b>1 April 2017</b>	<b>10,000</b>	<b>540,069</b>	<b>5,818,300</b>	<b>1,197,716</b>	<b>7,566,085</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	4,852,916	4,852,916
Transfer	-	-	4,270,350	(4,270,350)	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,270,350</b>	<b>582,566</b>	<b>4,852,916</b>
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2018</b>	<b>10,000</b>	<b>540,069</b>	<b>10,088,650</b>	<b>1,780,282</b>	<b>12,419,001</b>
	Share capital £	Revaluation reserve £	Investment property reserve £	Profit and loss account £	Total equity £
<b>1 April 2016</b>	<b>10,000</b>	<b>540,069</b>	<b>5,395,000</b>	<b>349,724</b>	<b>6,294,793</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,271,292	1,271,292
Transfer	-	-	369,350	(369,350)	-
Tax rate change	-	-	53,950	(53,950)	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>423,300</b>	<b>847,992</b>	<b>1,271,292</b>
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2017</b>	<b>10,000</b>	<b>540,069</b>	<b>5,818,300</b>	<b>1,197,716</b>	<b>7,566,085</b>

The notes on pages 11 to 19 form part of these financial statements.

# Elmbridge Village Limited

## Notes forming part of the financial statements for the year ended 31 March 2018

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### 1 Accounting policies

Elmbridge Village Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors report.

#### *Basis of preparation*

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

#### *FRS 102 reduced disclosure exemptions*

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102 to subsidiary undertakings where the parent undertaking prepares publicly available consolidated accounts:

- No cash flow statement has been presented for the company;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole in the parent undertakings group accounts;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole; and
- Under FRS 102 the company is also not required to disclose details of transactions entered into with fellow group members.

The following principal accounting policies have been applied:

#### *Revenue*

Revenue represents amounts receivable for the proceeds from the sale of leases and assignment fees from the resale of properties and ground rental income. Property sales and assignment fees are recognised on legal completion. Rental income is accrued on straight-line basis over the period of the lease.

# Elmbridge Village Limited

## Notes forming part of the financial statements (continued) for the year ended 31 March 2018

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### 1 Accounting policies (continued)

#### *Investment properties*

Investment property is carried at fair value determined annually by the directors with reference to the most recent external valuation and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

#### *Leased assets*

The company sells properties under historic old leases, which obliges the company to repurchase a property at the price at which it was last sold or a proportion thereof, either on vacation of the property by the purchaser or on receiving three months' notice. When a property is repurchased by the company in accordance with its obligation under the lease, title to the property will revert to the company and the property will become available for resale in the company's normal course of business.

The granting of the lease is not recognised as a sale as most of the risks and rewards are borne by the company. The company has decided it will treat such properties as leased fixed assets and will create a provision for their repurchase. The properties will be held at a value equivalent to the provision for repurchase of the lease.

#### *Provisions*

Provision is made in full for the requirement to repurchase properties leased under historic 'old leases' at their original sale price, at the point the obligation arises and is released on the repurchase of the property.

Provision is also made in respect of liabilities arising from requirements to refurbish properties where an obligation exists at the balance sheet date.

#### *Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value. Costs include all direct expenditure, an appropriate proportion of attributable overheads and a portion of interest capitalised on borrowings drawn to finance development work.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

# Elmbridge Village Limited

## Notes forming part of the financial statements (continued) for the year ended 31 March 2018

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### 1 Accounting policies (continued)

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### *Reserves*

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.
- Investment property reserve represents the fair value adjustments net of deferred tax of the annual adjustment of investment property to fair value.
- Revaluation reserve represents the revaluation of lease assets to an amount equal to the repurchase provision.

# Elmbridge Village Limited

## Notes forming part of the financial statements for the year ended 31 March 2018 (continued)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Investment properties are revalued to fair value annually, by the directors with reference to the latest external valuation performed in December 2017 by CBRE Limited, using a discounted cash flow method, taking into account the quality of different income streams and their attractiveness to a potential acquirer. Key inputs into the valuations were:

- Assignment fee and ground rental income based upon the most recent sales values achieved
- Discount rate of 7.5%

### 3 Analysis of Turnover

	2018 £	2017 £
Analysis by class of business:		
Property assignment fees	594,404	432,102
Resales	-	777,500
Development property sales	3,885,000	3,755,000
Rents receivable	115,372	110,551
Other sales	241,045	20,709
	<u>4,835,821</u>	<u>5,095,862</u>

Turnover arises solely within the United Kingdom.

### 4 Operating profit

	2018 £	2017 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	1,863	466
	<u>1,863</u>	<u>466</u>

Auditor's fees were paid by RV Services Limited, another group undertaking, in the year and the preceding period. The directors received no emoluments in respect of their services to the company. The company has no employees other than the directors.

### 5 Interest payable and similar charges

	2018 £	2017 £
Bank loans and overdrafts	-	18,416
Other interest payable	-	74
	<u>-</u>	<u>18,490</u>



# Elmbridge Village Limited

Notes forming part of the financial statements  
for the year ended 31 March 2018 (*continued*)

## 6 Taxation on profit on ordinary activities

	2018 £	2017 £
<i>UK Corporation tax</i>		
UK corporation tax on surplus of the year	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	874,650	21,700
	<hr/>	<hr/>
Taxation on ordinary activities	874,650	21,700
	<hr/>	<hr/>

The tax assessed for the year is different from the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	5,727,566	1,292,992
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 - 20%)	1,088,237	258,598
Effect of:		
Expenses not allowable for tax	-	3,698
Group relief	(110,687)	(173,296)
Other timing differences	-	(13,350)
Tax rate change/ differences in deferred tax rates	(102,900)	(53,950)
	<hr/>	<hr/>
Current tax charge for the year	874,650	21,700
	<hr/>	<hr/>

The aggregate current and deferred tax relating to items recognised in other comprehensive income is £nil (2017 - £Nil).

# Elmbridge Village Limited

Notes forming part of the financial statements  
for the year ended 31 March 2018 (*continued*)

## 7 Tangible fixed assets

	Investment properties £	Leasehold properties £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 April 2017	5,840,000	733,732	5,590	6,579,322
Revaluation	5,145,000	-	-	5,145,000
Disposals	-	(86,000)	-	(86,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	10,985,000	647,732	5,590	11,638,322
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2017	-	-	466	466
Provided for the year	-	-	1,863	1,863
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	-	-	2,329	2,329
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2018	10,985,000	647,732	3,261	11,635,993
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2017	5,840,000	733,732	5,124	6,578,856
	<hr/>	<hr/>	<hr/>	<hr/>

### Investment property

Investment property relates to assignment fees and ground rental income and as a result has no historic cost.

The investment properties were valued in December 2017 at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

Investment property is revalued annually to fair value by the directors with reference to the above external valuation.

# Elmbridge Village Limited

Notes forming part of the financial statements  
for the year ended 31 March 2018 (*continued*)

## 8 Stocks

	2018 £	2017 £
Property stock for resale	801,910	293,670
Work in progress	9,277,995	7,913,697
	<u>10,079,905</u>	<u>8,207,367</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

## 9 Debtors

	2018 £	2017 £
Amounts owed by group undertakings	166,000	373,000
Other debtors and prepayments	58,412	30,360
	<u>224,412</u>	<u>403,360</u>

All amounts shown under debtors fall due for payment within one year.

## 10 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	339,541	276,511
Amounts owed to group undertakings	6,841,275	6,071,878
Taxation and social security	350	67,594
Other creditors	31,314	74,549
	<u>7,212,480</u>	<u>6,490,532</u>

# Elmbridge Village Limited

Notes forming part of the financial statements  
for the year ended 31 March 2018 (continued)

## 11 Provision for liabilities

	Repurchase provision £	Deferred taxation £	Total £
<i>Cost or valuation</i>			
At 1 April 2017	548,729	992,800	1,541,529
Release of provision	(86,000)	-	(86,000)
Charge to statement of comprehensive income	-	874,650	874,650
	<hr/>	<hr/>	<hr/>
At 31 March 2018	462,729	1,867,450	2,330,179
	<hr/>	<hr/>	<hr/>

Deferred taxation comprises

	Investment property revaluations 2018 £
Deferred tax liability	1,867,450
	<hr/>
	Investment property revaluations 2017 £
Deferred tax liability	992,800
	<hr/>

## 12 Share capital

	Allotted, called up and fully paid 2018 £	2017 £
10,000 Ordinary shares of £1	10,000	10,000
	<hr/>	<hr/>

## 13 Immediate and ultimate parent company

The immediate parent undertaking of the company is Retirement Villages Management Limited, a company incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Retirement Villages Group Limited.

The ultimate parent undertaking at the year end is AXA SA.

The consolidated accounts are available to the public and may be obtained from 1st Floor Brunswick House, Regent Park, 297-299 Kingston Road, Leatherhead, Surrey, KT22 7LU.

# Elmbridge Village Limited

## Notes forming part of the financial statements for the year ended 31 March 2018 (*continued*)

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### 14 Change of ownership in year

As of 29th September 2017, 100% of the shares in the Retirement Villages Group Limited were acquired by the following:

- Harvitour Limited, registered in England and Wales
- AXA Selectiv' Immo, registered in France; and
- AXA Selectiv' Immoservice, registered in France, represented by the management company, AXA REIM SGP

Also as of 29th September 2017 all care home staff were transferred into a single entity within the Retirement Villages group called RV Care Homes Limited, registered in England and Wales and all village nursing staff and domiciliary care staff were transferred into a single entity within the Retirement Villages group called RV Extra Care Limited, registered in England and Wales. This process was carried under the Transfer of Undertakings (Protection of Employment) or TUPE Regulations.

On the same date and as part of the agreement for the sale of all shares in Retirement Villages Group Limited outlined above, all shares in RV Care Homes Limited and RV Extra Care Limited were sold to HC-One Limited, registered in England and Wales.

Finally on 29th September 2017 all loans within the Retirement Villages Group Limited and all its subsidiary companies were repaid in full, with the exception of a small outstanding balance owed to the RBS Bank plc by Lime Tree Village Limited, registered in England and Wales.