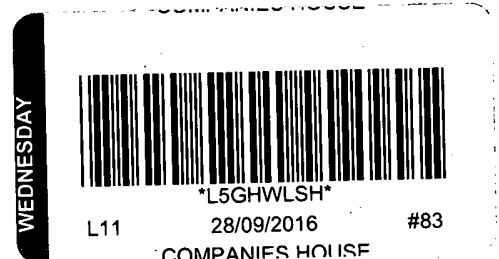


Registration number: 03442590

# Barchester Assisted Living Properties (Gorseway) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



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## **Barchester Assisted Living Properties (Gorseway) Limited**

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## **Barchester Assisted Living Properties (Gorseway) Limited**

### **Company Information**

<b>Directors</b>	Pete Calveley Mark Hazlewood Ian Portal
<b>Company secretary</b>	Ian Portal
<b>Registered office</b>	Suite 304 Third Floor, Design Centre East Chelsea Harbour London SW10 0XF
<b>Bankers</b>	The Royal Bank of Scotland plc London Corporate Services 2 1/2 Devonshire Square London EC2Y 5AL
<b>Auditor</b>	KPMG LLP 1 St. Peter's Square Manchester M2 3AE

## **Barchester Assisted Living Properties (Gorseway) Limited**

### **Directors' Report for the Year Ended 31 December 2015**

The Directors present their report and the financial statements for the year ended 31 December 2015.

#### **Principal activity**

The principal activity of Barchester Assisted Living Properties (Gorseway) Limited ("the Company") is the sale of sheltered housing to the frail and elderly on long leases. The Company refer to the assets on long leases as Close Care Units (CCU). Care and property services are provided by other companies within the Grove group ("Group").

#### **Business review**

The results for the year are set out in the profit and loss account on page 7. The Directors are satisfied with the Company's results.

The Company operates under the Barchester group brand ("Barchester"). Barchester commands a leading position in the UK long term care sector and is the UK's fourth largest provider. The business provides in excess of 13,000 registered beds, spread across its portfolio of over 210 high quality services (including nursing homes and domiciliary care) and 7 hospitals with a national footprint across the UK, the largest proportion located within London and the South East and the remainder evenly spread through the UK. Barchester has a significant number of private pay residents.

The key performance measures that the Board use to monitor Barchester's progress against its objectives are:

- Quality of care, the health and well-being of our residents;
- Occupancy levels;
- Fee levels;
- EBITDA and EBITDA per bed;
- Margin; and
- Staff agency and cost.

Barchester's strategy is one of continued growth through extension of existing facilities, acquisitions of nursing homes of a suitable quality and development of newly built care homes. Barchester is especially focused on the private pay market.

**Barchester Assisted Living Properties (Gorseway) Limited**

**Directors' Report for the Year Ended 31 December 2015 (continued)**

**Directors of the Company**

The Directors who held office during the year were as follows:

Pete Calveley

Mark Hazlewood

Ian Portal - Company secretary and director

**Dividends**

The Directors recommend no final dividend payment be made in respect of the financial year ended 31 December 2015.

**Going concern**

The Directors have reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. The Directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis.


**Disclosure of information to the auditor**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Reappointment of auditor**

The auditor KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 23 June 2016 and signed on its behalf by:



.....  
Ian Portal

Company secretary and Director

## **Barchester Assisted Living Properties (Gorseway) Limited**

### **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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard* applicable in the UK and the Republic of Ireland. 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. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Barchester Assisted Living Properties (Gorseway) Limited**

### **Independent Auditor's Report to the members of Barchester Assisted Living Properties (Gorseway) Limited**

We have audited the financial statements of Barchester Assisted Living Properties (Gorseway) Limited for the year ended 31 December 2015, set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard* applicable in the UK and the Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 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, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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.

#### **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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Barchester Assisted Living Properties (Gorseway) Limited**

**Independent Auditor's Report to the members of Barchester Assisted Living Properties  
(Gorseway) Limited (continued)**

*Nicola Quayle*

.....  
Nicola Quayle (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
1 St. Peter's Square  
Manchester  
M2 3AE

Date: *24 June 2016*  
.....



**Barchester Assisted Living Properties (Gorseway) Limited**

**Profit and Loss Account for the Year Ended 31 December 2015**

	Note	2015 £ 000	2014 £ 000
Turnover		16	17
Cost of sales		<u>(2)</u>	<u>(3)</u>
Operating profit		<u>14</u>	<u>14</u>
Profit before tax		14	14
Taxation	5	<u>(103)</u>	<u>-</u>
(Loss)/profit for the financial year		<u><u>(89)</u></u>	<u><u>14</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

**Barchester Assisted Living Properties (Gorseway) Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2015**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
(Loss)/profit for the year	<u>(89)</u>	<u>14</u>
Total comprehensive income/(expense) for the year	<u><u>(89)</u></u>	<u><u>14</u></u>

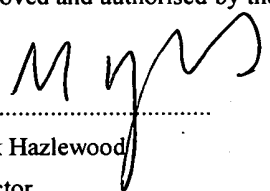
The notes on pages 11 to 16 form an integral part of these financial statements.

**Barchester Assisted Living Properties (Gorseway) Limited**

**(Registration number: 03442590)**  
**Balance Sheet as at 31 December 2015**

	Note	2015 £ 000	2014 £ 000
<b>Fixed assets</b>			
Investments	6	-	-
<b>Current assets</b>			
Stocks	7	102	102
Debtors	8	<u>25,805</u>	<u>25,822</u>
		25,907	25,924
<b>Creditors: Amounts falling due within one year</b>	9	<u>(167)</u>	<u>(95)</u>
<b>Net current assets</b>		<u>25,740</u>	<u>25,829</u>
<b>Net assets</b>		<u>25,740</u>	<u>25,829</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		<u>25,740</u>	<u>25,829</u>
<b>Total equity</b>		<u>25,740</u>	<u>25,829</u>

Approved and authorised by the Board on 23 June 2016 and signed on its behalf by:

  
.....  
Mark Hazlewood  
Director

**Barchester Assisted Living Properties (Gorseway) Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2015**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2015	-	25,829	25,829
Loss for the year	-	(89)	(89)
Total comprehensive income	-	(89)	(89)
At 31 December 2015	-	25,740	25,740

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2014	-	25,815	25,815
Profit for the year	-	14	14
Total comprehensive income	-	14	14
At 31 December 2014	-	25,829	25,829

The notes on pages 11 to 16 form an integral part of these financial statements.

## **Barchester Assisted Living Properties (Gorseway) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 General information**

The Company is a private company limited by share capital incorporated in England and Wales.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The amendments to Financial Reporting Standard 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

No judgements have been made by the Directors, in the application of the accounting policies, that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

##### **Summary of disclosure exemptions**

As the Company is a wholly owned subsidiary of Grove Limited the Company has taken advantage of the disclosure exemptions contained in FRS 102 Section 1.12. By virtue of FRS 102 Section 33.1A the Company has not disclosed transactions or balances with wholly owned entities which form part of the Group.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Grove Limited.

The financial statements of Grove Limited may be obtained from [www.jerseyfsc.org](http://www.jerseyfsc.org).

##### **Group accounts not prepared**

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirements to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

##### **Going concern**

The Company has net current assets and net assets. As a consequence, the Directors believe that the Company is well-placed to manage its business risks successfully. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and thus continue to adopt the going concern assumption in these financial statements.

## **Barchester Assisted Living Properties (Gorseway) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Revenue recognition**

Turnover relates to the income received from the sale of close care units, and arises entirely in the United Kingdom.

Where a lease is granted in respect of property, revenue is recognised where the risks and rewards of ownership are transferred to the lessee and where recovery is reasonably certain.

##### **Tax**

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

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 operates and generates taxable income.

##### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

##### **Stocks**

Close care units are classified as assets held for resale and are stated at the lower of cost and net realisable value. Costs are expenditure incurred in acquiring the close care units and bringing them to their existing condition. Net realisable value is estimated selling price less the estimated costs of completion and selling expenses. If close care units are impaired, the carrying amount is reduced to its net realisable value; the impairment loss is recognised immediately in profit or loss.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **3 Directors' remuneration**

The Company had no employees other than Directors (2014: Nil). The Directors received remuneration for services to Barchester Healthcare Homes Limited of which Barchester Assisted Living Properties (Gorseway) Limited is a subsidiary undertaking, however the proportion attributable to their services to Barchester Assisted Living Properties (Gorseway) Limited is not separately identifiable.

#### **4 Auditor's remuneration**

The remuneration of the auditor in the current year was borne by another Group company. The estimate for the current year is £4,000 (2014: £4,000).

# **Barchester Assisted Living Properties (Gorseway) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

### **5 Taxation**

Tax charged/(credited) in the income statement

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	<u>103</u>	<u>-</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.49%).

The differences are reconciled below:

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit before tax	<u>14</u>	<u>14</u>
Corporation tax at standard rate	3	3
Tax increase (decrease) arising from group relief	(378)	(408)
Tax increase (decrease) from transfer pricing adjustments	<u>478</u>	<u>405</u>
Total tax charge	<u>103</u>	<u>-</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly.

# **Barchester Assisted Living Properties (Gorseway) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

### **6 Investments**

	<b>2015 £</b>
<b>Subsidiaries</b>	
<b>Cost or valuation</b>	
At 1 January 2015	<u>1</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>1</u>
At 31 December 2014	<u>1</u>

### **Details of undertakings**

Details of the investments in which the Company holds any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2015	2014
Subsidiary undertakings				
The Mount House (Coach House) Limited	England and Wales	Ordinary	100%	100%

### **7 Stocks**

	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Finished goods and goods for resale	<u>102</u>	<u>102</u>

The cost of stocks recognised as an expense in the year amounted to £2,520 (2014 - £2,520).

Stocks comprises close care units which have been developed by the company and are held for resale.



## Barchester Assisted Living Properties (Gorseway) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 8 Debtors

	2015 £ 000	2014 £ 000
Amounts owed by related parties	25,805	25,789
Other debtors	-	2
Income tax asset	-	31
	<u>25,805</u>	<u>25,822</u>

Amounts due from related parties stated above are legally due on demand and are thus recoverable within one year. It is not expected that a demand for these amounts will be made within the next year.

#### 9 Creditors

	Note	2015 £ 000	2014 £ 000
<b>Due within one year</b>			
Amounts due to related parties		65	65
Other payables		30	30
Income tax liability	5	<u>72</u>	<u>-</u>
		<u>167</u>	<u>95</u>

Amounts due to related parties are legally due on demand and are thus due within one year. It is not expected that a demand for these amounts will be made within the next year.

#### 10 Share capital

##### Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

#### 11 Parent and ultimate parent undertaking

The Company's immediate parent is Barchester Healthcare Homes Limited, incorporated in England and Wales.

The ultimate parent is Grove Limited, incorporated in Jersey.

The most senior parent entity producing publicly available financial statements is Grove Limited. Its financial statements are available upon request from [www.jerseyfsc.org](http://www.jerseyfsc.org).

## **Barchester Assisted Living Properties (Gorseway) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **11 Parent and ultimate parent undertaking (continued)**

##### **Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Grove Limited, incorporated in Jersey.

The address of Grove Limited is:

Queensway House  
Hilgrove Street  
St Helier  
Jersey  
JE1 1ES

The parent of the smallest group in which these financial statements are consolidated is Barchester Healthcare Limited, incorporated in England and Wales.

The address of Barchester Healthcare Limited is:

Suite 304  
Third Floor, Design Centre East  
Chelsea Harbour  
London  
SW10 0XF

#### **12 Transition to FRS 102**

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments and therefore there has been no impact on the financial position and financial performance of the Company.