

**Audley Willicombe Limited**

**Directors' report and financial statements**  
**for the year ended 31 December 2011**

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COMPANIES HOUSE

# **Audley Willicombe Limited**

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## **Audley Willicombe Limited**

### **Company Information**

<b>Directors</b>	M N Sanderson P Morgan I Trinder D Driscoll K Rose
<b>Registered number</b>	04166444
<b>Registered office</b>	Swan Court Kingsbury Crescent Staines Middlesex TW18 3BA
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

## **Audley Willicombe Limited**

### **Directors' report for the year ended 31 December 2011**

The directors present their report and the audited financial statements of Audley Willicombe Limited (the "Company") for the year ended 31 December 2011

#### **Principal activity**

The Company's principal activity during the year was the ownership of a retirement village

#### **Results**

The Company's profit for the financial year is £163,000 (2010 - loss £110,000)

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were

M N Sanderson  
P Morgan (appointed 18 August 2011)  
I Trinder (appointed 18 August 2011)  
D Driscoll (appointed 22 February 2012)  
K Rose (appointed 11 July 2012)

#### **Directors' responsibilities statement**

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 prepared 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. 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,
- 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.

#### **Statement of disclosure of information to auditors**

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

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

**Audley Willicombe Limited**

**Directors' report  
for the year ended 31 December 2011**

**Small companies' exemption**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

This report was approved by the board on

24/09/2012

and signed on its behalf



**M N Sanderson**  
Director

## **Audley Willicombe Limited**

### **Independent auditors' report to the members of Audley Willicombe Limited**

We have audited the financial statements of Audley Willicombe Limited for the year ended 31 December 2011 which comprise the Profit and loss account, 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 page 2, 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 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. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2011 and of its profit 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.

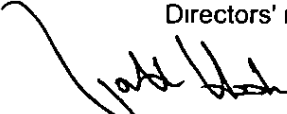
**Audley Willicombe Limited**

**Independent auditors' report to the members of Audley Willicombe Limited**

**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 in preparing the Directors' report



Jonathan Hook (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

Date 24/9/12

## Audley Willicombe Limited

### Profit and loss account for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Turnover	1,2	369	333
Cost of sales		(81)	(304)
<b>Operating profit</b>	3	<b>288</b>	29
Interest receivable and similar income	6	130	146
Interest payable and similar charges	7	(255)	(285)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>163</b>	(110)
Tax on profit/(loss) on ordinary activities	8	-	-
<b>Profit/(loss) for the financial year</b>	15	<b>163</b>	(110)

All amounts above relate to continuing operations

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above, and their historical cost equivalents

The notes on pages 8 to 15 form part of these financial statements

**Audley Willicombe Limited**  
**Registered number 04166444**

**Balance sheet**  
**as at 31 December 2011**

	<b>Note</b>	<b>£000</b>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Fixed assets</b>				
Tangible assets	9		4,107	4,107
<b>Current assets</b>				
Debtors	10	2,262		2,627
Cash at bank and in hand		9		44
		<u>2,271</u>		<u>2,671</u>
<b>Creditors</b> amounts falling due within one year	11	(89)		(3,972)
<b>Net current assets/(liabilities)</b>			<u>2,182</u>	<u>(1,301)</u>
<b>Total assets less current liabilities</b>			<u>6,289</u>	<u>2,806</u>
<b>Creditors</b> amounts falling due after more than one year	12		(3,320)	-
<b>Net assets</b>			<u>2,969</u>	<u>2,806</u>
<b>Capital and reserves</b>				
Called up share capital	14		-	-
Revaluation reserve	15		2,009	2,009
Profit and loss account	15		960	797
<b>Total shareholders' funds</b>	16		<u>2,969</u>	<u>2,806</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24/09/12



**M N Sanderson**  
**Director**

The notes on pages 8 to 15 form part of these financial statements

**Notes to the financial statements  
for the year ended 31 December 2011**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

**1.2 Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned.

Freehold property is stated at valuation. The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

The Company, through the levy of management income and management income on resale of residents' property, continually and consistently maintains the property and all its fixtures, fittings and equipment. An annual review of the valuation of the property and all its constituent assets is undertaken together with a periodic formal revaluation. The directors have therefore decided that it is not appropriate to charge depreciation on the freehold property.

**1.3 Debtors**

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

**1.4 Turnover**

Rental income and other income receivable from assignment of the leasehold properties is recognised in the period to which it relates and is stated net of value added tax.

**1.5 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

**1.6 Cash flow statement**

The Company has taken advantage of the exemption from preparing a cash flow statement contained in FRS 1 "Cash flow statements" on the grounds that it is a small company.

**Notes to the financial statements  
for the year ended 31 December 2011**

**1 Accounting policies (continued)**

**1.7 Financial instruments**

The Company uses interest rate swaps for the purpose of fixing interest rates on significant borrowings. Interest on swaps is accrued over the period of the swap and offset against the interest on the related debt instrument.

**1.8 Accrued income**

The Company levies a Deferred Management Charge from each resident upon exit from their premises. The Deferred Management Charge is defined in the lease signed by each resident and is calculated at 0.5% per year, or part thereof, of occupation, capped at 5%, of sale proceeds or agreed valuation of said premises. The directors of the Company assess the valuation of the occupied premises each year based upon the average price per square foot achieved for sold properties during the year and apply the relevant percentage for the length of occupation for each resident. Any increase or decrease in the calculated Deferred Management Charge at year end is taken to the profit and loss account in that year.

**2 Turnover**

Turnover relates to the Company's main activity which is carried out in the United Kingdom.

**3 Operating profit**

Audit fees were borne by the immediate parent company, Audley Court Limited, in both years.

**4 Staff costs**

The Company had no employees during either year.

**5 Directors' remuneration**

There was no remuneration paid to the directors by the Company during the year (2010 - £nil). There were no retirement benefits accruing to the directors (2010 - £nil).

**6 Interest receivable and similar income**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group companies	<b>130</b>	<b>146</b>

**Notes to the financial statements  
for the year ended 31 December 2011**

**7. Interest payable and similar charges**

	<b>2011</b>	2010
	<b>£000</b>	£000
Interest payable on bank loans	<b>255</b>	43
Other interest payable	-	242
	<u><b>255</b></u>	<u>285</u>

**8 Tax on profit/(loss) on ordinary activities**

	<b>2011</b>	2010
	<b>£000</b>	£000
UK corporation tax charge on profit/(loss) for the year	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year lower than (2010 - higher than) the standard rate of Corporation Tax in the UK of 26.5% (2010 - 28%) The differences are explained below

	<b>2011</b>	2010
	<b>£000</b>	£000
Profit/(loss) on ordinary activities before taxation	<b>163</b>	(110)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	<b>43</b>	(30)
<b>Effects of:</b>		
Losses not recognised	-	30
Group relief claimed and not paid for	<b>(43)</b>	-
<b>Total current tax</b>	<u><b>-</b></u>	<u>-</u>

**Notes to the financial statements  
for the year ended 31 December 2011**

**8 Tax on profit/(loss) on ordinary activities (continued)**

**Factors affecting future tax charges:**

In addition to the changes in rates of Corporation tax disclosures within the note above a number of further changes were announced in the March 2012 UK Budget Statement. It was announced that the main rate of corporation tax will be reduced to 24% from 1 April 2012 this was enacted on 26 March 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate 1% per annum to 22% by 1 April 2014. The further changes had not been substantially enacted at the balance sheet date and, therefore, are not included in these financial statements.

The company has tax losses of approximately £154,000 (2010 - £418,151) available for carry forward and offset against future taxable profits arising from the same trade. The company has a potential deferred tax asset of £39,000 (2010 - £117,082) which has not been recognised in these financial statements as its future recovery is uncertain. This potential deferred tax asset will be recognised when it can be regarded as more likely than not that there will be sufficient taxable profits from which the tax losses can be deducted.

The effect of the changes enacted on 26 March 2012 would be to reduce the deferred tax asset at the balance sheet date by £1,545. This £1,545 decrease in the deferred tax asset would have no effect on the profits as it has not been recognised. This decrease in the deferred tax asset is due to the reduction in the corporation tax rate from 25% to 24% with the effect from 1 April 2012.

The effect of the changes expected to be enacted in the Finance Act 2012 would be to reduce the deferred tax asset at the balance sheet date by £1,545. This £1,545 decrease in the deferred tax asset would have no effect on the profits as it has not been recognised. This decrease in the deferred tax asset is due to the reduction in the corporation tax rate from 24% to 23% with the effect from 1 April 2013.

The proposed reduction on the main rate of corporation tax by 1% per to 22% by 1 April 2014 is expected to be enacted next year. The effect of this further change from 23% to 22%, if it is applied to the deferred tax balances at the balance sheet date, would be to reduce the deferred tax asset by £1,545.

**9 Tangible assets**

	<b>Freehold property £000</b>	<b>Fixtures and fittings £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 January 2011 and 31 December 2011	<b>4,622</b>	<b>346</b>	<b>4,968</b>
<b>Accumulated depreciation</b>			
At 1 January 2011 and 31 December 2011	<b>515</b>	<b>346</b>	<b>861</b>
<b>Net book value</b>			
At 31 December 2011	<b>4,107</b>	<b>-</b>	<b>4,107</b>
At 31 December 2010	<b>4,107</b>	<b>-</b>	<b>4,107</b>

# Audley Willicombe Limited

## Notes to the financial statements for the year ended 31 December 2011

### 9 Tangible assets (continued)

#### Analysis at cost or valuation

	Freehold property £000	Fixtures and fittings £000	Total £000
At cost	-	346	346
At valuation	4,622	-	4,622
	<u>4,622</u>	<u>346</u>	<u>4,968</u>

The Company's property and related office equipment, furniture, fixtures and fittings were valued as at 31 December 2011 on the basis of existing use by the directors

If freehold property had not been revalued they would have been included at the following amounts

	2011 £000	2010 £000
Cost	2,959	2,959
Accumulated depreciation	(861)	(861)
Net book value	<u>2,098</u>	<u>2,098</u>

### 10 Debtors

	2011 £000	2010 £000
Amounts owed by group undertakings	1,441	1,979
Prepayments and accrued income	821	648
	<u>2,262</u>	<u>2,627</u>

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest at 6%

**Notes to the financial statements  
for the year ended 31 December 2011**

**11 Creditors  
Amounts falling due within one year**

	<b>2011</b>	2010
	<b>£000</b>	£000
Bank loans (note 13)	<b>83</b>	3,774
Trade creditors	-	12
Amounts owed to group undertakings	-	168
Accruals and deferred income	<b>6</b>	18
	<u><b>89</b></u>	<u>3,972</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

The Company has a loan facility of £3 424 million of which £3 403 million has been drawn. The loan is repayable by monthly instalments until 30 September 2016. Interest is charged at an aggregate fixed rate of 6.31%. The loan balance will be repaid by monthly instalments.

The bank loan is secured by a fixed and floating charge over the assets of the Company.

The Company has entered into interest hedging agreements to be applied to the expected future borrowings under the facilities.

<b>Bank</b>	<b>Rate</b>	<b>End Repayment</b>	<b>Fair Value</b>
Clydesdale Bank	6.31%	30 September 2016	(£175,241)

**12. Creditors  
Amounts falling due after more than one year**

	<b>2011</b>	2010
	<b>£000</b>	£000
Bank loans (note 13)	<u><b>3,320</b></u>	<u>-</u>

**Audley Willicombe Limited**

**Notes to the financial statements  
for the year ended 31 December 2011**

**13 Loans and other borrowings**

	<b>2011</b>	2010
	<b>£000</b>	£000
Bank loans	<b>3,403</b>	3,774

**Maturity of financial liabilities**

	<b>2011</b>	2010
	<b>£000</b>	£000
In one year or less or on demand	-	3,774
In more than one year but not more than two years	<b>83</b>	-
In more than two years but not more than five years	<b>3,320</b>	-
In more than five years	-	-
	<b>3,403</b>	3,774

**14 Called up share capital**

	<b>2011</b>	2010
	<b>£000</b>	£000
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	-	-

**15 Reserves**

	<b>Revaluation reserve £000</b>	<b>Profit and loss account £000</b>
At 1 January 2011	<b>2,009</b>	<b>797</b>
Profit for the financial year	-	<b>163</b>
At 31 December 2011	<b>2,009</b>	<b>960</b>

**16 Reconciliation of movements in shareholders' funds**

	<b>2011</b>	2010
	<b>£000</b>	£000
Opening shareholders' funds	<b>2,806</b>	2,916
Profit/(loss) for the financial year	<b>163</b>	(110)
Closing shareholders' funds	<b>2,969</b>	2,806

## **Audley Willicombe Limited**

### **Notes to the financial statements for the year ended 31 December 2011**

#### **17 Related party transactions and ultimate controlling parties**

The Company's ultimate controlling parties are Moorfield Real Estate Fund II "A" Limited Partnership and Moorfield Real Estate Fund II "B" Limited Partnership

The Company has taken advantage of the exemptions contained in FRS 8 'Related Party Transactions' not to disclose transactions with related parties as all of the voting rights of the Company are controlled within the Audley Court Limited group

#### **18 Ultimate parent undertaking**

The immediate parent undertaking is Audley Court Limited, which is registered in England and Wales and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Group financial statements are available on payment of the appropriate fee from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

The Company's ultimate parent undertaking is MREF II AC Holdings sarl, which is registered in Luxembourg