

Registered number: 05406117

Partnerships in Care Property 5 Limited

Directors' report and financial statements

For the year ended 31 December 2011



Partnerships in Care Property 5 Limited

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Partnerships in Care Property 5 Limited

Directors' report

For the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activities and review of business

The principal activity of the Company is to own and rent out property. There is no significant change in the nature of the Company's business activity envisaged in the immediate future.

It is the intention to continue to use the property as an on-going business and there are no planned changes for the immediate future.

Results and dividends

The loss for the year, after taxation, amounted to £341,365 (2010 - profit £509,903)

Quazi Haque was appointed as a director on 29 March 2012

The directors do not recommend the payment of a dividend

Directors

The directors who served during the year were

Frederick Sinclair-Brown (resigned 30 September 2011)

Joy Chamberlain

Peter Thomas

There are no directors retiring by rotation

Principal risks and uncertainties

The principal risks and uncertainties, which the Company could face, would be any impairment or devaluation affecting the property.

Provision of information to auditor

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 auditor is 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 auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 7 June 2012 and signed on its behalf



Tony Rook
Company secretary

2 Imperial Place
Maxwell Road
Borehamwood
Hertfordshire
WD6 1JN

Partnerships in Care Property 5 Limited

Directors' responsibilities statement For the year ended 31 December 2011

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 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 judgments and estimates that are reasonable and prudent,
- state whether applicable 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.

Independent auditor's report to the shareholders of Partnerships in Care Property 5 Limited

We have audited the financial statements of Partnerships in Care Property 5 Limited for the year ended 31 December 2011, set out on pages 4 to 11. 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).

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 Directors' responsibilities statement, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 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.

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.



W Meredith (Senior statutory auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

7 June 2012

Partnerships in Care Property 5 Limited

Profit and loss account For the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	1,2	421,690	560,996
Administrative expenses		(51,590)	(47,459)
Exceptional administrative expenses	5	(712,207)	-
Total administrative expenses		<u>(763,797)</u>	<u>(47,459)</u>
Operating (loss)/profit	3	<u>(342,107)</u>	<u>513,537</u>
(Loss)/profit on ordinary activities before taxation		(342,107)	513,537
Tax on (loss)/profit on ordinary activities	6	<u>742</u>	<u>(3,634)</u>
(Loss)/profit for the financial year	13	<u><u>(341,365)</u></u>	<u><u>509,903</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 6 to 11 form part of these financial statements

Partnerships in Care Property 5 Limited

Registered number: 05406117

Balance sheet

As at 31 December 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	7		2,490,016		2,541,606
Current assets					
Debtors amounts falling due after more than one year	8	-		712,207	
Debtors amounts falling due within one year	8	2,624,414		2,323,198	
		<u>2,624,414</u>		<u>3,035,405</u>	
Creditors: amounts falling due within one year	9	-		<u>(120,475)</u>	
Net current assets			<u>2,624,414</u>		<u>2,914,930</u>
Total assets less current liabilities			<u>5,114,430</u>		<u>5,456,536</u>
Creditors: amounts falling due after more than one year	10		(2,703,997)		(2,703,997)
Provisions for liabilities					
Deferred tax	11		(24,692)		(25,433)
Net assets			<u>2,385,741</u>		<u>2,727,106</u>
Capital and reserves					
Called up share capital	12		3		3
Profit and loss account	13		2,385,738		2,727,103
Shareholders' funds	14		<u>2,385,741</u>		<u>2,727,106</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2012



Peter Thomas
Director

The notes on pages 6 to 11 form part of these financial statements

Partnerships in Care Property 5 Limited

Notes to the financial statements For the year ended 31 December 2011

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Related party disclosures

As the Company is a wholly owned subsidiary of Partnerships in Care Group Limited, (as disclosed in note 15), the Company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of rental income receivable during the year, exclusive of Value Added Tax

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	over 50 years straight line
Fixtures & fittings	-	over 5 to 10 years straight line
Building structural alterations and refurbishment	-	over 5 or 10 years straight line

No depreciation is provided on freehold land

Costs include directly attributable finance costs

The property held by the Company is made available to fellow subsidiary companies for the operation of their business and as such is accounted for under FRS 15

Partnerships in Care Property 5 Limited

Notes to the financial statements For the year ended 31 December 2011

1. Accounting policies (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

2. Turnover

All turnover arose within the United Kingdom

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	51,590	47,459
Exceptional administrative expenses	712,207	-
	<u>712,207</u>	<u>-</u>

The audit fee of £1,500 net of VAT for the current year and prior year has been borne by another group company

4. Staff costs

The Company has no employees other than the directors, who did not receive any remuneration (2010 - £NIL)

5. Exceptional items

	2011 £	2010 £
Rental income debtor written off	712,207	-
	<u>712,207</u>	<u>-</u>

On 28 September 2011 the Company concluded discussions with its tenant to amend the terms of the property lease. Under this amendment the basis for the rental payable was adjusted such that future rents will be payable based on the financial performance of the tenant. As a result of this amendment the directors do not believe it appropriate to continue recognising the accrued revenue in respect of the original lease. Consequently the difference between the cumulative amount recognised in the profit and loss account to date and the actual rent received in previous years has been written off to the profit and loss account.

Partnerships in Care Property 5 Limited

Notes to the financial statements For the year ended 31 December 2011

6. Taxation

	2011 £	2010 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(1)	2,424
Deferred tax		
Origination and reversal of timing differences	1,142	1,731
Effect of decreased tax rate on opening liability	(1,884)	(878)
Adjustments in respect of prior periods	1	357
Total deferred tax (see note 11)	(741)	1,210
Tax on (loss)/profit on ordinary activities	(742)	3,634

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26.4932% (2010 - 21%). The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	(342,107)	513,537
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.4932% (2010 - 21%)	(90,635)	107,843
Effects of:		
Expenses not deductible for tax purposes - fixed assets	11,245	8,086
Capital allowances for year in excess of depreciation	(1,210)	(1,346)
Adjustments to tax charge in respect of prior periods	(1)	-
Group relief	81,756	(117,942)
Transfer pricing adjustments	(1,156)	5,783
Current tax (credit)/charge for the year (see note above)	(1)	2,424

Partnerships in Care Property 5 Limited

Notes to the financial statements For the year ended 31 December 2011

6 Taxation (continued)

Factors that may affect future tax charges

Levels of permanent differences and the availability of group relief may alter the effective tax rate in future years

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the Company's future current tax charge accordingly and further reduce the deferred tax liability at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £988.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax liability accordingly.

7 Tangible fixed assets

	Freehold property £
Cost	
At 1 January 2011 and 31 December 2011	2,789,880
Depreciation	
At 1 January 2011	248,274
Charge for the year	51,590
At 31 December 2011	299,864
Net book value	
At 31 December 2011	2,490,016
At 31 December 2010	2,541,606

Partnerships in Care Property 5 Limited

Notes to the financial statements For the year ended 31 December 2011

8. Debtors

	2011 £	2010 £
Due after more than one year		
Amounts owed by group undertakings	-	712,207
	<u>-</u>	<u>712,207</u>
Due within one year		
Amounts owed by group undertakings	2,622,377	2,323,198
Prepayments and accrued income	2,037	-
	<u>2,624,414</u>	<u>2,323,198</u>

9. Creditors: Amounts falling due within one year

	2011 £	2010 £
Corporation tax	-	2,424
Accruals and deferred income	-	118,051
	<u>-</u>	<u>120,475</u>

10. Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	2,703,997	2,703,997
	<u>2,703,997</u>	<u>2,703,997</u>

The above amount is in respect of an inter-company loan with Partnerships in Care Property 1 Limited. The loan is non-interest bearing and is only repayable on the disposal of property owned by the Company, which the directors expect to be in more than one year. The loan is secured by a charge on the property of the Company.

11. Deferred taxation

	2011 £	2010 £
At beginning of year	25,433	24,223
(Released during)/charge for year	(741)	1,210
	<u>24,692</u>	<u>25,433</u>

Partnerships in Care Property 5 Limited

Notes to the financial statements For the year ended 31 December 2011

12. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

13. Reserves

	Profit and loss account £
At 1 January 2011	2,727,103
Loss for the year	(341,365)
At 31 December 2011	<u>2,385,738</u>

14. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	2,727,106	2,217,203
(Loss)/profit for the year	(341,365)	509,903
Closing shareholders' funds	<u>2,385,741</u>	<u>2,727,106</u>

15. Ultimate parent undertaking and controlling party

The Company is a subsidiary undertaking of Partnerships in Care Group Limited which is the ultimate parent company incorporated in England and Wales

The largest and smallest group in which the results of the Company are consolidated is that headed by Partnerships in Care Group Limited, incorporated in England and Wales. No other group financial statements include the results of the Company. The consolidated financial statements of these groups may be obtained from 2 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire, WD6 1JN