

Company Registration No. 05558328 (England and Wales)

BADBY PARK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

THURSDAY



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COMPANIES HOUSE

BADBY PARK LIMITED

COMPANY INFORMATION

Directors	A Heywood	(Appointed 29 June 2012)
	D Kay	(Appointed 29 June 2012)
	T Street	(Appointed 29 June 2012)

Company number 05558328

Registered office 7 Hanover Square
London
W1S 1HQ

Auditors Mercer & Hole
Silbury Court
420 Silbury Boulevard
Central Milton Keynes
MK9 2AF

Bankers Royal Bank of Scotland
Derby Commarket Branch
41 Cornmarket
Derby
DE1 2DH

Bank of Ireland
Bow Bells House
1 Bread Street
London
EC4M 9BE

BADBY PARK LIMITED

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BADBY PARK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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

Principal activities and review of the business

The principal activity of the company continued to be that of a registered care home

During the year the business continued to develop and progress towards maturity with occupancy levels rising and income growing strongly. This resulted in the generation of positive operating cash flow for the year and a significant reduction in the operating loss. Looking forwards the focus will be to ensure that Badby Park continues to deliver very high quality care and builds occupancy at appropriate and sustainable fee levels.

After the year end control of the company changed. On 29 June 2012 the entire issued share capital of the company was acquired by Sunfleur Limited. The property from which the business operates was sold by the company to a related party, Sunflower Property Sarl, on the same date.

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 January 2011

J Flawn	(Resigned 29 June 2012)
P Flawn	(Resigned 29 June 2012)
B Lan	(Resigned 29 June 2012)
M Meh	(Resigned 29 June 2012)
A Heywood	(Appointed 29 June 2012)
D Kay	(Appointed 29 June 2012)
T Street	(Appointed 29 June 2012)

Auditors

- The auditors, Mercer & Hole, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of 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 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.

BADBY PARK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



T Street

Director

25/09/2012

BADBY PARK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BADBY PARK LIMITED

We have audited the financial statements of Badby Park Limited for the year ended 31 December 2011 set out on pages 5 to 17. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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.

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 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 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.

BADBY PARK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BADBY PARK 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


Paul Maberly (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

26 September 2012

Chartered Accountants
Statutory Auditor

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
MK9 2AF

BADBY PARK LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
Turnover	2	3,329,529	1,583,779
Cost of sales		(2,435,721)	(1,649,629)
Gross profit/(loss)		893,808	(65,850)
Administrative expenses		(1,020,585)	(1,135,968)
Other operating income		12,815	8,398
Operating loss	3	(113,962)	(1,193,420)
Interest payable and similar charges	4	(345,231)	(765,256)
Loss on ordinary activities before taxation		(459,193)	(1,958,676)
Tax on loss on ordinary activities	5	-	-
Loss for the year	11	(459,193)	(1,958,676)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

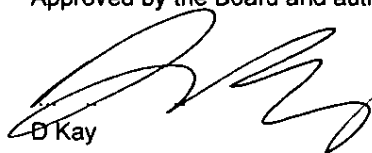
Note of historical cost profits and losses

	2011 £	2010 £
Reported loss on ordinary activities before taxation	(459,193)	(1,958,676)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	118,014	118,013
Historical cost loss on ordinary activities before taxation	(341,179)	(1,840,663)
Historical cost loss for the year retained after taxation, extraordinary items and dividends	(341,179)	(1,840,663)

BADBY PARK LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2011**

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6	15,275,349		15,589,199	
Current assets					
Debtors	7	163,448		184,297	
Cash at bank and in hand		402		887	
		163,850		185,184	
Creditors amounts falling due within one year	8	(11,164,987)		(877,683)	
Net current liabilities		(11,001,137)		(692,499)	
Total assets less current liabilities		4,274,212		14,896,700	
Creditors: amounts falling due after more than one year	9	-		(10,163,295)	
		4,274,212		4,733,405	
Capital and reserves					
Called up share capital	10	1,000		1,000	
Share premium account	11	1,249,500		1,249,500	
Revaluation reserve	11	7,061,096		7,179,110	
Profit and loss account	11	(4,037,384)		(3,696,205)	
Shareholders' funds	12	4,274,212		4,733,405	

Approved by the Board and authorised for issue on 25/09/2012



D Kay
Director

Company Registration No. 05558328

BADBY PARK LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2011**

	£	2011 £	£	2010 £
Net cash inflow/(outflow) from operating activities		906,133		(814,649)
Returns on investments and servicing of finance				
Interest paid	(305,792)		(742,618)	
Net cash outflow for returns on investments and servicing of finance		(305,792)		(742,618)
Capital expenditure				
Payments to acquire tangible assets	(58,185)		(115,064)	
Receipts from sales of tangible assets	3,600		-	
Net cash outflow for capital expenditure		(54,585)		(115,064)
Net cash inflow/(outflow) before management of liquid resources and financing		545,756		(1,672,331)
Financing				
New long term bank loan	106,440		9,775,925	
Other new long term loans	318,000		392,943	
Repayment of long term bank loan	(142,006)		(8,721,571)	
Repayment of other long term loans	(76,648)		(80,000)	
Capital element of hire purchase contracts	(3,723)		(2,934)	
Net cash inflow from financing		202,063		1,364,363
Increase/(decrease) in cash in the year		747,819		(307,968)

BADBY PARK LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2011	2010
		£	£
	Operating loss	(113,962)	(1,193,420)
	Depreciation of tangible assets	368,604	388,918
	Profit on disposal of tangible assets	(169)	-
	Decrease/(increase) in debtors	20,849	(130,499)
	Increase in creditors within one year	630,811	120,352
	Net cash inflow/(outflow) from operating activities	906,133	(814,649)

2	Analysis of net debt	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	887	(485)	-	402
	Bank overdrafts	(201,365)	(55,991)	-	(257,356)
		(200,478)	(56,476)	-	(256,954)
	Debt				
	Finance leases	(17,746)	3,723	-	(14,023)
	Debts falling due within one year	(141,802)	598,509	(10,149,272)	(9,692,565)
	Debts falling due after one year	(10,149,272)	-	10,149,272	-
		(10,308,820)	602,232	-	(9,706,588)
	Net debt	(10,509,298)	545,756	-	(9,963,542)

3	Reconciliation of net cash flow to movement in net debt	2011	2010
		£	£
	Decrease in cash in the year	(56,476)	(307,968)
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	602,232	(1,385,043)
	Movement in net debt in the year	545,756	(1,693,011)
	Opening net debt	(10,509,298)	(8,816,287)
	Closing net debt	(9,963,542)	(10,509,298)

BADBY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

Going concern

The directors are confident that the going concern basis is appropriate based upon the company's financial projections which reflect current and expected occupancy rates

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold buildings	Over 50 years
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

No depreciation is provided in respect of freehold land

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

BADBY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

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

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating loss	2011	2010
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	368,604	388,918
Auditors' remuneration (including expenses and benefits in kind)	9,000	4,500
and after crediting		
Profit on disposal of tangible assets	(169)	-

4 Interest payable	2011	2010
	£	£
On bank loans and overdrafts	344,154	764,285
Hire purchase interest	1,077	971
	<u>345,231</u>	<u>765,256</u>

BADBY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2011**

5	Taxation	2011	2010
	Total current tax	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(459,193)</u>	<u>(1,958,676)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0 00% (2010 - 0 00%)	<u>-</u>	<u>-</u>
	Current tax charge for the year	<u>-</u>	<u>-</u>

The company has estimated losses of £ 4,623,456 (2010 - £ 4,246,108) available for carry forward against future trading profits

On the basis of these financial statements no provision has been made for corporation tax

BADBY PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2011	15,362,636	231,736	404,735	25,850	16,024,957
Additions	26,324	26,699	1,562	3,600	58,185
Disposals	-	-	-	(3,600)	(3,600)
At 31 December 2011	15,388,960	258,435	406,297	25,850	16,079,542
Depreciation					
At 1 January 2011	246,569	59,375	124,304	5,510	435,758
On disposals	-	-	-	(169)	(169)
Charge for the year	246,693	46,258	70,399	5,254	368,604
At 31 December 2011	493,262	105,633	194,703	10,595	804,193
Net book value					
At 31 December 2011	14,895,698	152,802	211,594	15,255	15,275,349
At 31 December 2010	15,116,067	172,361	280,431	20,340	15,589,199

The net book value of freehold land and buildings at the balance sheet date is the existing use valuation, having regard for trading potential, carried out by the directors of the company in August 2012. The most recent full valuation was performed in August 2008.

Comparable historical cost for the land and buildings included at valuation

	£
Cost	
At 1 January 2011	8,065,513
Additions	26,961
At 31 December 2011	8,092,474
Depreciation based on cost	
At 1 January 2011	171,585
Charge for the year	128,679
At 31 December 2011	300,264
Net book value	
At 31 December 2011	7,792,210
At 31 December 2010	7,893,928

BADBY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2011****6 Tangible fixed assets (continued)**

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 31 December 2011	15,255
At 31 December 2010	20,340
Depreciation charge for the year	
At 31 December 2011	5,085
At 31 December 2010	5,510

Included in cost or valuation of land and buildings is freehold land of £3,000,000 (2010 £3,000,000) which is not depreciated

7 Debtors	2011 £	2010 £
Trade debtors	110,876	125,221
Amounts owed by participating interests	-	13,707
Other debtors	-	42
Prepayments and accrued income	52,572	45,327
	<u>163,448</u>	<u>184,297</u>

BADBY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2011**

8	Creditors: amounts falling due within one year	2011	2010
		£	£
	Bank loans and overdrafts	9,949,921	343,167
	Net obligations under hire purchase contracts	14,023	3,723
	Trade creditors	103,858	221,044
	Amounts owed to participating interests	482,616	109,478
	Taxes and social security costs	43,105	40,782
	Directors' current accounts	406,295	-
	Accruals and deferred income	165,169	159,489
		<u>11,164,987</u>	<u>877,683</u>

The loans, hire purchase creditor and directors' current accounts have been classified as entirely due within one year, as these amounts were all repaid in 2012, as a result of the change in ownership referred to in note 15

BADBY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2011**

9	Creditors: amounts falling due after more than one year	2011	2010
		£	£
	Bank loans	-	9,586,329
	Other loans	-	252,943
	Net obligations under hire purchase contracts	-	14,023
	Amounts owed to undertakings which have a participating interest in the company	-	310,000
		<u>-</u>	<u>10,163,295</u>
	Analysis of loans		
	Wholly repayable within five years	<u>9,692,565</u>	<u>10,291,074</u>
		9,692,565	10,291,074
	Included in current liabilities	<u>(9,692,565)</u>	<u>(141,802)</u>
		-	10,149,272
		<u>-</u>	<u>10,149,272</u>
	Loan maturity analysis		
	In more than one year but not more than two years	-	399,314
	In more than two years but not more than five years	-	9,749,958
		<u>-</u>	<u>9,749,958</u>
	Net obligations under hire purchase contracts		
	Repayable within one year	14,023	3,723
	Repayable between one and five years	-	14,023
		<u>14,023</u>	<u>17,746</u>
	Included in liabilities falling due within one year	<u>(14,023)</u>	<u>(3,723)</u>
		-	14,023
		<u>-</u>	<u>14,023</u>

The bank loans and overdrafts were secured by a first Legal Mortgage over the freehold property and a fixed and floating charge over assets of the company, but as a result of the change in ownership referred to in note 15, the loans were repaid in 2012

BADBY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2011**

10 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
200 A ordinary shares of 50p each	100	100
200 B ordinary shares of 50p each	100	100
800 C ordinary shares of 50p each	400	400
800 D ordinary shares of 50p each	400	400
	<u>1,000</u>	<u>1,000</u>

The C and D shares are non-voting shares

11 Statement of movements on reserves

	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Balance at 1 January 2011	1,249,500	7,179,110	(3,696,205)
Loss for the year	-	-	(459,193)
Transfer from revaluation reserve to profit and loss account	-	-	118,014
Depreciation written back	-	(118,014)	-
	<u>1,249,500</u>	<u>7,061,096</u>	<u>(4,037,384)</u>

12 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Loss for the financial year	(459,193)	(1,958,676)
Opening shareholders' funds	<u>4,733,405</u>	<u>6,692,081</u>
Closing shareholders' funds	<u>4,274,212</u>	<u>4,733,405</u>

13 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	<u>40,000</u>	<u>160,000</u>

BADBY PARK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2011****14 Employees****Number of employees**

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Direct	134	77
Administration	11	10
	<u>145</u>	<u>87</u>

Employment costs

	2011 £	2010 £
Wages and salaries	2,209,662	1,662,387
Social security costs	167,997	121,167
	<u>2,377,659</u>	<u>1,783,554</u>

15 Control

Since the year end the company's ownership has changed. On 29 June 2012 the entire issued share capital of the company was acquired by Sunfleur Limited, a company registered in the UK. The ultimate parent company is Sunflower Sarl, a company incorporated in Luxembourg and the ultimate controlling party is Patron Capital LP IV, a business registered in Guernsey.

16 Related party transactions

During the course of the year, one of the significant shareholders was PJ Care Holdings Limited, which is owned by J and P Flawn, who were directors of the company until 29 June 2012. PJ Care Limited and PJ Care Developments Limited are both subsidiaries of PJ Care Holdings Limited.

During the year the company made purchases and recharged costs totalling £16,892 (2010 £68,002) from PJ Care Limited. At the year-end the company owed PJ Care Limited £37,425 (2010 £70,017) in relation to these transactions. The company also owed PJ Care Limited £148,000 (2010 £60,000), relating to a loan. The company made purchases of £40,602 (2010 £31,378) from PJ Care Developments Limited. At the year-end the company owed PJ Care Developments Ltd £47,191 (2010 £39,461). At the year-end the company owed PJ Care Holdings Limited £250,000 (2010 £250,000) relating to a long-term investment.

All amounts owed to or due from PJ Care Holdings Limited or other related parties were settled in full after the year end as a result of the change of ownership referred to in note 15.