
BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

COMPANY INFORMATION

Directors	J M S Smart (appointed 8 February 2023) S M Nayee S Stoneham (resigned 19 January 2024) G P Heather (appointed 19 January 2024, resigned 19 May 2023)
Registered number	07545666
Registered office	15, Saville Row London London W1S 3PJ
Independent auditors	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake, Road Richmond TW9 2JA

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

Business review

Battersea Place Retirement Village ("the company") operates a continuing care retirement community in the heart of London and is part of the LifeCare Residences group of companies.

The results of the company show a pre-tax profit of £2.8 million (2022 - £1.9 million) and has a net asset position of £46.4 million (2022 - £47.3 million). The current year's profit £2.2 million (2022 - £2.1 million loss) after tax is principally a result of the increased fair valuation of the freehold and increased occupation at the nursing home.

Net assets have decreased by £0.9 million (2022 - decreased by £2.2 million), largely as a result of the current year's profit after tax and £3.0 million (2022 - £Nil) dividend paid.

Future Outlook

All of the apartments in the Battersea Place development have been sold, meaning the company is operating a fully sold-down retirement village. The directors have confidence the business strategy will generate a viable and profitable business. The focus is being placed on maintaining and building upon the high standards of luxury care and 5 star amenities provided.

Principal risks and uncertainties

The management and execution of the business's strategy are subject to a number of risks.

At the time of writing, management is confident that they have reacted to the global COVID-19 pandemic in a way that has protected its staff and residents and has maintained a platform for future growth. Demand for retirement living continues to outweigh supply and management are confident the reduction in nursing home occupancy is temporary and will improve as we continue learning to live with COVID-19 without Government restrictions.

The current economic environment with increasing interest rates, energy prices and inflation are being managed through price increases, cost management, appropriate negotiation of energy contracts and regular consultations with lending firms. Regular inspection of forecasts, budgeting and cashflow planning further assist in mitigating such risks. The pressures on NHS and the anticipated Government drive to discharge patients earlier would only further the demand for care which the company is prepared for.

Other key business risks and uncertainties affecting the company are considered to relate to competition from other national and independent operators, executive retention, events leading to reputational risk, product availability, regulatory requirements and tightening of the debt markets.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial key performance indicators**1. Value of Resales**

The table below illustrates the number of resales that have taken place, the total resale value and how much of the proceeds were attributable to the company:

	2023	2023	2023	2022	2022	2022
	No. of	Total Value of	Company	No. of	Total Value of	Company
	Resales	Resales (£m)	Resales	Resales	Resales (£m)	Resales
			Revenue (£m)			Revenue (£m)
Battersea Place Retirement Village	6	8.0	1.6	3	5.2	1.6

Other key performance indicators**1. Care facility occupancy**

This is the occupancy rate at the nursing home at Battersea Place. The objective of the company is to maximise the occupancy rate for the nursing home by providing high quality care services. This objective is important to the company as occupancy is a key driver for EBITDA. The impact of the pandemic and the delays to NHS led operations has affected the company's ability to attract short-term residents with the average occupancy increasing to 61% (2022 - 47%) in the year. Weekly fees remain ahead of budget through 1:1 care being delivered. Management are confident that they have the right strategy in place to increase occupancy through networking and delivering on quality care.

This report was approved by the board on 8 February 2024 and signed on its behalf.

J M S Smart
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

The principal activities of the company in the year under review was the operation of a retirement village and nursing home.

Results and dividends

The profit for the year, after taxation, amounted to £2.2 million (2022 - loss £2.1 million).

The statement of comprehensive income is set out on page 8 and shows the loss for the year.

The directors recommended an interim dividend payment of £3,000,000 (2022: £Nil).

Directors

The directors who served during the year were:

J M S Smart (appointed 8 February 2023)

S M Nayee

S Stoneham (resigned 19 January 2024)

G P Heather (appointed 19 January 2024, resigned 19 May 2023)

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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

Auditors

The auditors, White Hart Associates (London) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 February 2024 and signed on its behalf.

J M S Smart

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

Opinion

We have audited the financial statements of Battersea Place Retirement Village Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 2023 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTERSEA PLACE RETIREMENT VILLAGE LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report 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 or the Directors' Report.

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 Directors' Responsibilities Statement set out on page 3, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTERSEA PLACE RETIREMENT VILLAGE LIMITED
(CONTINUED)**

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards)

- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquire of the directors.

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

- Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant.

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

- We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates, in particular revenue recognition as well as the valuation of investment properties and property plant and equipment, are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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. This description forms part of our Auditors' Report.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTERSEA PLACE RETIREMENT VILLAGE LIMITED
(CONTINUED)**

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 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.

Ms Nicola Spoor FCA FCCA (Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake, Road

Richmond

TW9 2JA

8 February 2024

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Turnover	4	6,499	5,352
Cost of sales		(4,522)	(3,774)
Gross profit		1,977	1,578
Administrative expenses		(1,538)	(1,349)
Other operating income		-	183
Fair value movements		2,360	1,480
Operating profit		2,799	1,892
Interest receivable and similar income	9	503	441
Interest payable and similar expenses	10	(518)	(453)
Profit before tax		2,784	1,880
Tax on profit	11	(565)	(4,005)
Profit/(loss) for the financial year		2,219	(2,125)
Other comprehensive income for the year			
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		(83)	30
Tax on revaluation of freehold property		-	(102)
Other comprehensive income for the year		(83)	(72)
Total comprehensive income for the year		2,136	(2,197)

The notes on pages 12 to 27 form part of these financial statements.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED
REGISTERED NUMBER: 07545666

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	7,899	7,900
Investment property	14	62,940	60,580
		<u>70,839</u>	<u>68,480</u>
Current assets			
Stocks	15	44	66
Debtors: amounts falling due within one year	16	1,076	7,533
Cash at bank and in hand	17	55	361
		<u>1,175</u>	<u>7,960</u>
Creditors: amounts falling due within one year	18	(9,931)	(14,058)
Net current liabilities		<u>(8,756)</u>	<u>(6,098)</u>
Total assets less current liabilities		<u>62,083</u>	<u>62,382</u>
Creditors: amounts falling due after more than one year	19	(5,400)	-
Debtors: amounts falling due after more than one year	16	5,400	-
Provisions for liabilities			
Deferred tax	21	(15,684)	(15,119)
		<u>(15,684)</u>	<u>(15,119)</u>
Net assets		<u><u>46,399</u></u>	<u><u>47,263</u></u>
Capital and reserves			
Revaluation reserve	23	3,853	3,936
Profit and loss account	23	42,546	43,327
		<u><u>46,399</u></u>	<u><u>47,263</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 February 2024.

J M S Smart
Director

The notes on pages 12 to 27 form part of these financial statements.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2021	4,008	45,452	49,460
Comprehensive income for the year			
Loss for the year	-	(2,125)	(2,125)
Surplus on revaluation of freehold property	30	-	30
Tax on revaluation of freehold property	(102)	-	(102)
	<hr/>	<hr/>	<hr/>
At 1 April 2022	3,936	43,327	47,263
Comprehensive income for the year			
Profit for the year	-	2,219	2,219
Deficit on revaluation of freehold property	(83)	-	(83)
Contributions by and distributions to owners			
Dividends	-	(3,000)	(3,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	3,853	42,546	46,399

The notes on pages 12 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Battersea Place Retirement Village Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- the requirements of Section 11 Financial instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The information is included in the consolidated financial statements of LifeCare Residences Limited as at 31 March 2023 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Going concern

The Company and its parent company, LifeCare Residences Limited, meets its day-to-day working capital requirements primarily through its income, bank loan facilities and when required, the continuing support of its shareholders. The directors prepare financial forecasts and monitor performance of the Company on an ongoing basis and have prepared a financial projection for a period of 12 months from the date of approval of the financial statements. These forecasts as approved by the directors. Since the removal of the EBITDA and Cashflow Cover covenants in March 2023, the forecast is not required to assess the bank loan facility.

The Company was in compliance with all of its loan covenants as at 31 March 2023.

As described in the strategic report the Company has been impacted by COVID-19 and the resultant impact on the economy. In assessing going concern the directors have produced cash flow forecasts as stated above which they consider to be an accurate forecast of the business operating in the COVID-19 environment. Given the revised covenant requirements and anticipated future property sales that are suitably advanced for the directors to incorporate the sales into their cashflows, the directors do not consider there be an indication that there is a material uncertainty over the Company's ability to continue as a going concern.

2.4 Turnover

Turnover represents income from provision of property management, and care services and is recognised in the period the service is provided. Turnover also represents a portion of income from sales proceeds recognised on legal completion of the apartment sales, as a result of Battersea Place Retirement Village Limited owning the freehold.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 operates and generates income.

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

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

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Nil
Plant and machinery	- 20% - 25% per annum
Fixtures and fittings	- 20% - 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.13 Investment property

Investment property is carried at fair value determined annually by external valuers 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.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Other key sources of estimation uncertainty:

- Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Freehold land and buildings consists of a Nursing Home which is based on professional valuations using a multiple of between 7.75 times of EBITDA.

- Freehold investment property

The freehold investment property is based on a professional valuation using a net present value of expected cash flows method.

Key inputs into the valuation were:

Length of cashflows: 25 years

Weighted average cost of capital: 10%

Average length of stay: 7.5 years

Average property value growth rate: 4% per annum

50% capital gains share

Service charge loss of £930,000

Capital expenditure of £110,000

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Care services	4,877	3,758
Sale proceeds on sale of property	1,623	1,594
	<u>6,500</u>	<u>5,352</u>

All turnover arose within the United Kingdom.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Other operating income

	2023	2022
	£000	£000
Other operating income	-	88
Government grants receivable	-	95
	<u>-</u>	<u>183</u>

Included within other operating income are UK Government COVID-19 related grants.

6. Operating profit

The operating profit is stated after charging:

	2023	2022
	£000	£000
Depreciation of fixed assets	148	144
Defined contribution pension cost	<u>54</u>	<u>48</u>

The company has taken the exemption not to disclose remuneration for non-audit services, as these are disclosed in the group financial statements.

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£000	£000
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>8</u>	<u>8</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Employees

Staff costs were as follows:

	2023	2022
	£000	£000
Wages and salaries	2,709	2,400
Social security costs	268	221
Cost of defined contribution scheme	54	48
	<u>3,031</u>	<u>2,669</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	No.	No.
Employees (including part times)	<u>101</u>	<u>92</u>

9. Interest receivable and similar income

	2023	2022
	£000	£000
Interest receivable from group companies	503	441
	<u>503</u>	<u>441</u>

10. Interest payable and similar expenses

	2023	2022
	£000	£000
Bank interest payable	509	447
Other loan interest payable	9	6
	<u>518</u>	<u>453</u>

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Taxation

	2023	2022
	£000	£000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	565	4,005
Total deferred tax	565	4,005
Taxation on profit on ordinary activities	565	4,005

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023	2022
	£000	£000
Profit on ordinary activities before tax	2,784	1,880
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	529	357
Effects of:		
Expenses not deductible for tax purposes	3	4
Capital allowances for year in excess of depreciation	(57)	(58)
Adjustments to tax charge in respect of prior periods	(4)	356
Non-taxable income	(448)	(283)
Capital gains	433	281
Group relief	(40)	(47)
Remeasurement of deferred tax for changes in tax rates	150	3,395
Other movements	(1)	-
Total tax charge for the year	565	4,005

As at the 31 March 2023, the company has not recognised deferred tax asset in respect of losses and fixed asset timing differences of £164,005 (2022 - £109,542) due to uncertainty regarding timing and the amount of the realisation.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Dividends

	2023 £000	2022 £000
Dividends	3,000	-
	<u>3,000</u>	<u>-</u>

13. Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 April 2022	7,681	736	877	9,294
Additions	-	217	5	222
Revaluations	(83)	-	-	(83)
At 31 March 2023	<u>7,598</u>	<u>953</u>	<u>882</u>	<u>9,433</u>
Depreciation				
At 1 April 2022	-	589	805	1,394
Charge for the year on owned assets	-	91	49	140
At 31 March 2023	<u>-</u>	<u>680</u>	<u>854</u>	<u>1,534</u>
Net book value				
At 31 March 2023	<u>7,598</u>	<u>273</u>	<u>28</u>	<u>7,899</u>
At 31 March 2022	<u>7,681</u>	<u>147</u>	<u>72</u>	<u>7,900</u>

The land and buildings were valued by qualified professional external advisers based on an open market value using a multiple of EBITDA. The valuation was performed in March 2023.

The historical cost of the nursing home is £3,141,509 (2022: £3,141,509).

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2023	2022
	£000	£000
Long leasehold	7,598	7,681
	<u>7,598</u>	<u>7,681</u>

14. Investment property

	Freehold investment property £000
Valuation	
At 1 April 2022	60,580
Surplus on revaluation	2,360
	<u>62,940</u>
At 31 March 2023	<u>62,940</u>

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023	2022
	£000	£000
Historic cost	<u>4,166</u>	<u>4,166</u>

15. Stocks

	2023	2022
	£000	£000
Work in progress	32	53
Finished goods	12	13
	<u>44</u>	<u>66</u>

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Debtors

	2023	<i>2022</i>
	£000	<i>£000</i>
Due after more than one year		
Amounts owed by group undertakings	5,400	<i>-</i>
	<u>5,400</u>	<u><i>-</i></u>
	2023	<i>2022</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	208	<i>110</i>
Amounts owed by group undertakings	600	<i>7,252</i>
Other debtors	83	<i>51</i>
Prepayments and accrued income	185	<i>120</i>
	<u>1,076</u>	<u><i>7,533</i></u>

Amounts owed by group undertakings are unsecured, not interest bearing and are repayable on demand.

17. Cash and cash equivalents

	2023	<i>2022</i>
	£000	<i>£000</i>
Cash at bank and in hand	55	<i>361</i>
	<u>55</u>	<u><i>361</i></u>

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Bank loans	600	7,218
Trade creditors	266	377
Amounts owed to group undertakings	8,866	6,281
Other taxation and social security	60	66
Other creditors	31	29
Accruals and deferred income	108	87
	9,931	14,058

Amounts owed to group undertakings are unsecured, not interest bearing and are repayable on demand.

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

	2023	2022
	£000	£000
Bank loans	5,400	-
	5,400	-

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. Loans

Analysis of the maturity of loans is given below:

	2023	2022
	£000	£000
Amounts falling due within one year		
Bank loans	600	7,218
	600	7,218
Amounts falling due 1-2 years		
Bank loans	1,000	-
	1,000	-
Amounts falling due 2-5 years		
Bank loans	4,400	-
	4,400	-
	6,000	7,218

On 18th March 2020, the company completed on a £8.0m loan agreement with Investec Bank plc. On 17th March 2023, this loan facility, amounting to £6.3m, was extended with a revised termination date of 31 March 2026. Principle payments will commence on 31 March 2023 on a 6 monthly basis, whilst interest will remain payable on a quarterly basis.

The rate of interest on each loan is the aggregate of a calculated margin (initially 5.5%) and SONIA (initially LIBOR). As security, Investec Bank plc have taken a charge over the company's interest in the freehold property which is held at valuation of £70,840,000 (2022: £68,000,000). As at the year end, £6,000,000 (2022: £7,200,000) is outstanding on this loan and the loan is shown above gross of £Nil (2022: £17,592) of interest.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Deferred taxation

	2023 £000
At beginning of year	(15,119)
Charged to the profit or loss	(565)
At end of year	<u>(15,684)</u>

The provision for deferred taxation is made up as follows:

	2023 £000	2022 £000
Timing differences on revaluation of freehold land and buildings	(15,685)	(15,119)
	<u>(15,685)</u>	<u>(15,119)</u>

22. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Share capital share of £1	<u>1</u>	<u>1</u>

23. Reserves**Revaluation reserve**

Gains/losses arising on the revaluation of the nursing home held as freehold land and buildings.

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £53,950 (2022: £48,415). Contributions totalling £10,262 (2022: £10,817) were payable to the fund at the reporting date and are included in creditors.

BATTERSEA PLACE RETIREMENT VILLAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

25. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

26. Controlling party

The company's intermediate parent company is LifeCare Residence Limited. At 31 March 2023, the company's ultimate controlling shareholders are the family trusts of Cliff and Sue Cook.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.