

Registration number: 08436169

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

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Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5
Statement of Directors' Responsibilities	6
Profit and Loss Account	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Unaudited Financial Statements	11 to 17

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Company Information

Directors	Pete Calveley
	Mark Hazlewood
	Michael O'Reilly
Company secretary	Michael O'Reilly
Registered office	3rd Floor, The Aspect
	12 Finsbury Square
	London
	EC2A 1AS

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Strategic Report for the Year Ended 31 December 2021

The Directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is that of an intermediary holding company.

Fair review of the business

The results of the Company are included in the consolidated financial statements of the Group headed by Barchester Finco 2019 Limited. These financial statements contain a detailed business review relating to the Group, along with a summary of likely future developments. Copies can be obtained from Companies House.

Principal risks and uncertainties

The Board of Barchester Finco 2019 Limited analyses key risks to the business and monitors exposure to these risks through a series of Key Performance Indicators (KPIs). These KPIs are reviewed to ensure that the Group is achieving its principal objectives of providing the highest quality of care for residents, while at the same time ensuring that the infrastructure is as fully and efficiently utilised as possible to provide appropriate returns to shareholders.

Clinical quality risk

We are committed to the need to provide a consistent level of care. We have invested in a number of key areas to monitor care provision, including a specialist dementia team, clinical development nurses and a more rigorous programme of quality inspections. The business operates sophisticated levels of performance monitoring with regular reporting to senior management and the Board of any potential issues. In addition, a comprehensive programme of service audits is undertaken across all homes with reports and resulting action plans being the subject of comprehensive review. Perhaps most importantly, the Board encourages a culture of reporting any minor concerns from staff, residents and relatives, all of which are appropriately investigated. There is increased awareness of regulatory changes at Board level and regular briefing updates are being used to ensure appropriate knowledge transfer to staff throughout the business.

KPIs used:

regulatory compliance (both internal and external);
various indicators of clinical well-being; and
number of hours for staffing (employed and agency).

Health & Safety

We understand the need to provide a safe environment for our staff, residents, their guests or anyone else on our premises. Everyone in our business has accountability for health and safety, and they are given the necessary tools (including training, safety equipment and resources) to operate safely. Compliance is organised and monitored through a dedicated health and safety team across the business.

KPIs used:

notifiable accident frequency; and
accident statistics.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Strategic Report for the Year Ended 31 December 2021 (continued)

Public spending policy

Continued pressure is being exerted to reduce Government and Local Authority spending, which is manifesting itself increasingly in the reduction of fees being paid for the care of funded residents. To mitigate this, we undertake robust fee negotiations with the public sector and also focus more on the provision of space to privately funded individuals.

KPIs used:

average fee rates; and
occupancy rates and mix.

Employment of staff

Our business thrives on the skills and expertise of the staff we employ. The shortage of appropriate labour is a potential risk to the business, this is particularly acutely felt with the national shortage of qualified nursing staff. In order to mitigate this risk, the business has a proactive Human Resources and Recruitment team.

Continuity of service and care provided to residents is vitally important to the business. In order to ensure high quality care is provided it is necessary for the business to employ well trained staff and to encourage strong staff retention. To ensure staff have appropriate skills, the business provides on-going statutory and mandatory training to all resident facing staff. Development opportunities are identified and promoted throughout the business to continue to develop staff and encourage staff retention.

In addition, the business has procedures in place to ensure continued compliance with UKBA regulations.

KPIs used:

staff turnover;
staff training statistics; and
number of hours for staffing (employed and agency).

Cost base inflation

The principal costs for the successful operation of the business include staff costs, energy and food. All of these areas are subject to on-going cost pressures in advance of inflation. In order to mitigate these areas, we have a well organised procurement process to source energy and food at the best possible rates. We have a well organised operational structure to ensure that labour is employed as effectively as possible.

KPIs used:

EBITDA and EBITDAR per bed;
labour hours per resident per day; and
costs per resident per day.

Occupancy

An inability to maintain and grow occupancy levels of both private and local authority funded residents is a potential risk to the business. In order to mitigate this risk, we have a proactive Sales and Marketing team who work alongside the operational team to monitor and review occupancy levels.

KPIs used:

occupancy rates and mix; and
enquiry conversion rates.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Strategic Report for the Year Ended 31 December 2021 (continued)

Approved by the Board on 31 August 2022 and signed on its behalf by:



.....
Mark Hazlewood
Director

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors of the Company

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

Pete Calveley

Mark Hazlewood

Michael O'Reilly - Company secretary and Director

Dividends

The Directors recommend no final dividend payment be made in respect of the financial year ended 31 December 2021 (2020: nil).

Going concern

The Directors have reasonable expectation that the Group and Company have adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements. The Directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis. Further details are in note 2 to the financial statements.

Approved by the Board on 31 August 2022 and signed on its behalf by:



.....
Mark Hazlewood
Director

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover		-	-
Administrative expenses		<u>(1)</u>	<u>-</u>
Operating loss		<u>(1)</u>	<u>-</u>
Other interest receivable and similar income	3	7,137	6,488
Interest payable and similar expenses	4	<u>-</u>	<u>(295)</u>
		<u>7,137</u>	<u>6,193</u>
Profit before tax		<u>7,136</u>	<u>6,193</u>
Profit for the financial year		<u>7,136</u>	<u>6,193</u>

The above results were derived from continuing operations.

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

The notes on pages 11 to 17 form an integral part of these financial statements.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £ 000	2020 £ 000
Profit for the year	<u>7,136</u>	<u>6,193</u>
Total comprehensive income for the year	<u><u>7,136</u></u>	<u><u>6,193</u></u>

The notes on pages 11 to 17 form an integral part of these financial statements.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

**(Registration number: 08436169)
Balance Sheet as at 31 December 2021**

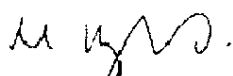
	Note	2021 £ 000	2020 £ 000
Fixed assets			
Investments	7	58,753	58,753
Current assets			
Debtors	8	17,326	-
Creditors: Amounts falling due within one year	9	<u>(27,518)</u>	<u>(17,328)</u>
Net current liabilities		<u>(10,192)</u>	<u>(17,328)</u>
Net assets		<u>48,561</u>	<u>41,425</u>
Capital and reserves			
Called up share capital	10	31,391	31,391
Profit and loss account		<u>17,170</u>	<u>10,034</u>
Total equity		<u>48,561</u>	<u>41,425</u>

For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 31 August 2022 and signed on its behalf by:



.....
Mark Hazlewood
Director

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	31,391	10,034	41,425
Profit for the year	-	7,136	7,136
Total comprehensive income	-	7,136	7,136
At 31 December 2021	31,391	17,170	48,561

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	31,391	3,841	35,232
Profit for the year	-	6,193	6,193
Total comprehensive income	-	6,193	6,193
At 31 December 2020	31,391	10,034	41,425

The notes on pages 11 to 17 form an integral part of these financial statements.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

1 General information

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The functional and presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £'000.

Basis of preparation

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

Summary of disclosure exemptions

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

Name of parent of group

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

The financial statements of Grove Limited may be obtained from www.jersey.fsc.org.

Group accounts not prepared

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Going concern

Notwithstanding net current liabilities of £10,192,000 the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors of Grove Limited (the "Grove Board"), the Company's ultimate parent undertaking, have prepared cash flow forecasts for Grove Limited and its subsidiaries (the "Grove Group"), of which this company is a member, for a period of 28 months from the date of approval of these financial statements.

The Grove Group meets its day to day working capital requirements through its cash reserves, bank loans and shareholder loans. The Grove Board have prepared cash forecasts for the remainder of 2022, the twelve months ended 31 December 2023 and the twelve months ended 31 December 2024. However, the Directors have determined the going concern period of assessment to be at least 12 months from the date of approval of these financial statements. These forecasts take into account the impact of Covid-19 to date, expectations in relation to occupancy, fee rates, resident mix, labour hours and costs (including agency), other costs and a full programme of capital expenditure and new developments. The Grove Board has also modelled several forecasts inclusive of downside sensitivities, one of which mirrors a possible further wave of Covid-19.

All forecasts, including the downside sensitivities indicate that the Grove Group will have sufficient cash resources for the forecast period through to December 2024. In addition to the forecast cash surplus, the Group has a £20 million revolving credit facility available from NatWest. This is forecast not to be required at any time throughout the forecast period, even in the downside sensitised cases. In addition, there are a number of areas of discretionary expenditure which could be reduced if necessary and sufficient assets on the balance sheet that could be used to raise additional debt if required.

Furthermore, the Company is dependent on its ultimate parent company and its fellow subsidiaries not seeking repayment of the amounts currently due to the Group, which at 31 December 2021 amounted to £27,518,000. Grove Limited and the Company's fellow subsidiaries have indicated that they do not intend to seek repayment of these amounts during the next 12 months. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Key sources of estimation uncertainty

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. The estimated recoverable amount of each asset is assumed to be its fair value less costs to sell, and is based on a third party valuation.

The Company makes an estimate of the recoverable value of amounts owed by debtors. When assessing *impairment of debtors, management considers factors including the ageing profile of debtors and historical experience.*

Investments

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

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

Share capital

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

3 Other interest receivable and similar income

	2021	2020
	£ 000	£ 000
Interest income on investments	<u>7,137</u>	<u>6,488</u>

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)**

4 Interest payable and similar expenses

	2021	2020
	£ 000	£ 000
Interest on bank overdrafts and borrowings	-	31
Interest payable on loans from Group undertakings	-	264
	<u>-</u>	<u>295</u>

5 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2021	2020
	£ 000	£ 000
Remuneration	-	-

The Directors were employed by another Company within the Grove Limited Group in both the current year and the prior year. The proportion of their remuneration attributable to their services to Barchester (MW) Limited (formerly brighterkind (MW) Limited) was not separately identifiable in the prior year.

The Company had no employees other than Directors (2020: Nil).

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)**

6 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021	2020
	£ 000	£ 000
Profit before tax	7,136	6,193
Corporation tax at standard rate	1,356	1,177
Effect of revenues exempt from taxation	(1,356)	(1,233)
Tax increase arising from group relief	416	344
Tax decrease from transfer pricing adjustments	(416)	(288)
Total tax charge/(credit)	-	-

7 Investments

	2021	2020
	£ 000	£ 000
Investments in subsidiaries	58,753	58,753

Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Alphacare Holdings Limited	England and Wales	Ordinary	100%	100%
Bamfield Lodge Limited	England and Wales	Ordinary	100%	100%
Barchester (Botley) Limited	England and Wales	Ordinary	100%	100%
Barchester Limited	England and Wales	Ordinary	100%	100%
Beacon Place Limited	England and Wales	Ordinary	100%	100%
Boroughbridge Manor Limited	England and Wales	Ordinary	100%	100%
Brampton View Limited	England and Wales	Ordinary	100%	100%

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

7 Investments (continued)

Broadway Halls Care Services Limited	England and Wales	Ordinary	100%	100%
Cedars Healthcare Limited	England and Wales	Ordinary	100%	100%
Cepen Lodge Limited	England and Wales	Ordinary	100%	100%
Cookridge Court Limited	England and Wales	Ordinary	100%	100%
Crabwall Claremont Limited	England and Wales	Ordinary	100%	100%
Elm Bank Healthcare Limited	England and Wales	Ordinary	100%	100%
Hall Park Healthcare Limited	England and Wales	Ordinary	100%	100%
Hampton Grove Healthcare Limited	England and Wales	Ordinary	100%	100%
Highfields Care Home Limited	England and Wales	Ordinary	100%	100%
Lawton Group Limited	England and Wales	Ordinary	100%	100%
Lawton Manor Care Home Limited	England and Wales	Ordinary	100%	100%
Lawton Rise Care Home Limited	England and Wales	Ordinary	100%	100%
Leeming Bar Limited	England and Wales	Ordinary	100%	100%
Optimum Debtco Limited	England and Wales	Ordinary	100%	100%
Optimum FS Homes Skipton Limited	England and Wales	Ordinary	100%	100%
Optimum FS Care Services Limited	England and Wales	Ordinary	100%	100%
Optimum FS Care Developments Limited	England and Wales	Ordinary	100%	100%
Optimum Leaseco Limited	England and Wales	Ordinary	100%	100%
Lawton Group Holdings Limited	England and Wales	Ordinary	100%	100%
Lawton Rise Holdings Limited	England and Wales	Ordinary	100%	100%
Lawton Manor Holdings Limited	England and Wales	Ordinary	100%	100%
Scarborough Hall Limited	England and Wales	Ordinary	100%	100%
Spennorth Court Healthcare Limited	England and Wales	Ordinary	100%	100%
Tewkesbury Care Home Limited	England and Wales	Ordinary	100%	100%
Tewkesbury Fields Holdings Limited	England and Wales	Ordinary	100%	100%

The registered office address of the above companies is 3rd Floor, The Aspect, 12 Finsbury Square, London, EC2A 1AS.

8 Debtors

	Note	2021 £ 000	2020 £ 000
Amounts owed by related parties		17,326	-

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

Barchester (MW) Limited (formerly brighterkind (MW) Limited)

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)**

9 Creditors

	Note	2021 £ 000	2020 £ 000
Due within one year			
Amounts due to related parties		<u>27,518</u>	<u>17,328</u>

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

10 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>31,391,085</u>	<u>31,391,085</u>	<u>31,391,085</u>	<u>31,391,085</u>

11 Parent and ultimate parent undertaking

The Company's immediate parent is Barchester (CB) Limited, incorporated in England and Wales.

The ultimate parent is Grove Limited, incorporated in Jersey.

The most senior parent entity producing publicly available financial statements is Grove Limited. These financial statements are available upon request from www.jerseyfsc.org

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

The address of Grove Limited is:
13 Castle Street
St Helier
Jersey
JE1 1ES

The parent of the smallest group in which these financial statements are consolidated is Barchester Finco 2019 Limited, incorporated in the United Kingdom.

The address of Barchester Finco 2019 Limited is:
3rd Floor
The Aspect
12 Finsbury Square
London
EC2A 1AS