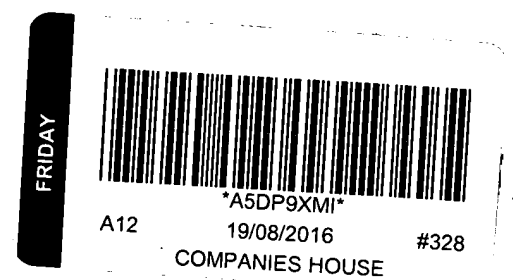


Retirement Care (BH) Limited

Report and Financial Statements

31 December 2015



Retirement Care (BH) Limited

Registered No. 01784060

DIRECTORS

W K Procter
C McGill

SECRETARY

P Hallam

AUDITORS

BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

REGISTERED OFFICE

Molteno House
302 Regents Park Road
N3 2JX
London

The directors present their report and financial statements for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £6,101,233 (2014: £18,790,798 profit). The directors do not recommend the payment of a dividend (2014: nil).

Retirement Care (BH) Limited

DIRECTORS REPORT

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year was that of an investment company. The directors consider the affairs of the business to be satisfactory and look forward to the year ahead with confidence having regard to the matters discussed in the accounting policies on page 9.

DIRECTORS

The directors who served during the year were as follows:

W K Procter
C McGill

The directors are not liable to retire by rotation.

INSURANCE OF COMPANY OFFICERS

The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company.

AUDITORS

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

STRATEGIC REPORT

Advantage has been taken of the exemption under section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from the requirement to prepare a strategic report

SMALL COMPANY EXEMPTIONS

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

By order of the Board



W K Procter
Director

29/06/2016

Retirement Care (BH) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 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 group will continue in business;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RETIREMENT CARE (BH) LIMITED

We have audited the financial statements of Retirement Care (BH) Limited for the year ended 31st December 2015 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 matters 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.

Retirement Care (BH) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RETIREMENT CARE (BH) LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Kim H Hayward (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom

29/06/2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Retirement Care (BH) Limited

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015

	<i>Notes</i>	<i>2015</i> £	<i>2014</i> £
TURNOVER	3	814,053	321,683
Administration costs		(52,630)	(705)
(Loss)/Profit on sale of investment property		(84,762)	126,650
Fair value (losses)/gain on investment property		(7,542,202)	24,713,345
OPERATING (LOSS) / PROFIT	5	(6,865,541)	25,160,973
Interest receivable		4,625	2,500
Interest payable and similar charges	6	(1,219,517)	(1,438,675)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,080,433)	23,724,798
Tax on loss on ordinary activities	7	1,979,200	(4,934,000)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(6,101,233)	18,790,798
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(6,101,233)	18,790,798

Retirement Care (BH) Limited

Registered No. 01784060

STATEMENT OF FINANCIAL POSITION at 31 December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Investments	8	75,583,163	83,244,226
CURRENT ASSETS			
Debtors	9	8,128	78,162
Cash at bank and in hand		-	271,962
		8,128	350,124
CREDITORS: amounts falling due within one year	10	(10,070)	(55,867,496)
NET CURRENT ASSETS / (LIABILITIES)		(1,942)	(55,517,372)
TOTAL ASSETS LESS CURRENT LIABILITIES		75,581,221	27,726,854
CREDITORS: amounts falling due after one year	11	(5,555,950)	-
PROVISION FOR LIABILITIES	12	(2,688,800)	(4,668,000)
NET ASSETS		67,336,471	23,058,854
CAPITAL AND RESERVES			
Called up share capital	13	50,378,950	100
Profit and loss account		16,957,521	23,058,754
TOTAL EQUITY		67,336,471	23,058,854

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 29/06/2016 and are signed on its behalf by:



W K Procter
Director

Retirement Care (BH) Limited

STATEMENT OF CHANGES IN EQUITY at 31 December 2015

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2014	100	4,267,956	4,268,056
Profit and total comprehensive income for the year	-	18,790,798	18,790,798
Balance at 31 December 2014	100	23,058,754	23,058,854
Shares Issued	50,378,850	-	50,378,850
Loss and total comprehensive income for the year	-	(6,101,233)	(6,101,233)
Balance at 31 December 2015	50,378,950	16,957,521	67,336,471

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and with the requirements of the Companies Act 2006, except as explained below. Retirement Care (BH) Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Molteno House, 302 Regents Park Road, London, N3 2JX. The principal activity of the company during the year was that of property investment.

2.1 Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, and under the historical cost convention as modified to include investment properties at fair value.

2.2 First time adoption of FRS 102

These financial statements are the first financial statements of Retirement Care (BH) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Retirement Care (BH) Limited for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

2.3 Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Betelgeuse Limited. The consolidated financial statements of Betelgeuse Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

2.4 Going Concern

The company is party to a group cross collateralised funding structure along with a number of other companies under common control. The directors have assessed the operation of the structure and have determined that the company has, or can expect to have, subject to the further matters set out hereafter, sufficient working capital for its needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis. The company is party to cross collateralised loans totalling £645,088,635. The cross collateralised loan balance is due for repayment in January 2080.

The company is a wholly owned subsidiary of Betelgeuse Limited who on 9 October 2015 entered into a new financing agreement, whereby £645.1m was borrowed from Rothesay Life Plc. The company's investment properties have been used to provide security as part of this new cross collateralised facility group. The new financing agreement settled all outstanding third party debts, claims and prior guarantees the company had given.

Prior to 9 October 2015 the company was part of a different cross collateralised funding structure.

As part of the refinancing arrangements ownership of the company was transferred from the company's previous parent undertaking to Betelgeuse Limited.

The new facility is a 65 year fully amortising facility and there are reserves in place to ensure that the necessary liquidity is retained in the structure so that funds are available to meet liabilities as they fall due.

The directors have assessed the operation of the new structure and have determined that the company has, or can expect to have, sufficient working capital for its needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

2.5 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

2.6 Turnover

Turnover comprises rent receivable and other income arising from investment properties.

Rental income is recognised in accordance with the terms of the lease.

Turnover is recognised at the fair value of the consideration received or receivable for rental income charged to external customers in the ordinary nature of the business

2.7 Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss

2.8 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

2.8 Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

2.9 *Financial instruments (continued)*

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.10 **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of investment properties

The key accounting estimate in preparing these financial statements relates to the carrying value of the investment property which is stated at fair value. The company uses external professional actuarial valuations as a basis for determining the directors' estimation of the fair value of the investment properties. However, the valuation of the company's investment property is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate. Details of the valuation of the investment property are set out in note 7.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

3. TURNOVER

Turnover represents the amounts derived from ground rents and transfer fees from freehold and leasehold reversionary interests, stated net of value added tax, all of which is attributable to continuing operations generated in the UK.

	2015	2014
	£	£
Ground rent receivable	282,925	277,235
Other Income	531,128	44,448
	<hr/>	<hr/>
Turnover	814,053	321,683
	<hr/>	<hr/>

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

3. TURNOVER (CONTNUED)

At 31 December, the future minimum lease payments under non-cancellable leases were receivable as follows:

	£
Less than one year	282,925
Between one and five years	1,226,980
More than five years	42,273,095
Total	43,783,000

The receipts under the non-cancellable leases are ground rent payments made by the tenants holding leasehold interests issued against the company's investment properties. These leases provide the leaseholder with occupational rights to the property for the duration of the lease to the exclusion of the company. The tenants, where they meet qualifying criteria, do have the right under UK legislation to extend or cancel the lease in return for a premium payable to the freeholder. The company has only calculated the receipts due from these leases for the first 65 years of the lease duration as it is not practical to calculate expected receipts from beyond this time

4. DIRECTORS' EMOLUMENTS

Other than the directors, who received no remuneration, no persons were employed during the year. The directors are remunerated by the related party Fairhold Services Limited and this is recharged to the company as part of the management charge from Estates & Management Limited. This management charge, which in 2015 amounted to £42,622 (2014: £Nil) also includes a recharge of administration costs borne by Fairhold Services Limited on behalf of the company and it is not possible to identify separately the amount relating to the directors remuneration.

5. OPERATING PROFIT

The auditors are remunerated by a fellow subsidiary undertaking, Proxima GR Properties Limited. The total audit fee for the UK group, of which Retirement Care (BH) Limited is a member, amounted to £51,000 (2013: £32,500).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Interest on loans from parent undertaking	1,219,177	1,386,842
Amortisation of loan issue costs	340	51,833
	<u>1,219,517</u>	<u>1,438,675</u>

7. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

(a) Tax on (loss) / profit on ordinary activities

The tax charge / (credit) is made up as follows:

	2015	2014
	£	£
<i>Current tax</i>		
UK corporation Tax	-	-
Total current tax	<u>-</u>	<u>-</u>

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2015

7. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Deferred tax:

Movement on potential chargeable gain liability	(1,979,200)	4,934,000
	<u> </u>	<u> </u>
Total deferred tax	(1,979,200)	4,934,000
	<u> </u>	<u> </u>
Total tax on profit on ordinary activities	(1,979,200)	4,934,000
	<u> </u>	<u> </u>

(b) Factors affecting current tax charge:

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20%. The differences are reconciled below:

	2015 £	2014 £
(Loss)/Profit on ordinary activities before tax	(8,080,433)	23,724,798
	<u> </u>	<u> </u>
(Loss)/Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 20% (2014: 21%)	(1,616,087)	4,982,208
Expenses not deductible for tax purposes	23,773	4,965
Transfer pricing adjustments	(46,769)	(98,216)
Movement on potential chargeable gain liability	(1,979,200)	4,934,000
Investment property fair value adjustment	1,508,440	(5,189,802)
Group relief	(544)	-
Unutilised losses	131,187	300,845
	<u> </u>	<u> </u>
Tax (credit) / charge	(1,979,200)	4,934,000
	<u> </u>	<u> </u>

The company has tax losses of £8.5m (2014: £7.8m) available to carry forward against future profits.

During the period, Finance Act 2015 was enacted and included legislation to reduce the main rate of corporation tax to 19% with effect from 1 April 2017, and by a further 1%, reaching 18% with effect from 1 April 2020. As this change was substantively enacted at the balance sheet date and no material amount is expected to unwind prior to 1 April 2020, deferred tax is recognised at 18% in the current period.

8. FIXED ASSET INVESTMENTS

	<i>Freehold And Leasehold Reversions 2015 £</i>	<i>Freehold And Leasehold Reversions 2014 £</i>
Fair Value		
At 1 January 2015	83,244,226	58,554,531
Fair Value (loss)/gain	(7,542,202)	24,713,345
Disposals	(118,861)	(23,650)
	<u> </u>	<u> </u>
At 31 December 2015	<u>75,583,163</u>	<u>83,244,226</u>

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

8. FIXED ASSET INVESTMENTS (CONTINUED)

The freehold investment properties represent a portfolio of reversionary interests.

The updated valuation of the freehold reversionary interest investment properties of £75,583,163 at 31 December 2015 (2014: £83,244,226) has been adopted by the directors for the purposes of these financial statements.

The basis of this valuation was to project risk adjusted income streams generated by the portfolio over 150 years discounted by a risk free rate of return. The principle assumptions used in this valuation were:

- RPI basis for inflation assumptions- Implied inflation vector taken from the Bank of England Website
- House price inflation- RPI plus 1%
- Discount rate- The nominal gilt forward rate taken from the Bank of England Website
- Incidence rates for lease extensions and the price charged- Historic rates and LTV valuation methodology
- Incidence rates for transfer fees- Demographic profile

No allowance has been made for taxation in projecting the future revenue cash flows.

The assumptions with the most significant impact on the valuation are the discount rate and RPI.

- A 1% increase or decrease in the discount rate will reduce or increase the valuation by 39% and 94% respectively
- A 1% increase or decrease in RPI will increase or reduce the valuation by 63% and 29% respectively.

The historic cost of investment properties included at valuation is £48,701,701 (2014: £48,785,892).

9. DEBTORS	2015	2014
	£	£
Trade debtors	8,128	-
Amounts due from related party	-	78,162
	<u>8,128</u>	<u>78,162</u>

10. CREDITORS: amounts falling due within one year

	2015	2014
	£	£
Amounts due to fellow subsidiary undertakings	-	31,228,298
Amounts due to parent undertaking	-	24,584,930
Accruals and deferred income	10,070	54,268
	<u>10,070</u>	<u>55,867,496</u>

11. CREDITORS: amounts falling due after one year

	2015	2014
	£	£
Amounts due to parent undertaking	5,555,950	-
	<u>5,555,950</u>	<u>-</u>

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2015

12. Provision for liabilities	Deferred Taxation	
	2015	2014
	£	£
1 January 2015		4,668,000
Reduction in provision in the year		(1,979,200)
		<hr/>
31 December 2015		2,688,800
		<hr/>
Provision for deferred tax liabilities recognised by the company is as follows:	2015	2014
	£	£
Assets measured at fair value	2,688,800	4,668,000
	<hr/>	<hr/>

The company has an unprovided Deferred tax asset in respect to losses available to carry forward amounting to £1.53m (2014: £1.56m).

13. SHARE CAPITAL

	Allotted, called up and fully paid	
	2015	2014
	£	£
Ordinary shares of £1 each	50,378,950	100
	<hr/>	<hr/>

The company issued 50,378,850 ordinary share of £1 each during the year. The share issue date was 9th October 2015.

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

14. GUARANTEES

The company has given an unlimited guarantee in respect of some of the indebtedness of its holding company Betelgeuse Limited. These parties are related as they are subject to common control and/or common directorship. The guarantee is supported by a debenture and a charge over the company's investment properties. At 31 December 2015 the total loan amount outstanding subject to the guarantee was £645,088,635. Interest payable on this balance outstanding at 31 December 2015 totalled £22,440,387.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Betelgeuse Limited, which is the smallest group for which group accounts containing this company are prepared. Betelgeuse Limited is domiciled and incorporated in England. The ultimate UK parent company is Beta Centauri Limited, which is the largest group for which group accounts containing this company are prepared. Copies of the financial statements are available from Companies House, Crown Way, Cardiff CF14 3UZ.

The directors regard the ultimate holding company to be Euro Investments Overseas Incorporated, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

Retirement Care (BH) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

Management fees of £42,622 (2014: £Nil) were charged to the company in the year by Estates & Management Limited, a company related by virtue of common control and common directors.

17. FIRST TIME ADOPTION OF FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliations of equity

	Note	1 January 2014 £	31 December 2014 £
Equity as previously reported under previous UK GAAP		4,002,056	27,726,854
Reclassification of creditors to amounts due within one year	A	-	-
Fair value gain on investment properties	B	-	-
Deferred tax on valuation of investment properties	B	266,000	(4,668,000)
Equity reported under FRS 102		<u>4,268,056</u>	<u>23,058,854</u>

Reconciliation of profit or loss

	Note	31 December 2014 £
Loss as previously reported under UK GAAP		(988,547)
Reclassification of creditors to amounts due within one year	A	-
Fair value gain on investment properties	B	24,713,345
Deferred tax on valuation of investment properties	B	(4,934,000)
Profit reported under FRS 102		<u>18,790,798</u>

A – Amounts owed to parent undertaking has been reclassified as falling due within one year as the loan is repayable on demand. Despite the loan being repayable on demand it is not the intention for the loan to be repaid within one year.

B – During the year ended 31 December 2014, fair value gains on investment properties were recognised directly in reserves under previous UK GAAP. Under FRS 102, these fair value gains and losses are recognised in profit and loss, together with the associated deferred tax.