

Registered Number 3214702

**Tower Bridge Homes Care Limited**  
**Annual report and financial statements**  
**for the year ended 31 July 2010**

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# **Tower Bridge Homes Care Limited**

## **Annual report and financial statements for the year ended 31 July 2010**

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# **Tower Bridge Homes Care Limited**

## **Director and advisers for the year ended 31 July 2010**

### **Director**

S Lakhami

### **Company secretary**

I Lakhami

### **Registered Office**

435 St Mary's Lane

Upminster

Essex

RM14 3NU

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

### **Solicitors**

DLA Piper Scotland LLP

Collins House

Rutland Square

Edinburgh

EH1 2AA

### **Bankers**

Barclays Bank plc

54 Lombard Street

London

EC3V 9EX

Bank of Scotland

Telford House

3 Mid New Cutlins

Edinburgh

EH1 1 4DH

Deutsche Bank AG London

Winchester House

1 Great Winchester Street

London

EC2N 2DB

# **Tower Bridge Homes Care Limited**

## **Director's report for the year ended 31 July 2010**

The director presents his annual report and the financial statements for the year ended 31 July 2010. The director's report has been prepared in accordance with the small companies regime of the Companies Act 2006.

### **Principal activities**

The company's principal activity is the leasing of nursing home properties.

### **Business review**

The director is satisfied with the performance of the company during the year.

### **Results and dividends**

The profit for the financial year, after taxation, amounted to £341,097 (2009: £631,490). The director recommends that no final dividend be paid in respect of the year (2009: £nil).

### **Director**

The director who served during the year was

S Lakhani

### **Statement of director's responsibilities**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

# **Tower Bridge Homes Care Limited**

## **Directors' report for the year ended 31 July 2010 (continued)**

### **Key performance indicators**

Given the straightforward nature of the business, the director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

### **Provision of information to auditors**

The director at the time when this director's report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP having been appointed in the year indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

This report was approved by the board on 29 March 2011 and signed on its behalf



S Lakhani  
Director

# **Tower Bridge Homes Care Limited**

## **Independent auditors' report to the members of Tower Bridge Homes Care Limited**

We have audited the financial statements of Tower Bridge Homes Care Limited for the year ended 31 July 2010 which comprise the Profit and loss Account, the Balance sheet, the Accounting Policies 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 July 2010 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

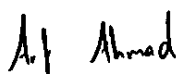
# **Tower Bridge Homes Care Limited**

## **Independent auditors' report to the members of Tower Bridge Homes Care 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 company regime



Arif Ahmad (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

31 March 2011

Registered Number 3214702

# Tower Bridge Homes Care Limited

## Profit and loss account for the year ended 31 July 2010

	Note	2010 £	2009 £
<b>Turnover</b>	1	<b>1,462,965</b>	1,435,784
Administrative expenses		(72,119)	(94,511)
Other operating income	2	-	23,750
<b>Operating profit</b>	3	<b>1,390,846</b>	1,365,023
Profit on disposal of tangible fixed assets		-	351,583
Interest receivable		142	1,174
Interest payable	5	(987,115)	(1,007,482)
<b>Profit on ordinary activities before taxation</b>		<b>403,873</b>	710,298
Tax on profit on ordinary activities	6	(62,776)	(78,808)
<b>Retailed profit for the financial year</b>	14, 15	<b>341,097</b>	631,490

All amounts relate to continuing operations

The company has no recognised gains and losses and therefore no separate statement of total recognised gains and losses has been presented



# Tower Bridge Homes Care Limited

## Balance sheet as at 31 July 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	7	21,431,854	21,464,380
Fixed asset investments	8	50	50
		<b>21,431,904</b>	<b>21,464,430</b>
<b>Current assets</b>			
Debtors	9	3,382,544	3,390,038
Cash at bank and in hand		13,217	13,266
		<b>3,395,761</b>	<b>3,403,304</b>
<b>Creditors - amounts falling due within one year</b>	10	<b>(631,260)</b>	<b>(683,003)</b>
<b>Net current assets</b>		<b>2,764,501</b>	<b>2,720,301</b>
<b>Total assets less current liabilities</b>		<b>24,196,405</b>	<b>24,184,731</b>
<b>Creditors - amounts falling due after more than one year</b>	11	<b>(14,805,606)</b>	<b>(15,197,805)</b>
<b>Provisions for liabilities – deferred tax</b>	12	<b>(474,552)</b>	<b>(411,776)</b>
<b>Net assets</b>		<b>8,916,247</b>	<b>8,575,150</b>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Revaluation reserve	14	7,083,914	7,083,914
Profit and loss account	14	1,832,233	1,491,136
<b>Total shareholders' funds</b>	15	<b>8,916,247</b>	<b>8,575,150</b>

The financial statements on pages 6 to 17 were approved by the board of directors on 29 March 2011 and were signed on its behalf by



S Lakhan  
Director

Registered No 3214702

# Tower Bridge Homes Care Limited

## Accounting policies

### Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention, except for the revaluation of land and buildings, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies are set out below.

### Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 (Revised 1996).

### Turnover

Turnover comprises revenue recognised by the Company in respect of leasing of nursing homes, exclusive of Value Added Tax on an accruals basis.

### Investments

Investments held as fixed assets are shown at cost less provision for impairment.

### Tangible fixed assets and depreciation

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

Freehold property	-	0%	see investment properties below
Motor vehicles	-	20%	straight line
Furniture, fittings and equipment	-	15%	reducing balance

### Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any intervening year where the directors consider that a trigger event has occurred.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

# **Tower Bridge Homes Care Limited**

## **Accounting policies (continued)**

### **Investment properties**

In accordance with SSAP 19 investment properties are revalued to open market value and no depreciation is provided. The director considers that this accounting policy results in the financial statements giving a true and fair view.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where the deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

### **Deferred taxation**

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

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

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

### **Joint ventures**

An entity is treated as a joint venture where the company holds a long-term interest and shares control under a contractual agreement.

Investments in joint ventures are stated at cost.

# Tower Bridge Homes Care Limited

## Notes to the financial statements for the year ended 31 July 2010

### 1 Turnover

The whole of the turnover is attributable to the principal activity of the company

All turnover arose in the United Kingdom

### 2 Other operating income

	2010	2009
	£	£
Service charge receivable	-	23,750

### 3 Operating profit

	2010	2009
	£	£
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets		
- owned by the company	32,574	38,446
Auditors remuneration	5,000	3,896

### 4 Directors' emoluments

During the year, no director received any emoluments (2009 £nil)

### 5 Interest payable

	2010	2009
	£	£
On bank loans and overdrafts	987,115	1,007,482

# Tower Bridge Homes Care Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 6 Taxation

#### (a) Analysis of charge in the year

	2010 £	2009 £
<b>Deferred tax</b>		
Current year (note 12)	62,776	78,808
Tax on profit on ordinary activities	62,776	78,808

#### (b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK (21 %) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	403,873	710,298
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 21%)	84,813	149,163
Effects of		
Expenses not deductible for tax purposes	-	(8,914)
Accelerated capital allowances	(64,208)	(62,975)
Tax losses utilised	-	(15,833)
Other timing differences	(20,575)	-
Group loss relief	(30)	(61,441)
<b>Current tax charge for the year</b>	-	-

# Tower Bridge Homes Care Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 7 Tangible assets

	Land and buildings	Motor vehicles	Furniture, fittings and equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 August 2009 and 31 July 2010	21,250,000	19,955	574,677	21,844,632
<b>Accumulated depreciation</b>				
At 1 August 2009	-	11,611	368,641	380,252
Charge for the year	-	1,669	30,905	32,574
<b>At 31 July 2010</b>	<b>-</b>	<b>13,280</b>	<b>399,546</b>	<b>412,826</b>
<b>Net book amount</b>				
<b>At 31 July 2010</b>	<b>21,250,000</b>	<b>6,675</b>	<b>175,131</b>	<b>21,431,806</b>
At 31 July 2009	21,250,000	8,344	206,036	21,464,380

The freehold land and buildings were revalued in March 2010 by Christie & Co, Chartered Surveyors, on an open market value basis, in accordance with the RICS Appraisal and Valuation Manual

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2010 £	2009 £
Cost	15,093,231	15,093,231
Accumulated depreciation	-	-
<b>Net book amount</b>	<b>15,093,231</b>	<b>15,093,231</b>

# Tower Bridge Homes Care Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 8 Fixed asset investments

	Joint venture
	£
<b>Cost or valuation</b>	
At 1 August 2009 and 31 July 2010	50

The investment in the joint venture represents a 50% stake of the £1 ordinary share capital of Flagship Tower Limited, an unlisted company incorporated in England and Wales. The year end of Flagship Tower Limited is 31 December.

### 9 Debtors

	2010	2009
	£	£
Amounts owed by group undertakings	2,862,596	2,876,870
Amounts owed by related undertakings	181,345	181,345
Other debtors	180,900	190,260
Prepayments and accrued income	157,703	141,563
	3,382,544	3,390,038

Amounts owed by group and related undertakings are unsecured, repayable on demand and interest-free.

# Tower Bridge Homes Care Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 10 Creditors – Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	392,199	255,898
Amounts owed to group undertakings	204,561	332,251
Other creditors	-	3,564
Accruals and deferred income	34,500	35,934
	631,260	627,647

Amounts owed to group undertakings are unsecured, repayable on demand and interest-free

### 11 Creditors – Amounts falling due after more than one year

	2010 £	2009 £
Bank loans	14,805,606	15,253,161

Bank loans are secured on the company's freehold land and buildings and guaranteed by the parent company. These are repayable by monthly instalments, the maturity date being 20 April 2013. Interest is payable quarterly in arrears and is charged at a margin of 1.3% p.a. above Deutsche Bank AG's base rate. At the balance sheet date the interest rate payable stood at 6.43%.



# Tower Bridge Homes Care Limited

## Notes to the financial statements for the year ended 31 July 2010 (continued)

### 12 Deferred tax

	2010 £	2009 £
<b>Provision for deferred tax</b>		
At 1 August 2009	411,776	332,968
Transfer to profit and loss account	62,776	78,808
At 31 July 2010	474,552	411,776

The amounts provided for deferred taxation are set out below

	2010 £	2009 £
Accelerated capital allowances	559,412	594,222
Tax losses carried forward	(84,860)	(182,446)
	474,552	411,776

### 13 Called up share capital

	2010 £	2009 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100

# **Tower Bridge Homes Care Limited**

## **Notes to the financial statements for the year ended 31 July 2010 (continued)**

### **14 Reserves**

	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
At 1 August 2009	7,083,914	1,491,136
Retained profit for the financial year	-	341,097
<b>At 31 July 2010</b>	<b>7,083,914</b>	<b>1,832,233</b>

### **15 Reconciliation of movements in total shareholders' funds**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Opening total shareholders' funds	<b>8,575,150</b>	8,160,243
Retained profit for the financial year	<b>341,097</b>	631,490
Other recognised gains and losses during the year	-	(216,583)
<b>Closing total shareholders' funds</b>	<b>8,916,247</b>	<b>8,575,150</b>

### **16 Dividends**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Dividends paid on equity capital (2009 £nil per share)	-	-

### **17 Contingent liabilities**

The company has guaranteed loans taken out by certain other group companies

# **Tower Bridge Homes Care Limited**

## **Notes to the financial statements for the year ended 31 July 2010 (continued)**

### **18 Related party transactions**

At 31 July 2010 the company was owed the following amount by its joint venture Flagship Tower Limited £181,345 (2009 £181,345)

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with members of its group on the grounds that at least 90% of the voting rights in the company are controlled within the group

### **19 Ultimate parent undertaking and controlling party**

The company's immediate holding company is The Holmes Care Limited, a company incorporated in England and Wales. The company's ultimate holding company is The Holmes Care (Group) Limited, a company incorporated in England and Wales. Consolidated accounts for this company are available from Companies House.

The company is controlled by S Lakhani, the company's director.