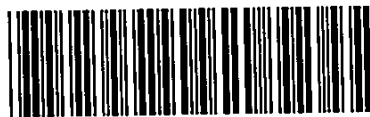


**Registered Number 4076355**

**Lakewood Limited**  
**Annual report and financial statements**  
**for the year ended 31 July 2011**

**TUESDAY**



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## **Lakewood Limited**

### **Annual report and financial statements for the year ended 31 July 2011**

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# **Lakewood Limited**

## **Director and advisers for the year ended 31 July 2011**

### **Director**

S Lakhani

### **Company secretary**

I Lakhani

### **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

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# Lakewood Limited

## Director's report for the year ended 31 July 2011

The director presents his annual report and the financial statements for the year ended 31 July 2011

### Principal activities

The company's principal activity is the operation and leasing of nursing homes

### Business review

The director is satisfied with the performance of the company during the year. Turnover has decreased marginally from the prior year due to decreased occupancy levels

### Results and dividends

The profit for the financial year, after taxation, amounted to £21,789 (2010 £5,889). The director recommends that no dividend be paid in respect of the year (2010 £nil)

### Going concern

These financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on finance from the ultimate parent company who has confirmed that they will continue to provide financial support. As a result, the director considers it appropriate for the financial statements to be prepared on the going concern basis

### Director

The director who held office during the year and up to the date of signing the financial statements is given below

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 prepared 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

## **Lakewood Limited**

### **Director's report for the year ended 31 July 2011 (continued)**

#### **Statement of director's responsibilities (continued)**

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

#### **Disclosures of information to auditors**

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. The director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP 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 20th April 2012 and signed on its behalf



S Lakhani  
Director

## **Independent auditors' report to the members of The Lakewood Limited**

We have audited the financial statements of Lakewood Limited for the year ended 31 July 2011 which comprise the Profit and loss account, the Note of historical cost profits and losses, 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 and 3 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.

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. In addition, we read all the financial and non-financial information in the Annual report and financial statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2011 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 Companies Act 2006

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

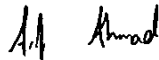
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of The Lakewood 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



Arif Ahmad (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

20 April 2012

## Lakewood Limited

### Profit and loss account for the year ended 31 July 2011

	Note	2011 £	2010 £
<b>Turnover</b>	1	<b>1,891,379</b>	1,917,243
Cost of sales		(1,315,167)	(1,324,540)
<b>Gross profit</b>		<b>576,212</b>	592,703
Administrative expenses		(228,391)	(259,970)
<b>Operating profit</b>	2	<b>347,821</b>	332,733
Interest receivable		27	64
Interest payable	5	(320,619)	(326,527)
<b>Profit on ordinary activities before taxation</b>		<b>27,229</b>	6,270
Tax on profit on ordinary activities	6	(5,440)	(381)
<b>Profit for the financial year</b>	14, 15	<b>21,789</b>	5,889

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the profit and loss account therefore no separate statement of recognised gains and losses has been presented

## **Lakewood Limited**

### **Note of historical cost profits and losses for the year ended 31 July 2011**

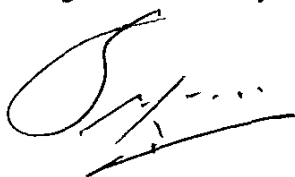
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Reported profit on ordinary activities before taxation</b>	<b>27,229</b>	<b>6,270</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<b>27,283</b>	<b>26,671</b>
<b>Historical cost profit on ordinary activities before taxation</b>	<b>54,512</b>	<b>32,941</b>
<b>Historical profit for the year after taxation</b>	<b>49,072</b>	<b>32,560</b>

# Lakewood Limited

## Balance sheet as at 31 July 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	7	7,515,066	7,563,473
Fixed asset investments	8	100	100
		<b>7,515,166</b>	<b>7,563,573</b>
<b>Current assets</b>			
Debtors	9	1,822,225	1,827,375
Cash at bank and in hand		97	-
		<b>1,822,322</b>	<b>1,827,375</b>
<b>Creditors - amounts falling due within one year</b>	10	<b>(833,184)</b>	<b>(781,549)</b>
<b>Net current assets</b>		<b>989,138</b>	<b>1,045,826</b>
<b>Total assets less current liabilities</b>		<b>8,504,304</b>	<b>8,609,399</b>
<b>Creditors - amounts falling due after more than one year</b>	11	<b>(4,770,375)</b>	<b>(4,897,259)</b>
<b>Net assets</b>		<b>3,733,929</b>	<b>3,712,140</b>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Revaluation reserve	14	3,597,184	3,624,467
Profit and loss account	14	136,645	87,573
<b>Total shareholders' funds</b>	15	<b>3,733,929</b>	<b>3,712,140</b>

The financial statements on pages 6 to 17 were approved by the board of directors on 20th April 2012 and were signed on its behalf by



S Lakhani  
Director

Director

Registered Number 4076355

# Lakewood 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.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about it as a group.

### **Cash flow**

The company has taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996) from preparing a cash flow statement as the company is included within the consolidated accounts of The Holmes Care (Group) Limited.

### **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 not charged on freehold land. Depreciation on other tangible fixed assets 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	-	2%	straight line
Plant & Machinery	-	20%	reducing balance
Furniture, fittings and equipment	-	20%	reducing balance

Land represents freehold land, therefore has not been depreciated.

### **Investment properties**

In accordance with SSAP 19 investment properties are revalued annually 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 effect of this departure from the companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the director, would be misleading.

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 profit and loss.

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## **Lakewood Limited**

### **Accounting policies (continued)**

#### **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 be reversed

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2011

### 1 Turnover

All turnover arose in the United Kingdom and relates to the principal activity of the Company.

### 2 Operating profit

	2011	2010
	£	£
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets		
- owned by the company	57,399	57,356
Auditors' remuneration	5,000	5,000

### 3 Employee costs

Staff costs were as follows

	2011	2010
	£	£
Wages and salaries	1,160,277	1,162,821
Social security costs	87,489	94,062
	1,247,766	1,256,883

The average monthly number of employees (including the director) during the year was as follows

	2011	2010
	Number	Number
Nursing staff and management	69	70

### 4 Director's emoluments

Director's remuneration was borne by another group company

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2011 (continued)

### 5 Interest payable

	2011 £	2010 £
On bank loans and overdrafts	320,619	326,527

### 6 Taxation

	2011 £	2010 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	5,623	774
Changes in tax rates or law	(183)	(393)
Total deferred tax	5,440	381
Tax on profit on ordinary activities	5,440	381

#### Factors affecting tax charge for the year

The tax assessed for the year is based on the standard rate of corporation tax in the UK. The differences are explained below.

	2011 £	2010 £
Profit on ordinary activities before taxation	27,229	6,270
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.67% (2010: 21%)	5,628	1,317
Effects of:		
Accelerated capital allowances	3,709	3,828
Other timing differences	-	(5,132)
Utilisation of tax losses	(9,337)	-
Group relief	-	(13)
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2011 (continued)

### 7 Tangible assets

	Land and buildings £	Plant and Machinery £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2010	7,580,000	19,366	126,751	7,726,117
Additions	-	2,821	6,171	8,992
<b>At 31 July 2011</b>	<b>7,580,000</b>	<b>22,187</b>	<b>132,922</b>	<b>7,735,109</b>
<b>Accumulated depreciation</b>				
At 1 August 2010	48,578	12,498	101,568	162,644
Charge for the year	49,190	1,938	6,271	57,399
<b>At 31 July 2011</b>	<b>97,768</b>	<b>14,436</b>	<b>107,839</b>	<b>220,043</b>
<b>Net book amount</b>				
<b>At 31 July 2011</b>	<b>7,482,232</b>	<b>7,751</b>	<b>25,083</b>	<b>7,515,066</b>
At 1 August 2010	7,531,422	6,868	25,183	7,563,473

Included in land and buildings is freehold land of £3,116,667 (2009 £3,116,667) which is not depreciated, (cost £1,997,331) Included within the net book amount of land and buildings above are the investment properties at valuation amounting to £3,220,000

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

	2011 £	2010 £
Cost	4,162,118	4,162,118
Accumulated depreciation	(195,768)	(173,861)
<b>Net book amount</b>	<b>3,966,350</b>	<b>3,988,257</b>

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2011 (continued)

### 8 Fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 August 2010 and 31 July 2011	100

The following was a subsidiary undertaking of the company

Company name	Principal activity	Ownership
Lakewood Leisure Limited	dormant	100%

The director is of the opinion that the value of the Company's investment in its subsidiary is not less than the book value

### 9 Debtors

	2011 £	2010 £
<b>Due after more than one year:</b>		
Other Debtors	30,370	29,336
<b>Due within one year:</b>		
Trade debtors	58,656	81,927
Amounts owed by group undertakings	1,705,146	1,706,127
Called up share capital not paid	-	100
Other debtors	-	2,268
Prepayments and accrued income	28,053	7,617
	<b>1,822,225</b>	<b>1,827,375</b>

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

## **Lakewood Limited**

### **Notes to the financial statements for the year ended 31 July 2011 (continued)**

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>137,425</b>	152,842
Trade creditors	<b>32,794</b>	40,261
Amounts owed to group undertakings	<b>596,084</b>	520,689
Social security and other taxes	<b>21,465</b>	22,296
Other creditors	<b>19,517</b>	16,548
Accruals	<b>11,357</b>	19,811
Deferred tax (see note 12)	<b>14,542</b>	9,102
	<b>833,184</b>	781,549

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

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>4,770,375</b>	4,897,259

Bank loans are secured on the group's freehold land and buildings. These are repayable by quarterly instalments, the maturity date being 20 April 2013. Interest is payable quarterly in arrears and is charged at a fixed rate of 6.43% per annum.

#### **12 Deferred taxation**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
At beginning of the year	<b>9,102</b>	8,721
Charge during the year	<b>5,440</b>	381
At end of year	<b>14,542</b>	9,102

The deferred tax liability relates to timing differences

## Lakewood Limited

### Notes to the financial statements for the year ended 31 July 2011 (continued)

#### 13 Called up share capital

	2011 £	2010 £
<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

#### 14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2010	3,624,467	87,573
Profit for the financial year	-	21,789
Transfer to profit and loss reserve	(27,283)	27,283
<b>At 31 July 2011</b>	<b>3,597,184</b>	<b>136,645</b>

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

	2011 £	2010 £
Opening total shareholders' funds	3,712,140	3,706,251
Profit for the financial year	21,789	5,889
<b>Closing total shareholders' funds</b>	<b>3,733,929</b>	<b>3,712,140</b>

#### 16 Contingent liabilities

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

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## **Lakewood Limited**

### **Notes to the financial statements for the year ended 31 July 2011 (continued)**

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

The company is a subsidiary of The Holmes Care Limited, incorporated in England and Wales. The company's ultimate parent company is The Holmes Care (Group) Limited, a company incorporated in England and Wales. Copies of consolidated accounts for this company are available from Companies House.

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

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with members of the group headed by The Holmes Care (Group) Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group.