

Registered Number 4076355

Lakewood Limited

**Annual report and financial statements
for the year ended 31 July 2013**



Lakewood Limited

Annual report and financial statements for the year ended 31 July 2013

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Lakewood Limited

Director and advisers for the year ended 31 July 2013

Director

S Lakhani

Company secretary

I Lakhani

Registered Office

228 St Mary's Lane

Upminster

Essex

RM14 3DH

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

Lloyds Bank

4th Floor

25 Gresham Street

London

EC2V 7HN

Deutsche Bank AG London

Winchester House

1 Great Winchester Street

London

EC2N 2DB

Lakewood Limited

Director's report for the year ended 31 July 2013

The Director presents his annual report and the audited financial statements for the year ended 31 July 2013

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 over the previous year due to a slight deterioration in occupancy levels

The principal risk facing the company is fee income, which in many cases is funded by local authorities. The company has good relations with the local authorities and works closely with them to ensure that the income rates are appropriate for the services provided

The Director was involved in discussions with banks to secure a funding package and successfully redeemed the Deutsche Bank borrowing in July 2013 with Lloyds Bank taking on loan facilities for the Group

The key performance indicators used by the director to assess the performance of the company are turnover, occupancy rates, operating profit, EBITDA and net assets. On all these indicators, the company's performance slight deterioration in comparison to the previous year

Future outlook

The Director is confident that the company will continue to show sustained growth and increase profitability in the future years

Financial risk management

The company makes little use of financial instruments other than operational bank accounts and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of its net assets, liabilities, financial position and profit or loss of the company

Property revaluation

The land and buildings were revalued on 30 November 2012 by Christie & Co on an open market existing use basis

Results and dividends

The loss for the financial year amounted to £ 247,542 (2012 profit £15,186). The Director recommends that no dividend be paid in respect of the year (2012 £nil)

Director

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

S Lakhani

Lakewood Limited

Director's report for the year ended 31 July 2013 (continued)

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,
- 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 him 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 28 April 2014 and signed on its behalf



S Lakhani
Director

Lakewood Limited

Independent auditors' report to the members of Lakewood Limited

We have audited the financial statements of Lakewood Limited for the year ended 31 July 2013 which comprise the Profit and loss account, the Statement of total recognised gains and losses, 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 Statement of Director's responsibilities set out on page 3 the Director is 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 Director, 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 2013 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 matter prescribed by the Companies Act 2006

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

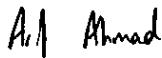
Lakewood Limited

Independent auditors' report to the members of 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 Director's 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
28 April 2014

Lakewood Limited

Profit and loss account for the year ended 31 July 2013

	Note	2013 £	2012 £
Turnover	1	2,840,991	2,873,280
Cost of sales		(2,279,867)	(2,089,803)
Gross profit		561,124	783,477
Administrative expenses		(581,555)	(406,011)
Operating(loss)/ profit	2	(20,431)	377,466
Interest receivable and similar income	4	-	1
Interest payable and similar charges	5	(241,701)	(313,542)
(Loss)/profit on ordinary activities before taxation		(262,132)	63,925
Tax on (loss)/profit on ordinary activities	6	14,590	(48,739)
(Loss)/profit for the financial year	13	(247,542)	15,186

Statement of total recognised gains and losses for the year ended 31 July 2013

	Note	2013 £	2012 £
(Loss)/Profit for the financial year		(247,542)	15,186
Revaluation	14	-	(588,192)
Total recognised gains and losses relating to the year		(247,542)	(573,006)

Lakewood Limited

Note of historical cost profits and losses for the year ended 31 July 2013

	2013 £	2012 £
Reported (loss)/profit on ordinary activities before taxation	(262,132)	63,925
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	51,760	72,133
Historical cost (loss)/profit on ordinary activities before taxation	(210,372)	136,058
Historical (loss)/profit for the year after taxation	(195,782)	87,319

Lakewood Limited

Balance sheet as at 31 July 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	7	6,815,500	6,865,353
Investments	8	100	100
		6,815,600	6,865,453
Current assets			
Debtors	9	775,347	2,099,043
Cash at bank and in hand		32,248	83,582
		807,595	2,182,625
Creditors - amounts falling due within one year	10	(4,709,814)	(5,887,155)
Net current liabilities		(3,902,219)	(3,704,530)
Total assets less current liabilities		2,913,381	3,160,923
Creditors - amounts falling due after more than one year		-	-
Net assets		2,913,381	3,160,923
Capital and reserves			
Called up share capital	12	100	100
Revaluation reserve	13	3,008,992	3,008,992
Profit and (loss) account	13	(95,711)	151,831
Total shareholders' funds	14	2,913,381	3,160,923

The financial statements on pages 6 to 18 were approved by the board of director on 28 April 2014 and were signed on its behalf by



S Lakhani
Director

Director

Registered Number 4076355

Laewood Limited

Accounting policies for the year ended 31 July 2013

Basis of preparation of financial statements

The financial statements have been prepared on a 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 and applied consistently.

Consolidation

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements 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 financial statements of The Holmes Care (Group) Limited.

Turnover

Turnover comprises revenue recognised by the Company in respect of the operating and leasing of nursing homes, exclusive of Value Added Tax on an accruals basis. Revenue is recognised at the point the service (care) is delivered.

Investments

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

Tangible assets and depreciation

Tangible 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:

Land and buildings	-	2%	straight line
Plant and machinery	-	20%	reducing balance
Furniture, fittings and equipment	-	20%	reducing balance

Land represents freehold land, therefore has not been depreciated.

Revaluation of tangible 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 director considers 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.

Laewood Limited

Accounting policies for the year ended 31 July 2013 (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

Laewood Limited

Notes to the financial statements for the year ended 31 July 2013

1 Turnover

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

2 Operating (loss)/profit

The operating profit is stated after charging

	2013	2012
	£	£
Depreciation of tangible fixed assets		
- owned by the company	91,222	100,606
Auditors' remuneration	7,400	8,600

During the year, the director did not receive any emoluments in respect of his services to the company (2012 £nil)

3 Staff costs

Staff costs were as follows

	2013	2012
	£	£
Wages and salaries	2,008,162	1,851,403
Social security costs	120,327	126,109
	2,128,489	1,977,512

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

	2013	2012
	Number	Number
Nursing staff and management	159	145

4 Interest receivable and similar income

	2013	2012
	£	£
On cash at bank	-	1

Laewood Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

5 Interest payable and similar charges

	2013	2012
	£	£
On bank loans and overdrafts	241,701	313,542

6 Tax on (loss)/profit on ordinary activities

	2013	2012
	£	£
Current tax		
Adjustment in respect of previous year	-	6
Total current tax	-	6
Deferred tax		
Origination and reversal of timing differences	1,673	47,856
Changes in tax rates or law	(16,263)	-
Adjustment in respect of previous year	-	877
Total deferred tax (see note 11)	(14,590)	48,733
Tax (credit)/charge on profit on ordinary activities	(14,590)	48,739

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Notes to the financial statements for the year ended 31 July 2013 (continued)

6 Tax on (loss)/profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher (2012 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2013	2012
	£	£
Profit on ordinary activities before taxation	(262,132)	63,925
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 20.00%)	(52,426)	12,785
Effects of		
Expenses not deductible for tax purposes	14,733	18,808
Capital allowances for year (in excess of)/less than of depreciation	(1,673)	(3,879)
Utilisation of tax losses	39,366	(27,714)
Adjustment in respect of previous period	-	6
Current tax charge for the year	-	6

Factors affecting current and future tax charges

As the latest Finance Act was substantively enacted on 3 July 2012, effectively reducing the standard corporation tax rate to 23% from 1 April 2013, any deferred assets or liabilities released or settled after 1 April 2013 will reverse at 20% or 23%. Therefore we have prepared the provision on this basis and calculated the rate of deferred tax to be 20% and 23.67%.

Further reductions to the UK corporation tax rate were announced in the March 2013 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate to 21% by 1 April 2014 and 20% by 1 April 2015. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

Laewood Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

7 Tangible assets

	Land and buildings	Plant and Machinery	Furniture, fittings and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 August 2012	6,800,000	28,033	166,161	6,994,194
Additions	-	1,698	39,671	41,369
At 31 July 2013	6,800,000	29,731	205,832	7,035,563
Accumulated depreciation				
At 1 August 2012	-	15,986	112,855	128,841
Charge for the year	73,667	2,513	15,042	91,222
At 31 July 2013	73,667	18,499	127,897	220,063
Net book amount				
At 31 July 2013	6,726,333	11,232	77,935	6,815,500
At 31 July 2012	6,800,000	12,047	53,306	6,865,353

Included in land and buildings is freehold land of £3,116,667 (2012 £3,116,667) which is not depreciated, (cost £1,997,331)

The freehold land and buildings were revalued in November 2012 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

	2013	2012
	£	£
Cost	4,162,118	4,162,118
Accumulated depreciation	(239,582)	(217,675)
Net book amount	3,922,536	3,944,443

Laewood Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

8 Investments

	Shares in group undertaking £
Cost or valuation	
At 1 August 2012 and 31 July 2013	100

The following was a subsidiary undertaking of the company

Company name	Principal activity	Ownership
Lakewood Leisure Limited	dormant	100%

The director believes that the carrying value of the investments is supported by their underlying net assets

9 Debtors

	2013 £	2012 £
Trade debtors	257,911	177,319
Amounts owed by group undertakings	460,360	1,827,966
Amounts owed by related undertakings	934	934
Other debtors	28,389	28,103
Prepayments and accrued income	27,753	64,721
	775,347	2,099,043

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

Laewood Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

10 Creditors – Amounts falling due within one year

	2013	2012
	£	£
Bank loans and overdrafts	3,263	4,770,375
Trade creditors	33,153	71,530
Amounts owed to group undertakings	4,418,300	895,302
Amounts owed to related undertakings	100	100
Other taxation and social security	25,219	29,323
Other creditors	20,543	31,993
Corporation tax	6	6
Accruals and deferred income	160,545	25,251
Deferred tax (see note 12)	48,685	63,275
	4,709,814	5,887,155

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

Group Bank loans and overdrafts are secured on the group's freehold land and buildings and guaranteed by certain group companies and was charged at a rate of 3.50% over LIBOR

Laewood Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

11 Deferred taxation

	2013 £	2012 £
At beginning of the year	63,275	14,542
Charged during the year	1,673	47,856
Adjustment in respect of prior years	(16,263)	877
At end of year	48,685	63,275

The provision for deferred taxation is made up as follows

	2013 £	2012 £
Accelerated capital allowances	68,560	63,275
Losses	(19,875)	-
	48,685	63,275

12 Called up share capital

	2013 £	2012 £
Authorised		
1,000 (2012 1,000) ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 (2012 100) ordinary shares of £1 each	100	100

13 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2012	3,008,992	151,831
Loss for the financial year	-	(247,542)
At 31 July 2013	3,008,992	(95,711)

Laewood Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

14 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Opening total shareholders' funds	3,160,923	3,733,929
(Loss)/Profit for the financial year	(247,542)	15,186
Revaluation	-	(588,192)
Closing total shareholders' funds	2,913,381	3,160,923

15 Contingent liabilities

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

16 Related party transactions

As a wholly owned subsidiary undertaking of The Holmes Care Group Limited, the Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by The Holmes Care Group Limited, since that company produces consolidated financial statements which are available to the public and which include Lakewood Limited

17 Ultimate parent undertaking and controlling party

The company is a subsidiary of The Holmes Care (Group) 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 financial statements for this company are available from Companies House.

The Holmes Care (Group) Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements.

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