

Registered Number 4076355

Lakewood Limited  
Annual report and financial statements  
for the year ended 31 July 2009



# **The Holmes Care Limited**

## **Annual report and financial statements for the year ended 31 July 2009**

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# **Lakewood Limited**

## **Director and advisers for the year ended 31 July 2009**

**Director**  
S Lakhani

**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  
EH11 4DH

Deutsche Bank AG London  
Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB

# **Lakewood Limited**

## **Director's report for the year ended 31 July 2009**

The director presents his annual report and the financial statements for the year ended 31 July 2009. 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 operation and leasing of nursing homes.

### **Business review**

The director is satisfied with the performance of the group during the year. Turnover has increased marginally from the prior year due to an increased occupancy level.

### **Results and dividends**

The profit for the financial year, after taxation, amounted to £59,164 (2008: £93,225). The director recommends that no dividend be paid in respect of the year (2008: £nil).

### **Director**

The director who served during the year was

S Lakhani

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

The director is responsible for preparing the Annual 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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- 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 proper accounting records that 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual reports may differ from legislation in other jurisdictions.

# Lakewood Limited

## Director's report for the year ended 31 July 2009 (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 28 April 2010 and signed on its behalf



S Lakhani  
Director

# **Lakewood Limited**

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

We have audited the financial statements of Lakewood Limited for the year ended 31 July 2009 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 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 2009 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.

# Lakewood Limited

## Independent auditors' report to the members of The Holmes 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
- 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

30 April 2010

Registered Number 4076355

# Lakewood Limited

## Profit and loss account for the year ended 31 July 2009

	Note	2009 £	2008 £
<b>Turnover</b>	1	<b>1,993,860</b>	1,883,521
Cost of sales		(1,319,117)	(1,195,803)
<b>Gross profit</b>		<b>674,743</b>	687,718
Administrative expenses		(267,383)	(281,949)
<b>Operating profit</b>	2	<b>407,360</b>	405,769
Interest receivable		1,504	20,316
Interest payable	5	(333,618)	(340,221)
<b>Profit on ordinary activities before taxation</b>		<b>75,246</b>	85,864
Tax on profit on ordinary activities	6	(16,082)	7,361
<b>Profit for the financial year</b>	14, 15	<b>59,164</b>	93,225

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the profit and loss account



## Lakewood Limited

### Note of historical cost profits and losses for the year ended 31 July 2009

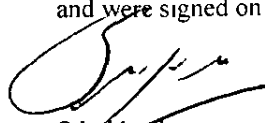
	2009 £	2008 £
<b>Reported profit on ordinary activities before taxation</b>	<b>75,246</b>	<b>85,864</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	22,705	22,705
<b>Historical cost profit on ordinary activities before taxation</b>	<b>97,951</b>	<b>108,569</b>
<b>Historical profit for the year after taxation</b>	<b>81,869</b>	<b>115,930</b>

# Lakewood Limited

## Balance sheet as at 31 July 2009

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible fixed assets	7	7,614,260	7,089,698
Fixed asset investments	8	100	100
		<b>7,614,360</b>	<b>7,089,798</b>
<b>Current assets</b>			
Debtors	9	1,830,760	1,712,928
Cash at bank and in hand		-	95,984
		<b>1,830,760</b>	<b>1,808,912</b>
<b>Creditors - amounts falling due within one year</b>	10	<b>(693,572)</b>	<b>(708,687)</b>
<b>Net current assets</b>		<b>1,137,188</b>	<b>1,100,225</b>
<b>Total assets less current liabilities</b>		<b>8,751,548</b>	<b>8,190,023</b>
<b>Creditors - amounts falling due after more than one year</b>	11	<b>(5,045,297)</b>	<b>(5,115,278)</b>
<b>Net assets</b>		<b>3,706,251</b>	<b>3,074,745</b>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Revaluation reserve	14	3,651,138	3,078,796
Profit and loss account	14	55,013	(4,151)
<b>Total shareholders' funds</b>	15	<b>3,706,251</b>	<b>3,074,745</b>

The financial statements on were approved and authorised for issue by the board of directors on 28 April 2010 and were signed on its behalf by

  
S Lakhani  
Director

# 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 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 its 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 goods and services supplied, exclusive of Value Added Tax and trade discounts.

### **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
Fixtures & fittings	-	20%	reducing balance

### **Operating leases**

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

# **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

Deferred tax assets and liabilities are not discounted

### **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 affect 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.

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2009

### 1 Turnover

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

### 2 Operating profit

	2009 £	2008 £
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets		
- owned by the company	51,867	53,968
Auditors remuneration	4,600	8,500

### 3 Employee costs

Staff costs, including director's remuneration, were as follows

	2009 £	2008 £
Wages and salaries	1,157,962	1,044,412
Social security costs	93,198	82,553
	1,251,160	1,126,965

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

	2009 No.	2008 No.
Nursing staff and management	65	62

### 4 Directors' emoluments

	2009 £	2008 £
Emoluments	-	-

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 5 Interest payable

	2009	2008
	£	£
On bank loans and overdrafts	333,618	340,221

### 6 Taxation

	2009	2008
	£	£
<b>Deferred tax:</b>		
Origination and reversal of timing differences	16,082	69,685
In relation to losses carried forward	-	(77,046)
<b>Total deferred tax</b>	<b>16,082</b>	<b>(7,361)</b>
<b>Tax on profit on ordinary activities</b>	<b>16,082</b>	<b>(7,361)</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2008 lower than) the standard rate of corporation tax in the UK (21%). The differences are explained below

	2009	2008
	£	£
Profit on ordinary activities before tax	75,246	85,864
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008 21%)	15,802	18,031
Effects of		
Expenses not deductible for tax purposes	280	280
Depreciation in excess of capital allowances for year	328	(3,059)
Utilisation of tax losses	(16,410)	(10,986)
Group relief	-	(4,266)
<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 2009 (continued)

### 7 Tangible assets

	Land and buildings £	Plant and Machinery £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2008	7,150,000	16,313	119,148	7,285,461
Additions	-	680	3,407	4,087
Revaluation surplus	430,000	-	-	430,000
<b>At 31 July 2009</b>	<b>7,580,000</b>	<b>16,993</b>	<b>122,555</b>	<b>7,719,548</b>
<b>Accumulated depreciation</b>				
At 1 August 2008	97,730	9,240	88,793	195,763
Charge for the year	44,612	1,541	5,714	51,867
On revalued assets	(142,342)	-	-	(142,342)
<b>At 31 July 2009</b>	<b>-</b>	<b>10,781</b>	<b>94,507</b>	<b>105,288</b>
<b>Net book amount</b>				
<b>At 31 July 2009</b>	<b>7,580,000</b>	<b>6,212</b>	<b>28,048</b>	<b>7,614,260</b>
At 31 July 2008	7,052,270	7,073	30,355	7,089,698

Included in land and buildings is freehold land of £3,116,667 (2008 £3,116,667) which is not depreciated, (cost £1,997,331) Included within the net book value of land and buildings above are the investment properties at valuation amounting to £3,220,000 Cost or valuation at 31 July 2009 is as follows

	£
<b>At cost</b>	-
<b>At valuation:</b>	
Open market basis March 2010	7,580,000

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 7 Tangible assets (continued)

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

	2009 £	2008 £
Cost	4,162,118	4,162,118
Accumulated depreciation	(151,954)	(130,047)
<b>Net book value</b>	<b>4,010,164</b>	<b>4,032,071</b>

### 8 Fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 August 2008 and 31 July 2009	100

The following were subsidiary undertakings of the company

**Company name**

Lakewood Leisure Limited

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



# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 9 Debtors

	2009	2008
	£	£
<b>Due after more than one year:</b>		
Other Debtors	30,669	32,002
<b>Due within one year:</b>		
Trade debtors	137,780	44,433
Amounts owed by group undertakings	1,657,550	1,628,125
Called up share capital not paid	100	100
Other debtors	1,504	907
Prepayments and accrued income	3,157	-
Deferred tax asset (see note 12)	-	7,361
	1,830,760	1,712,928

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

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

	2009	2008
	£	£
Bank loans and overdrafts	86,423	99,938
Trade creditors	18,531	23,584
Amounts owed to group undertakings	521,023	526,373
Social security and other taxes	25,350	21,936
Other creditors	13,682	9,423
Accruals and deferred income	19,842	27,433
Deferred tax (see note 12)	8,721	-
	693,573	708,687

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

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

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

	2009	2008
	£	£
Bank loans	5,045,297	5,115,278
	5,045,297	5,115,278

Creditors include amounts not wholly repayable within 5 years as follows

	2009	2008
	£	£
Repayable by instalments	4,625,774	4,647,000

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

	2009	2008
	£	£
At beginning of the year	7,361	-
(Charge) / Credit during the year	(16,082)	7,361
At end of year	(8,721)	7,361

### 13 Called up share capital

	2009	2008
	£	£
<b>Authorised</b>		
500,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
150,000 ordinary shares of £1 each	100	100

# Lakewood Limited

## Notes to the financial statements for the year ended 31 July 2009 (continued)

### 14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2008	3,078,796	(4,151)
Profit for the financial year	-	59,164
Revaluation adjustment	572,342	-
<b>At 31 July 2009</b>	<b>3,651,138</b>	<b>(55,013)</b>

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

	2009 £	2008 £
Opening total shareholders' funds	3,074,745	2,981,520
Profit for the financial year	59,164	93,225
Revaluation adjustment	572,342	-
<b>Closing total shareholders' funds</b>	<b>3,706,251</b>	<b>3,074,745</b>

### 16 Contingent liabilities

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

# **Lakewood Limited**

## **Notes to the financial statements for the year ended 31 July 2009 (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.