

**Registered Number 4076355**

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

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# **Lakewood Limited**

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

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# **Lakewood Limited**

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

### **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 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 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 a decreased occupancy level.

### Results and dividends

The profit for the financial year, after taxation, amounted to £5,889 (2009: £59,164). The director recommends that no 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,
- 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.

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

# **Lakewood Limited**

## **Director's 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**

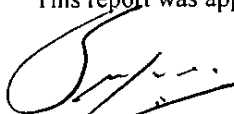
The director at the time when this director's report is approved has confirmed that

- 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

# **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 2010 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 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 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, 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

## Lakewood Limited

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

	Note	2010 £	2009 £
<b>Turnover</b>	1	<b>1,917,243</b>	1,993,860
Cost of sales		<b>(1,324,540)</b>	(1,319,117)
<b>Gross profit</b>		<b>592,703</b>	674,743
Administrative expenses		<b>(259,970)</b>	(267,383)
<b>Operating profit</b>	2	<b>332,733</b>	407,360
Interest receivable		<b>64</b>	1,504
Interest payable	5	<b>(326,527)</b>	(333,618)
<b>Profit on ordinary activities before taxation</b>		<b>6,270</b>	75,246
Tax on profit on ordinary activities	6	<b>(381)</b>	(16,082)
<b>Profit for the financial year</b>	14, 15	<b>5,889</b>	59,164

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 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Reported profit on ordinary activities before taxation</b>	<b>6,270</b>	<b>75,246</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<b>26,671</b>	<b>22,705</b>
<b>Historical cost profit on ordinary activities before taxation</b>	<b>32,941</b>	<b>97,951</b>
<b>Historical profit for the year after taxation</b>	<b>32,560</b>	<b>81,869</b>

# Lakewood Limited

## Balance sheet as at 31 July 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	7	7,563,473	7,614,260
Fixed asset investments	8	100	100
		<b>7,563,573</b>	<b>7,614,360</b>
<b>Current assets</b>			
Debtors	9	1,827,375	1,830,760
Cash at bank and in hand		-	-
		<b>1,827,375</b>	<b>1,830,760</b>
<b>Creditors - amounts falling due within one year</b>	10	<b>(781,549)</b>	<b>(710,883)</b>
<b>Net current assets</b>		<b>1,045,826</b>	<b>1,119,877</b>
<b>Total assets less current liabilities</b>		<b>8,609,399</b>	<b>8,734,237</b>
<b>Creditors - amounts falling due after more than one year</b>	11	<b>(4,897,259)</b>	<b>(5,027,986)</b>
<b>Net assets</b>		<b>3,712,140</b>	<b>3,706,251</b>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Revaluation reserve	14	3,624,467	3,651,138
Profit and loss account	14	87,573	55,013
<b>Total shareholders' funds</b>	15	<b>3,712,140</b>	<b>3,706,251</b>

The financial statements on were approved and authorised for issue by the board of directors on 29 March 2011 and were signed on its behalf by



S Lakhani  
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
Fixtures & fittings	-	20%	reducing balance

### 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.

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## **Lakewood Limited**

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

#### **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 2010

### 1 Turnover

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

### 2 Operating profit

	2010	2009
	£	£
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets		
- owned by the company	57,356	51,867
Auditors remuneration	5,000	4,600

### 3 Employee costs

Staff costs were as follows

	2010	2009
	£	£
Wages and salaries	1,162,821	1,157,962
Social security costs	94,062	93,198
	1,256,883	1,251,160

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

	2010	2009
	No.	No.
Nursing staff and management	70	65

### 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 2010 (continued)

### 5 Interest payable

	2010 £	2009 £
On bank loans and overdrafts	326,527	333,618

### 6 Taxation

	2010 £	2009 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	774	16,082
Changes in tax rates or law	(393)	-
Total deferred tax	381	16,082
Tax on profit on ordinary activities	381	16,082

#### 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%) (2009 21%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	6,270	75,246
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 21%)	1,317	15,802
Effects of		
Expenses not deductible for tax purposes	-	280
Accelerated capital allowances	3,828	328
Other timing differences	(5,132)	-
Utilisation of tax losses	-	(16,410)
Group relief	(13)	-
<b>Current tax charge for the year</b>	-	-

# Lakewood Limited

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

### 7 Tangible assets

	Land and buildings	Plant and Machinery	Furniture, fittings and equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 August 2009	7,580,000	16,993	122,555	7,719,548
Additions	-	2,373	4,196	6,569
<b>At 31 July 2010</b>	<b>7,580,000</b>	<b>19,366</b>	<b>126,751</b>	<b>7,726,117</b>
<b>Accumulated depreciation</b>				
At 1 August 2009	-	10,781	94,507	105,288
Charge for the year	48,578	1,717	7,061	57,356
<b>At 31 July 2010</b>	<b>48,578</b>	<b>12,498</b>	<b>101,568</b>	<b>162,644</b>
<b>Net book amount</b>				
<b>At 31 July 2010</b>	<b>7,531,422</b>	<b>6,868</b>	<b>25,183</b>	<b>7,563,473</b>
At 31 July 2009	7,580,000	6,212	28,048	7,614,260

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

	2010	2009
	£	£
Cost	4,162,118	4,162,118
Accumulated depreciation	(173,861)	(151,954)
<b>Net book amount</b>	<b>3,988,257</b>	<b>4,010,164</b>

# Lakewood Limited

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

### 8 Fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 August 2009 and 31 July 2010	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

### 9 Debtors

	2010 £	2009 £
<b>Due after more than one year:</b>		
Other Debtors	29,336	30,669
<b>Due within one year:</b>		
Trade debtors	81,927	137,780
Amounts owed by group undertakings	1,706,127	1,657,550
Called up share capital not paid	100	100
Other debtors	2,268	1,504
Prepayments and accrued income	7,617	3,157
	<b>1,827,375</b>	<b>1,830,760</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 2010 (continued)

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

	2010 £	2009 £
Bank loans and overdrafts	152,842	86,423
Trade creditors	40,261	18,531
Amounts owed to group undertakings	520,689	521,023
Social security and other taxes	22,296	25,350
Other creditors	16,548	13,682
Accruals and deferred income	19,811	19,842
Deferred tax (see note 12)	9,102	8,721
	781,549	693,572

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	4,897,259	5,045,297

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.

## **Lakewood Limited**

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

#### **12 Deferred Taxation**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At beginning of the year	<b>(8,721)</b>	7,361
Charge during the year	<b>(381)</b>	(16,082)
At end of year	<b>(9,102)</b>	(8,721)

The deferred tax liability relates to timing differences

#### **13 Called up share capital**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
500,000 ordinary shares of £1 each	<b>1,000</b>	1,000
<b>Allotted, called up and fully paid</b>		
150,000 ordinary shares of £1 each	<b>100</b>	100

## Lakewood Limited

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

#### 14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2009	3,651,138	55,013
Profit for the financial year	-	5,889
Transfer to profit and loss reserve	(26,671)	26,671
At 31 July 2010	3,624,467	87,573

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

	2010 £	2009 £
Opening total shareholders' funds	3,706,251	3,074,745
Profit for the financial year	5,889	59,164
Revaluation adjustment	-	572,342
Closing total shareholders' funds	3,712,140	3,706,251

#### 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 2010 (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.