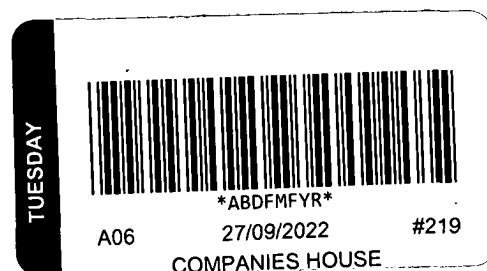


RICHMOND CARE VILLAGES HOLDINGS LIMITED

Registered Number: 05105798

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 DECEMBER 2021



Contents

Page

Strategic report	1
Directors' report	5
Independent auditors' report to the members of Richmond Care Villages Holdings Limited	8
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14

Strategic report

The Directors present their Strategic report for Richmond Care Villages Holdings Limited ("the Company") for the year ended 31 December 2021.

Principal activities

The principal activity of the Company for the year was to develop care homes and villages and market these for sale on completion. The Company, together with certain fellow UK subsidiary undertakings of the Company's ultimate parent, The British United Provident Association Limited ("Bupa"), with similar activities, form the business unit Bupa Care Services ("BCS").

Significant events

The Company issued 59,490,619 £1 ordinary shares at par, settled through intercompany accounts, during the year ended 31 December 2021.

Results

The profit for the year, after taxation, amounted to £2,358,000 (2020: £1,084,000). At the balance sheet date, the Company had net assets of £122,323,000 (2020: £60,474,000).

Key performance indicators

During the year, the business delivered a profit before tax of £2,341,000 (2020: £1,335,000). The increase was as a result of a dividend received in the year.

Business model

The Company holds investments in subsidiaries that own and operate care villages. It also constructs care homes and villages which are operated by other Bupa group undertakings.

The Company operates as part of the wider BCS business, which is a leading care homes operator in the UK. BCS provides care in 130 care homes to around 8,200 residents of which 63.0% are funded wholly or partly by the public sector as of 31 December 2021.

BCS is focused on meeting the changing healthcare needs and concerns of its residents and society. By investing in its people and services, BCS will continue to address the health and care needs of the UK's growing ageing population whilst making the case for appropriate investment from national and local government in the health and social care system to meet the cost of delivering care.

The UK aged care sector remains under pressure with increased costs including the ongoing impact of increases to the National Living Wage, first introduced in April 2016 which rose by 6.6% in April 2022 to £9.50. Likewise, the increase to Employer National Insurance contributions adds to the pressure on staffing costs. BCS continues to take a disciplined approach to fee negotiations with Local Authorities ("LAs"), NHS Clinical Commissioning Groups ("CCGs") and other commissioners in order to recover the true cost of caring for publicly funded residents.

The combination of a national shortage of appropriately qualified nurses, other staff, and increased agency dependency across the sector, has seen the cost of nursing care increase. In response to this we have introduced new schemes to ensure long term availability of skilled workers, such as an apprenticeship programme.

Future outlook

BCS is committed to working to ensure that public funds for adult social care are used to the best effect. It will continue its disciplined approach to fee negotiations and has seen success in its focus on recovering the cost of caring for residents from local authority contracts.

Last year the UK Government started the process of Adult Social Care reform. It laid out plans for reforming the funding of aged care in England, including a cap of care costs, a fair cost of care and the right for self-funders to ask the Local Authority to commission their care. Alongside these proposals are plans for improving the workforce, training and skills, digitisation of the sector and structural reforms to how the sector operates.

Strategic report (continued)

Future outlook (continued)

BCS is working hard to understand this evolving landscape and position itself to meet any challenges that arise. We consistently monitor developments and are active in engaging with stakeholders to understand the policy landscape as it develops.

BCS will continue to push for adequate funding in the sector, both in the short term and over the longer term, and for local authorities and other public sector commissioners to pay for the true cost of care.

BCS is committed to providing high quality facilities and services for the UK's growing ageing population and will continue to invest in its portfolio of care homes and villages.

Engaging with our stakeholders (section 172(1) statement)

Promoting our long-term success and sustainability

This statement sets out how the Board has acted in a way that promotes the success of the Company in achieving its purpose. When making decisions, the Board takes into account:

- the likely long-term impact of the decision;
- the interests or concerns of, and impact on, our key stakeholders;
- the impact of our decisions and operations on the communities in which we operate and the environment; and
- the need to maintain a reputation for high standards of business conduct.

Engaging with our key stakeholders

We consider Bupa Group, our residents, people, suppliers and regulators to be our key stakeholder groups, and their views and concerns are taken into account in all key board decisions.

The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the Company's and Bupa's long-term sustainability and success. It is important for all levels of the business to engage with stakeholder groups to gain a better understanding of their interests and concerns and the impact our decisions have on them.

We set out below our key stakeholder groups and how we have engaged with them.

Residents

Residents are at the heart of our business. We aim to deliver truly outstanding, resident experiences, ensuring great clinical outcomes and value for money.

Key issues for residents include:

- excellent resident experience through great service and value;
- high quality products with broad coverage and quality care; and
- frictionless access to services, such as through digital applications.

The Board receives regular reports tracking key resident metrics, such as NPS scores, complaints and resident research, to track how we are performing for our residents.

People

Our people are at the heart of our business, supporting our residents every day. We want our people to feel engaged and empowered to deliver great outcomes for our residents, that Bupa is a great place to work and to be healthier and happier themselves. A twice-yearly people survey (People Pulse) is run in order to assess engagement. Our approach to engagement is led locally, with all teams planning actions in the light of the People Pulse results and the Board and management team engaging with our people on the issues important to them.

Strategic report (continued)

Engaging with our stakeholders (continued)

Regulators

Bupa's care homes are regulated by the health regulator (Care Quality Commission (CQC)) as well as other relevant regulators. Regulators ultimately aim to protect residents and ensure that they receive high levels of care and are treated fairly. This clearly aligns with our strategy to put our residents front and centre.

Our regulators expect us to:

- provide high-quality, clinically robust services;
- ensure we operate in a sustainable way; and
- have robust and effective processes and controls in place to mitigate risks to protect our residents.

We are firmly committed to achieving high standards of compliance with our regulatory obligations. We take a proactive and coordinated approach to managing regulatory risks to which we are exposed in order to reduce the risk of our residents suffering detriment and minimising any impact. We have an open and honest relationship with the health regulators and self-report incidents, work with the health regulators to ensure we meet regulatory requirements and act quickly to address any issues or concerns raised.

Suppliers

Suppliers represent our brand and are critical to delivering a high-quality service to our residents and include health care professionals, systems suppliers and suppliers of products to our care homes. We are committed to:

- treating our suppliers fairly;
- paying suppliers on time (as per contracted terms);
- selecting suppliers without prejudice and working with our suppliers to support improvements in their social, environmental and ethical practices; and
- maintaining a supply chain that reflects and aligns to our own standards of responsible business conduct.

We work with our suppliers to ensure that they have effective controls in place to protect our residents' health and safety and the security and privacy of their data.

Our sustainability agenda includes a workstream on responsible business conduct with a key focus on responsible supply chain management, including combating modern slavery. Our latest modern slavery statement can be found on [bupa.com](https://www.bupa.com) together with our responsible supply chain statement.

Communities and environment

We recognise the impact that the health of the planet can have on people's health and that our residents, people, regulators and wider society expect companies to play their part in the communities in which they operate and to take action on issues such as climate change. We play our part in society, helping to build healthier and more resilient communities and having a positive impact on the environment. We have a dedicated Bupa Foundation in the UK to channel some of our investment.

Energy use and emissions data

In line with the Streamlined Energy and Carbon Reporting (SECR) requirements, the Company is exempt from reporting company specific information and consolidated reporting is included in the Group's 2021 Annual Report. The Group has reported its UK-based energy and carbon Scope 1 and 2 emissions and will also publish its externally assured 2019, 2020 and 2021 global Scope 1 and 2 carbon footprints to demonstrate the progress made from the 2019 baseline year during 2022. These disclosures will include a progress update on the Group's Net Zero ambitions and science-based targets, which were published in October 2021. The Group will continue to develop reporting capabilities, aligned to the Taskforce on Climate-related Financial Disclosures ("TCFD") recommendations and to our growing sustainability agenda.

Strategic report (continued)

Engaging with our stakeholders (continued)

Board decisions and their impact on stakeholders

The table below sets out a decision taken by the Board during the year and how stakeholder views' were taken into account.

Decision	How we took stakeholders into account	Long-term implications
Transition from LIBOR to SONIA and related capital injection	<p>Regulators and shareholders</p> <p>The London Interbank Offered Rate (LIBOR) that served as the basis of market interest benchmarks was announced to be phased out from 31 December 2021.</p> <p>Consequently, the Company approved the transition of a LIBOR rate intercompany loan to a Sterling Overnight Index (SONIA) interest rate.</p> <p>Furthermore, it was also identified that there were a number of outstanding LIBOR rate loan agreements between certain subsidiaries. The Company therefore approved for these loans to be eliminated by way of capital injection.</p>	<p>Transition from LIBOR rates to SONIA was necessary to ensure that the Company remains compliant with regulatory changes, while promoting the success of the Company for the benefits of its members</p> <p>Consequently, a LIBOR related capital injection was necessary to ensure that there are sufficient funds available to protect the interests of all stakeholders, while promoting more efficient capital deployment within the Group.</p>

Principal risks and uncertainties

The Company and its strategy are subject to a number of risks and uncertainties. Management consider that the key risks and uncertainties arise as a result of chronic underfunding of social care in the UK and policy changes such as continued increases in the National Living Wage, making it difficult to plan and mitigate for such policies effectively.

The COVID-19 pandemic has led to considerable further financial pressure being placed on the already underfunded care sector, with significant additional costs incurred in meeting infection control, staffing and data-sharing requirements imposed by the Government. These ongoing costs are likely to continue into the future, as such it will be incumbent on local and central government to maintain the increased funding seen over the last year.

The UK's post-Brexit relationship with the EU also brings uncertainties. BCS monitored political developments closely and prepared for the operational, commercial, and legal implications of the new UK-EU relationship.

There remain risks regarding the UK Government's wider migration policy. The Government's immigration plans more generally focus on high-skilled migrants, this will impact the health and social care sector's ability to recruit sufficient staff. While the addition of care workers to the shortage occupation list is a welcome shift, this is only temporary and we await further details of the Government's long term plan for the sector's workforce. Uncertainty also remains regarding the ongoing impact on the UK economy of COVID and the UK's departure from the EU.

Further information relating to the Company, as applicable to Bupa and its subsidiaries and holding companies or subsidiaries of such holding companies ("Bupa Group") as a whole, is provided within the discussion of business risks and uncertainties section of the Bupa Group's Annual Report, which does not form part of this report.

Registered Office:

1 Angel Court
London
United Kingdom
EC2R 7HJ

21 September 2022

On behalf of the Board



Michael Harrison
Director

Directors' report

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2021.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts collectively for the entities which make up the 'Bupa Care Services business' for a period of 12 months from the date of approval of these financial statements which indicate that, collectively, the Bupa Care Services business may require the financial support of the Bupa Group.

Whilst those forecasts are not specific to individual entities, in considering the contribution of the Company to the Bupa Care Services combined business, the Directors have concluded the Company is dependent on Bupa Finance plc providing additional financial support during that period.

Bupa Finance plc has indicated it will continue to make available such funds as are needed by the Company, and that it will not seek repayment of the amounts due at the balance sheet date from the Company due to other entities in the group headed by Bupa Finance plc, for the period covered by the forecasts. The Directors have considered Bupa Finance plc's going concern status and, based on its current position, forecast results and solvency capital, it has been concluded that Bupa Finance plc has adequate resources to provide such support to the Company as necessary. Therefore, the Directors are confident that Bupa Finance plc can provide financial support up to the level required for at least the next 12 months.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Dividends

The Directors do not recommend the payment of a dividend for the year (2020: £nil).

Future outlook

A discussion of the future outlook of the Company is included in the Strategic report.

International financial reporting standards and financial reporting requirements

The ultimate parent undertaking, Bupa, has prepared group financial statements in accordance with International Financial Reporting Standards as adopted by the UK ("IFRS"). The Company is not required to report under IFRS and therefore these financial statements are prepared in accordance with applicable UK accounting standards. As the Company is a wholly owned subsidiary undertaking of Bupa, the Company qualifies for application of Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), which has been adopted for these financial statements. FRS 101 uses the recognition and measurement bases of IFRS, while allowing exemptions from a number of disclosures required by full IFRS.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

N S Barker
J M Elliott (resigned 2 July 2021)
P J Fieldhouse
M Harrison
R Pearson (appointed 2 July 2021)
A Waton (appointed 18 March 2021)

Bupa Secretaries Limited is the Company Secretary and is not a present director.

Directors' report (continued)

Political and charitable donations

No political or charitable donations or contributions were made during the year (2020: £nil).

Qualifying third party indemnity provision

As at the date of this report and during the year, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company.

Statement of corporate governance arrangements

The Group adheres to the policies and procedures adopted by the Bupa Group. Bupa complies with the UK Corporate Governance Code 2018 ("Code") and ensures that its governance responsibilities under the Code are enacted effectively with relevant provisions and principles being applied throughout the Bupa Group.

Financial risk management

The Company is exposed to financial risk through its financial assets and its financial liabilities. The most important components of financial risk are price risk and liquidity risk. The Company uses forward purchases of energy to mitigate the risks associated with fluctuations in energy prices. The Company is not exposed to material interest rate, credit or currency risk.

Price risk

The Company has exposure to general price risk resulting from inflationary pressures. The Company has implemented policies to ensure it gets value for money from its service providers while ensuring the highest quality treatment is provided to residents. The Company has no exposure to equity securities price risk as it holds no listed equity investments.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Company has no external debt financing. The Company has access to financing from fellow group companies that is designed to ensure that it has sufficient available funds to meet its obligations as they fall due.

Independent auditors

PricewaterhouseCoopers LLP (PwC) was appointed as the Group's independent external auditors at the 2021 AGM following a competitive tender process and was subsequently appointed as the Company's auditors, following the resignation of KPMG LLP. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and will be deemed to be reappointed pursuant to Section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

Under company law the Directors must not approve the financial statements unless they are 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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 Directors are also 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.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Registered Office:

1 Angel Court
London
United Kingdom
EC2R 7HJ

21 September 2022

On behalf of the Board



Michael Harrison
Director

Independent auditors' report to the members of Richmond Care Villages Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Richmond Care Villages Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Richmond Care Villages Holdings Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the members of Richmond Care Villages Holdings Limited (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission (Registration) Regulations 2009, Health and Social Care Act 2008 and Workplace (Health, Safety and Welfare) Regulations 1992, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- Testing accounting estimates that we deemed to present a risk of material misstatement, including challenging management on the supporting documents provided for the same;
- Identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations or unusual words or phrases in the journal description; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

23 September 2022

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover	5	10,975	18,186
Cost of sales		(10,451)	(17,603)
Gross profit		524	583
Administration expenses		-	(2)
Other operating expenses		(1,329)	-
Operating (loss) / profit	6	(805)	581
Dividend income		2,478	-
Interest receivable and similar income	8	1,838	2,556
Interest payable and similar expenses	9	(1,170)	(1,802)
Profit before taxation		2,341	1,335
Tax on profit	10	17	(251)
Profit for the financial year		2,358	1,084
Other comprehensive income		-	-
Total comprehensive income for the year		2,358	1,084

All activities relate to continuing operations.

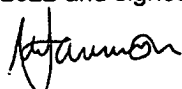
The notes on pages 14 to 25 form part of these financial statements.

Balance sheet

as at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments in subsidiary companies	11	30,705	92
Current assets			
Stocks	12	3,736	18,717
Debtors	13	161,880	148,594
- amounts falling due after more than one year		25	19
- amounts falling due within one year		161,855	148,575
Cash at bank and in hand		1,692	5,125
		167,308	172,436
Creditors: amounts falling due within one year	14	(1,123)	(7,231)
Net current assets		166,185	165,205
Total assets less current liabilities		196,890	165,297
Creditors: amounts falling due after more than one year	15	(74,567)	(104,823)
Net assets		122,323	60,474
Capital and reserves			
Called up share capital	17	59,491	-
Profit and loss account		62,832	60,474
Total shareholders' funds		122,323	60,474

The financial statements on pages 11 to 25 were approved by the Board of Directors on 21 September 2022 and signed on its behalf by



Michael Harrison
Director

Richmond Care Villages Holdings Limited
Registered number: 05105798

21 September 2022

The notes on pages 14 to 25 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 January 2021	-	60,474	60,474
Profit for the year	-	2,358	2,358
Total comprehensive income for the year	-	2,358	2,358
Share capital issued	59,491	-	59,491
Total transactions with owners, recognised directly in equity	59,491	-	59,491
Balance as at 31 December 2021	59,491	62,832	122,323
Balance as at 1 January 2020	-	59,390	59,390
Profit for the year	-	1,084	1,084
Total comprehensive income for the year	-	1,084	1,084
Balance as at 31 December 2020	-	60,474	60,474

The notes on pages 14 to 25 form part of these financial statements.

Notes to the financial statements

1. General information

Richmond Care Villages Holdings Limited is a private company limited by shares, incorporated and domiciled in England. Its registered office and principal place of business is:

1 Angel Court
London
United Kingdom
EC2R 7HJ

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention, in accordance with applicable UK accounting standards.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. In preparing these financial statements, the Company applies the recognition, measurement, and disclosure requirements of IFRS, but makes amendments where necessary in order to comply with the Companies Act 2006 as applicable to companies using FRS 101, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Exemptions from the requirements of IFRS

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A statement of cash flows for the period (IAS 1.10(d), 111);
- A statement of compliance with all IFRS (IAS 1.16);
- IAS 7, 'Statement of cash flows';
- A statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement (IAS 1.10(f), 38A-38D, 40A-40D);
- Disclosure of related party transactions entered between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- Information relating to the entities objectives, policies and processes for managing capital (IAS 1.134-136);
- Information relating to new IFRS standards which have been issued but which are not yet effective, including an assessment of the possible impact that it will have when it is adopted for the first time (IAS 8.30-31);
- Disclosure of key management personnel remuneration (IAS 24.17); and
- Disclosure of amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity (IAS 24.18A).

Notes to the financial statements (continued)

2. Accounting policies (continued)

(b) Exemptions from the requirements of IFRS (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As the consolidated financial statements of Bupa (note 4) include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7, Financial Instruments: Disclosures and IFRS 13, Fair Value Measurement regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

(c) New standards, amendments and IFRIC interpretations

The following financial reporting standards, amendments and interpretations have been issued but are not effective for the year ended 31 December 2021 and have not been early adopted by the Company. They are not expected to have a significant impact when they are effective.

- IFRS 17, Insurance Contracts; and
- IAS 1, Presentation of Financial Statements, IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors and IAS 12, Income Taxes.

(d) Exemption from consolidation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group (note 4).

(e) Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts collectively for the entities which make up the 'Bupa Care Services business' for a period of 12 months from the date of approval of these financial statements which indicate that, collectively, the Bupa Care Services business may require the financial support of the Bupa Group.

Whilst those forecasts are not specific to individual entities, in considering the contribution of the Company to the Bupa Care Services combined business, the Directors have concluded the Company is dependent on Bupa Finance plc providing additional financial support during that period.

Bupa Finance plc has indicated it will continue to make available such funds as are needed by the Company, and that it will not seek repayment of the amounts due at the balance sheet date from the Company due to other entities in the group headed by Bupa Finance plc, for the period covered by the forecasts. The Directors have considered Bupa Finance plc's going concern status and, based on its current position, forecast results and solvency capital, it has been concluded that Bupa Finance plc has adequate resources to provide such support to the Company as necessary. Therefore, the Directors are confident that Bupa Finance plc can provide financial support up to the level required for at least the next 12 months.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the financial statements (continued)

2. Accounting policies (continued)

(f) Turnover

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises turnover when the amount of turnover can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of resident, the type of transaction and the specifics of each arrangement.

The Company primarily constructs care homes and retirement villages on behalf of Bupa Group undertakings and recognises turnover at legal completion.

(g) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial assets is recognised using the original effective interest rate.

(h) Taxation and deferred taxation

The taxation expense on the profit or loss for the year comprises current and deferred taxation. Income taxation is recognised in the statement of profit or loss account except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised directly in the statement of comprehensive income.

Current taxation is the expected taxation payable on the taxable profit for the year, using taxation rates enacted or substantively enacted at the balance sheet date, and any adjustments to taxation payable in respect of previous years.

Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not recognised: goodwill not deductible for taxation purposes and the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The amount of deferred taxation recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using taxation rates enacted or substantively enacted at the balance sheet date.

Deferred taxation is recognised on temporary differences arising on investments in subsidiary companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Trading losses surrendered to other Bupa Group subsidiary undertakings are made on a full payment basis.

(i) Investments in subsidiary companies

Investments in subsidiary companies are carried at cost less impairment in the Company's financial statements. Investments are reviewed annually to test whether any indicators of impairment exist. Where there is objective evidence of such an asset being impaired, the investment is impaired to its recoverable value and any unrealised loss is recorded in the statement of comprehensive income.

Notes to the financial statements (continued)

2. Accounting policies (continued)

(i) Investments in subsidiary companies (continued)

Dividends received from subsidiaries are recognised in the statement of comprehensive income when the right to receive the dividend is established.

As at 31 December 2021, the Company held investments in subsidiaries of £30,705,000 (2020: £92,000). In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries as at 31 December 2021 is disclosed in note 11.

(j) Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

(k) Financial assets

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss or at amortised cost. It does not have any assets categorised as fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and recognises them at fair value.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise they are classified as non-current investments.

(b) *Amortised cost*

Financial assets where the contractual characteristics represent solely payments of principal and interest and the objective is to hold the instrument to collect cash flows over its life. Amortised cost financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Company's amortised cost financial assets comprise debtors.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Fair values are determined by reference to active market or using valuation techniques where no active market exists. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Amortised cost financial assets are subsequently carried at amortised cost.

Notes to the financial statements (continued)

2. Accounting policies (continued)

(k) Financial assets (continued)

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the profit and loss account within interest income or expenses in the period in which they arise.

Impairment of financial assets

Under IFRS 9, impairment provisions for expected credit losses ('ECL') are recognised for financial assets measured at amortised cost. An allowance for either 12-month or lifetime ECL is required, depending on whether there has been a significant increase in credit risk since initial recognition. The measurement of ECL reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The Company measures the loss allowance for trade debtors using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the receivable.

(l) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the purchase price of land, build costs and any costs associated with the purchase of the land or the construction. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

(m) Customer contract debtors, accrued and deferred income

Debtors are amounts due from residents for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Customers are invoiced for a specified period of time in accordance with an agreed contract. If at the reporting date the amount invoiced to the resident exceeds the services provided by the Company deferred income is recognised. If the services provided by the Company exceeds the amount invoiced accrued income is recognised.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

(o) External invoiced liabilities

The accounts payable balance arising from the Company's operations are reported in the financial statements of Bupa Insurance Services Limited ('BISL'), another Bupa Group company. These costs are transferred to the Company through the intercompany current account. BISL will settle these invoices on behalf of the Company.

(p) Share capital

Ordinary shares are classified as equity.

Notes to the financial statements (continued)

3. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Investments in subsidiaries valuation

Investments are tested for impairments where there are indicators that the carrying value of the investments may be greater than the expected present value of future cashflows. Judgement is required to determine whether such indicators exist and where it is determined that a test for impairment is required, the inputs into the impairment model such as growth, future cash flows, discount rates are estimated. These estimates and assumptions can have a significant impact on the result of the calculation and determine whether an impairment is recognised.

Sensitivity analysis

All the assumptions noted above are considered to be significant. An overall change of 1% in the value in use cash flows due to a change in any of the assumptions would not result in an impairment.

4. Immediate and ultimate parent company

The immediate parent undertaking of the Company is Bupa Finance plc, with its registered office at 1 Angel Court, London, United Kingdom, EC2R 7HJ.

The ultimate parent undertaking and controlling party of the Company, and the largest group into which these financial statements are consolidated, is Bupa, with its registered office at 1 Angel Court, London, United Kingdom, EC2R 7HJ. The smallest group into which these financial statements are consolidated is that headed by Bupa Finance plc, with its registered office at 1, Angel Court, London, United Kingdom, EC2R 7HJ.

Copies of the financial statements of both companies can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ.

5. Turnover

	2021 £'000	2020 £'000
Stock sales	10,975	18,186

6. Operating (loss) / profit

Operating (loss) / profit is stated after charging:

	2021 £'000	2020 £'000
Inventory recognised as an expense	10,396	17,565
Costs associated with aborted land acquisitions	829	-
Expenses relating to short term leases	-	3

Fees for the audit of the Company of £15,000 (2020: £15,000) for the year ended 31 December 2021 were borne by another Group company, Bupa. There have been no non-audit services provided by the Company's auditors (2020: none).

Notes to the financial statements (continued)

7. Staff costs and directors' remuneration

(i) Staff costs

There were no staff costs for the year ended 31 December 2021 (2020: £nil).

The Company had no employees and no other employee costs during the year.

(ii) Directors' remuneration

The emoluments of the Directors are borne entirely by other Bupa Group companies and are disclosed in the financial statements of those companies. Directors may also serve as Directors of other Bupa Group companies and part of their emoluments may be attributed to and disclosed in the financial statements of those companies. The total attributable value of Directors emoluments assigned to the Company and its subsidiaries for the year was as follows:

	2021 £'000	2020 £'000
Emoluments	525	752
Company contributions for defined contribution pension scheme	36	45
Amounts receivable under long-term incentive schemes	229	170
	790	967

The remuneration of the highest paid Director across Bupa Group companies was:

	2021 £'000	2020 £'000
Emoluments	343	479
Company contributions for defined contribution pension scheme	25	6
Amounts receivable under long-term incentive schemes	152	104
	520	589

When the highest paid Director also serves as a director of other Bupa Group companies the total remuneration above is apportioned across the companies but disclosed in full in each of the Company's financial statements.

8. Interest receivable and similar income

	2021 £'000	2020 £'000
Interest receivable from Bupa group undertakings	1,838	2,549
Other interest	-	7
	1,838	2,556

9. Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest payable to Bupa group undertakings	1,170	1,802

Notes to the financial statements (continued)

10. Tax on profit

(i) Tax included in profit or loss

	2021 £'000	2020 £'000
UK corporation tax on profit for the year	132	250
Adjustments in respect of prior periods	(143)	-
Total current tax charge	(11)	250
Deferred tax		
Origination and reversal of timing differences	172	3
Changes in taxation rates	(178)	(2)
Total deferred tax (credit)/charge	(6)	1
Total tax charge on profit	(17)	251

(ii) Reconciliation of standard tax rate

The tax assessed for the year is lower (2020: lower) than the standard rate of Corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit before taxation	2,341	1,335
Profit before taxation at standard UK corporation tax rate of 19% (2020: 19%)	445	253
Effects of:		
Non-assessable income	(313)	-
Adjustments in respect of current income tax of previous years	(143)	-
Change in taxation rates	(6)	(2)
Total tax charge for the year	(17)	251

The standard rate of UK corporation tax is 19% and took effect from 1 April 2017. However, in March 2021, Finance Bill 2021 included a measure to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. Finance Bill 2021 was substantively enacted in May 2021 and accordingly these rates are applicable in the measurements of deferred tax asset and liabilities as at 31 December 2021.

Notes to the financial statements (continued)

11. Investments in subsidiary companies

	Subsidiary undertakings £'000
Cost or valuation	
At 1 January 2021	18,941
Additions	30,613
At 31 December 2021	49,554
Accumulated impairment	
At 1 January 2021 and at 31 December 2021	18,849
Net book value	
At 31 December 2021	30,705
At 31 December 2020	92

In the opinion of the Directors, the investments in the Company's subsidiaries are worth at least the amounts at which they are stated in the balance sheet.

During the year the Company acquired £30,543,000 £1 ordinary shares in Richmond Villages Operations Limited and £70,000 £1 ordinary shares in Richmond Northampton Limited.

Related undertakings

In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings of the Company as at 31 December 2021, all of which are wholly owned and have their registered office at 1 Angel Court, London, United Kingdom, EC2R 7HJ are disclosed below:

Directly held related undertakings	Class of shares
Richmond Coventry Limited	Ordinary
Richmond Care Villages (Property) Limited	Ordinary
Richmond Villages Operations Limited	Ordinary
Richmond Northampton Limited	Ordinary
Richmond Nantwich Developments Limited	Ordinary
Richmond Northampton Management Limited	Ordinary
Indirectly held related undertakings	Class of shares
Richmond Nantwich Properties Limited	Ordinary
Richmond Nantwich Limited	Ordinary
Richmond Letcombe Limited	Ordinary
Bede Village Management Limited	Ordinary
Richmond Painswick Management Company Limited	Ordinary

12. Stocks

	2021 £'000	2020 £'000
Properties held for resale	3,736	18,717

There is no material difference between the balance sheet value of stocks and their replacement costs.

Notes to the financial statements (continued)

13. Debtors

Amounts falling due within one year	2021 £'000	2020 £'000
Amounts owed by Bupa group undertakings	161,852	145,735
Other debtors	3	2,840
	161,855	148,575

Amounts owed by Bupa group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Amounts falling due after more than one year	2021 £'000	2020 £'000
Deferred tax asset (note 16)	25	19

14. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to Bupa group undertakings	484	4,438
Accruals and deferred income	532	2,793
Other creditors	107	-
	1,123	7,231

Amounts owed to Bupa group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

15. Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Loans from Bupa group undertakings	74,567	104,823

Loans owed to Bupa group undertakings are repayable on the 10th anniversary of their issue as follows:

	Date issued	Repayment date	Interest rate	2021 £'000	2020 £'000
Bupa Finance plc	December 2013	December 2023	Six months LIBOR plus 110 basis points	-	31,093
Richmond Villages Operations Limited	April 2015	April 2025	Six months LIBOR plus 110 basis points	74,567	73,730
				74,567	104,823

Following the Financial Conduct Authority (FCA) decision to wind down the LIBOR (London Inter-Bank Offered Rate) interest rate benchmark, the Company's loans were transferred to SONIA (Sterling Overnight Index Average) from 1 December 2021.

Notes to the financial statements (continued)

16. Deferred tax

Deferred taxation is analysed as follows:

	2021 Assets £'000	2021 Liabilities £'000	2021 Total £'000	2020 Assets £'000	2020 Liabilities £'000	2020 Total £'000
Accelerated capital allowances	25	-	25	19	-	19

The movement in deferred taxation is as follows:

	At 1 January 2021 £'000	Recognised in profit and loss account £'000	Recognised in other comprehensive income £'000	At 31 December 2021 £'000
Accelerated capital allowances	19	6	-	25

	At 1 January 2020 £'000	Recognised in profit and loss account £'000	Recognised in other comprehensive income £'000	At 31 December 2020 £'000
Accelerated capital allowances	20	(1)	-	19

As at 31 December 2021, the Company had deductible temporary differences relating to non-trading losses of £2,869,000 (2020: £2,869,000) for which no deferred taxation asset was recognised due to uncertainty of utilisation of those temporary differences.

The UK corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. Deferred tax on temporary differences expected to reverse after this date is recognised at 25%.

Deferred tax assets are deemed recoverable as the Company is part of the Bupa Group.

17. Called up share capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid		
Equity interest		
59,490,619 (2020: 1) ordinary share of £1 each	59,491	-

The Company issued 59,490,619 £1 ordinary shares at par during the year ended 31 December 2021. The consideration received was settled by the conversion of amounts owing to group undertakings.

Notes to the financial statements (continued)

18. Contingent liabilities, guarantees and other financial commitments

(i) Contingent liabilities

The Company has no contingent liabilities at the end of either year.

(ii) Guarantees

The Company has no outstanding guarantees at the end of either year.

(iii) Financial commitments

The Company has no outstanding financial commitments at the end of either year.

(iv) Capital commitments

The Company has no outstanding capital commitments at the end of either year.

19. Related party transactions

The Company has applied the disclosure exemptions available under FRS 101 in respect of transactions with wholly owned subsidiaries within the consolidated group.

See note 7 for disclosure of the Directors' remuneration.