

**BRAMLEY COURT (CARE HOMES)  
LIMITED**

**Annual Report and Financial Statements**

**For the year ended 30 September 2014**

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# **BRAMLEY COURT (CARE HOMES) LIMITED**

## **Annual report and financial statements for the year ended 30 September 2014**

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# **BRAMLEY COURT (CARE HOMES) LIMITED**

## **Annual report and financial statements for the year ended 30 September 2014**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

E J Coyle (resigned 26 January 2015)  
G Sizer  
P H Scott

#### **REGISTERED OFFICE**

2<sup>nd</sup> Floor  
Tirrem House  
16 High Street  
Yarm  
TS15 9AE

#### **BANKER**

Ulster Bank Limited  
11-16 Donegall Square East  
Belfast  
BT7 5UB

#### **SOLICITOR**

DLA Piper UK LLP  
Princes Exchange  
Princes Square  
Leeds  
LS1 4BY

#### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Newcastle upon Tyne  
NE1 2HF  
United Kingdom

## BRAMLEY COURT (CARE HOMES) LIMITED

### **DIRECTORS' REPORT** **for the year ended 30 September 2015**

The directors present their annual report, together with the financial statements and independent auditor's report for the year ended 30 September 2014.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

#### **ACTIVITIES**

The principal activity of the company during the year has been the letting of property to Zest Care Homes Limited, a fellow group company.

#### **DIRECTORS**

The directors who served throughout the year and since were as follows:

E J Coyle (resigned 26 January 2015)  
G Sizer  
P H Scott

#### **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 8, of the financial statements.

#### **AUDITOR**

Each of the persons who are directors of the company at the date of this report confirms that:

- So far as the director is aware there is no relevant audit information of which the company's auditor is unaware, and
- The director has 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 auditor is aware of this information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



G K Sizer  
Director  
30 June 2015

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the 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 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 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 these financial statements, the directors are required to:

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

The directors are 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. They are 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMLEY COURT (CARE HOMES) LIMITED**

We have audited the financial statements of Bramley Court (Care Homes) Limited for the year ended 30 September 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014 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 period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMLEY COURT  
(CARE HOMES) 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 financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

*Debitte up*

David Johnson BA FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Newcastle Upon Tyne, United Kingdom  
30 June 2015

# BRAMLEY COURT (CARE HOMES) LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 30 September 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	1	330,000	330,000
Administrative expenses		(218)	(143)
<b>OPERATING PROFIT</b>		329,782	329,857
Interest payable and similar charges		(318,369)	(326,378)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	11,413	3,479
Tax on profit on ordinary activities	4	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	11,413	3,479

All activities derive from continuing operations.

The notes on pages 8 – 12 form an integral part of these financial statements.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 30 September 2014

	2014 £	2013 £
Profit for the financial year	11,413	3,479
Unrealised deficit on revaluation of fixed assets	(950,000)	(1,050,000)
Total recognised losses relating to the year	(938,587)	(1,046,521)



# BRAMLEY COURT (CARE HOMES) LIMITED

## BALANCE SHEET 30 September 2014

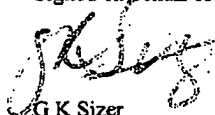
	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	5	6,000,000	6,950,000
<b>CURRENT ASSETS</b>			
Debtors	6	330,000	330,000
<b>CREDITORS: amounts falling due within one year</b>	7	(136,422)	(147,835)
<b>NET CURRENT ASSETS</b>		193,578	182,165
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,193,578	7,132,165
<b>CREDITORS: amounts falling due after more than one year</b>	8	(2,466,029)	(2,466,029)
<b>NET ASSETS</b>		3,727,549	4,666,136
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	579,352	567,939
Investment revaluation reserve	10	3,148,196	4,098,196
<b>SHAREHOLDERS' FUNDS</b>	11	3,727,549	4,666,136

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The notes on pages 8 – 13 form an integral part of these financial statements.

The financial statements of Bramley Court (Care Homes) Limited registered number 05107197 were approved by the Board of Directors on 30 June 2015

Signed on behalf of the Board of Directors



G K Sizer

Director

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 September 2014**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current and preceding financial year.

**Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards.

**Going concern**

As disclosed in note 12 at the balance sheet date the company was party to an omnibus guarantee in relation to the group's external bank borrowings and therefore it is necessary to also consider the financial position of the group. The group borrowings were repayable on demand

In January 2015 the group disposed of Icen House Care home and the net sales consideration of £4.1m was used to repay group borrowings. In March 2015 the residual borrowings were successfully refinanced under a new £4 million term loan facility expiring in April 2018.

The group funds ongoing working capital requirements and interest payments through its cash balance and cash generated from trading.

The group and company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group and company should be able to operate comfortably within the level of the new term loan facility.

On this basis the directors have a reasonable expectation that the group and company will be able to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Turnover**

Turnover represents amounts receivable in respect of rental income on investment properties, and is derived from the company's principal activity. All turnover originates in the United Kingdom.

Rental income from operating leases is recognised in line with the terms of the relevant lease.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings: 50 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2014**

**1. Accounting policies (continued)**

**Revaluation of properties**

A full independent valuation of freehold properties is performed every five years with an interim valuation every three years. The surplus or deficit on the book value is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus. On an annual basis the director assesses the carrying value of freehold and leasehold properties, to determine if there has been a material change in value, and if in his judgement the carrying value is appropriate. No annual transfer is made between the revaluation reserve and the profit and loss account to reflect the excess depreciation charged on the revalued portion of the asset.

**Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

**Cash flow statement**

The company is not presenting a cash flow statement in accordance with the exemption in FRS 1 'Cash Flow Statements'. The company qualifies as a small company in companies legislation.

**2. EMPLOYEES**

The average number of employees (including directors) were:

	2014 No.	2013 No.
Directors	<u>3</u>	<u>3</u>

No emoluments were received or are receivable by any director in respect of services during the current or preceding year.

**3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2014 £	2013 £
<b>Auditor's remuneration:</b>		
- fees payable to company's auditor for the audit of the company's annual accounts	<u>2,000</u>	<u>2,500</u>

Audit fees are paid by another group company. Fees payable to the Company's auditors for non-audit services amounting to £1,400 have been paid by another group company.

# BRAMLEY COURT (CARE HOMES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2014

### 4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

#### i) Analysis of tax charge on ordinary activities

	2014 £	2013 £
United Kingdom corporation tax on the profit/(loss) for the year	-	-
Deferred tax	-	-
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

#### ii) Factors affecting tax charge for the current year.

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK: 22.0% (2013: 23.5%).

The differences are explained below:

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	11,413	3,479
Tax at 22.0% (2013: 23.5%) thereon:	2,511	818
Group relief	(2,511)	(818)
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

### 5. TANGIBLE FIXED ASSETS

	Freehold property £
<b>Valuation</b>	
At 1 October 2013	6,950,000
Impairment	(950,000)
<b>At 30 September 2014</b>	<b>6,000,000</b>
<b>Net book value</b>	
At 30 September 2014	6,000,000
At 30 September 2013	6,950,000

The property was valued by Christie + Co, London, at 30 November 2011 on a going concern basis at £8,000,000. During the current year the directors have reassessed the carrying value of the fixed assets and recorded a reduction in value of (£950,000).

If the property had not been revalued it would have been included at £2,851,804 according to the historical cost convention.

# BRAMLEY COURT (CARE HOMES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2014

### 6. DEBTORS

	2014 £	2013 £
Amounts due from group undertakings	<u>330,000</u>	<u>330,000</u>

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Amounts owed to group undertakings	107,670	111,074
Accruals and deferred income	<u>28,752</u>	<u>36,761</u>
	<u>136,422</u>	<u>147,835</u>

### 8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Amounts owed to group undertakings	<u>2,466,029</u>	<u>2,466,029</u>

The amounts owed to group undertakings are currently interest free and are not repayable within the next 12 months.

### 9. CALLED-UP SHARE CAPITAL

	2014 £	2013 £
<i>Allotted, called-up and fully paid</i> 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

### 10. RESERVES

	Profit and loss account £	Revaluation reserve £
At 1 October 2013	567,939	4,098,196
Retained profit for the year	11,413	-
Unrealised deficit on revaluation of investment property	-	(950,000)
At 30 September 2014	<u>579,352</u>	<u>3,148,196</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2014**

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	4,666,136	5,712,657
Retained profit/(loss) for the year	11,413	3,479
Unrealised loss on revaluation of fixed assets	(950,000)	(1,050,000)
Closing shareholders' funds	<u>3,727,549</u>	<u>4,666,136</u>

**12. COMMITMENTS**

The company is party to an omnibus guarantee in favour of Ulster Bank to secure group borrowings. The total borrowings outstanding at the period end were £7,810,136 (2013: £27,852,269).

The bank loans are secured by a fixed and floating charge over all the assets of the company.

**13. RELATED PARTY TRANSACTIONS**

The company is exempt from the requirements of FRS 8 'Related Party Disclosures' to disclose transactions with other members of the group. Other than as disclosed below, there have been no transactions with the directors of the company (refer to note 2), or of the group in the year.

**14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The directors regard Bramley (2007) Limited, a company incorporated in England and Wales, as being the company's immediate parent company.

The directors regard Zest Investment Group Limited, a company incorporated in England and Wales, as being the company's ultimate parent company and is the parent company of the largest and smallest group which includes the company. Copies of the group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Zest Investment Group Limited is jointly controlled by the directors who each control 33.33 per cent of the issued share capital of the company.