

**Barchester Properties Construction Limited**

**Directors' report and financial  
statements**

Registered number 5601709

31 December 2009

FRIDAY



\*AWIYHM4T\*

A20

30/07/2010

397

COMPANIES HOUSE

## Contents

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Independent auditors' report to the members of Barchester Properties Construction Limited	4
Profit and loss account	6
Reconciliation of movements in equity shareholders' funds	6
Balance sheet	7
Notes	8

## Company information

<b>Directors</b>	Michael Parsons David Duncan
<b>Secretary</b>	Jon Hather
<b>Auditors</b>	KPMG LLP Plym House 3 Longbridge Road Marsh Mills Plymouth PL6 8L F
<b>Bankers</b>	Royal Bank of Scotland London Corporate Services 2½ Devonshire Square London EC2M 4XJ
<b>Solicitors</b>	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA
<b>Registered office</b>	Suite 201 The Chambers Chelsea Harbour London SW10 0XL
<b>Registered number</b>	5601709

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009

### Principal activities

The principal activity of the Company is the construction of nursing homes and extensions to nursing homes within the Grove / Barchester Group

### Business review

Details of the results for the year are set out in the profit and loss account on page 6

On 30 December 2009, assets in the course of construction totalling £4 448m were transferred at fair value from Barchester PropCo Two Limited, a related undertaking

### Dividends

The directors do not recommend the payment of a dividend (2008 *£nil*)

### Directors and directors' interests

The directors who held office during the period were as follows

David Duncan  
Michael Parsons

### Employees

The directors recognise the importance of human resources. Practices to provide good communications and relations with employees include providing them with information on matters of concern to them as employees

The company continues to give full and fair consideration to applications from disabled persons. If an employee becomes disabled the company endeavours to continue their employment if this is practical and in appropriate cases training is given

### Political and charitable donations

The company made no political or charitable donations during the year (2008 *£nil*)

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office



J Hather  
Secretary

Suite 201  
The Chambers  
Chelsea Harbour  
London  
SW10 0XF

30 June 2010

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

Plym House  
3 Longbridge Road  
Plymouth  
PL6 8LT  
United Kingdom

**Independent auditors' report to the members of Barchester Properties Construction Limited**

We have audited the financial statements of Barchester Properties Construction Limited for the year ended 31 December 2009 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

**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 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Independent auditors' report to the members of Barchester Properties Construction 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

*Ian J Brokenshire*

Ian J Brokenshire (Senior Statutory Auditor)  
for and on behalf of KPMG, Statutory Auditor  
Chartered Accountants  
3 Longbridge Road  
Plymouth  
PL 6 8L 1

30 June 2010

**Profit and loss account**  
*for year ended 31 December 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Turnover</b>	<i>1</i>	<b>2</b>	<b>3 079</b>
Cost of services		-	(2,975)
<b>Gross profit</b>		<b>2</b>	<b>104</b>
Interest payable and similar charges	<i>4</i>	(22)	-
Interest receivable and similar income	<i>5</i>	5	22
<b>(Loss)/profit on ordinary activities before taxation</b>	<i>2</i>	<b>(15)</b>	<b>126</b>
Tax on (loss)/profit on ordinary activities	<i>6</i>	(4)	(58)
<b>(Loss)/profit for the financial year</b>	<i>12</i>	<b>(19)</b>	<b>68</b>

There were no recognised gains or losses other than those shown above

There were no acquisitions or discontinued activities

There is no difference between the results as stated above and the results on a historic cost basis

**Reconciliation of movements in equity shareholders' deficit**  
*for year ended 31 December 2009*

	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
(Loss)/profit for the financial period	(19)	68
Opening equity shareholders' deficit	(375)	(443)
<b>Closing equity shareholder's deficit</b>	<b>(394)</b>	<b>(375)</b>



**Balance sheet**  
*at 31 December 2009*

	<i>Notes</i>	<b>2009</b>	<b>2008</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible assets	7	4,448	-
<b>Current assets</b>			
Debtors	8	9,566	8,157
Cash at bank		2	105
		<u>9,568</u>	<u>8,262</u>
<b>Creditors, amounts falling due within one year</b>	9	<u>(10,410)</u>	<u>(8,637)</u>
<b>Net current liabilities</b>		<u>(842)</u>	<u>(375)</u>
<b>Total assets less current liabilities</b>		<u>3,606</u>	<u>(375)</u>
<b>Creditors, amounts falling due after more than one year</b>	10	<u>(4,000)</u>	<u>-</u>
<b>Net liabilities</b>		<u>(394)</u>	<u>(375)</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	(394)	(375)
<b>Equity shareholders' deficit</b>		<u>(394)</u>	<u>(375)</u>

These financial statements were approved by the board of directors on 30 June 2010 and were signed on its behalf by



**D. Duncan**  
*Director*

Company Number 5601709

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company is exempt from the requirement of FRS 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Grove Limited and its cash flows are included within the consolidated cash flow statement of that Company

As the Company is a wholly owned subsidiary of Grove Limited the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Grove Limited within which the company is included, can be obtained from the address given in note 13

#### ***Going Concern***

The company has considerable financial resources together with long term support from Group. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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 annual financial statements.

#### ***Taxation***

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Turnover***

Turnover represents amounts receivable for the sale of constructed nursing homes. Turnover is recognised on an accruals basis as earned.

#### ***Fixed assets and depreciation***

No depreciation is charged on freehold land or assets in the course of construction.

## Notes (continued)

### 2 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging

	2009 £000	2008 £000
Auditors' remuneration		
Audit	4	4
	-	-

The remuneration of the audits was borne by another Group Company. The amount above is management's best estimate of the proportion relating to this Company.

### 3 Remuneration of directors

The Company had no employees other than directors.

The directors received £nil emoluments for services to the company during the (2008 £nil). The directors received remuneration for services to Grove Limited, of which Barchester Properties Construction Limited is a subsidiary undertaking, however the proportion attributable to their services to Barchester Properties Construction Limited is not separately identifiable.

### 4 Interest payable and similar charges

	2009 £000	2008 £000
On bank loans and overdrafts	16	-
On amounts owed to group undertakings	6	-
	<u>22</u>	<u>-</u>
	-	-

### 5 Interest receivable and similar income

	2009 £000	2008 £000
Interest receivable	5	22
	<u>-</u>	<u>-</u>

**Notes** (continued)

**6 Taxation**

	2009 £000	2008 £000
<i>UK corporation tax</i>		
Current tax on income for the period	4	-
Adjustment in respect of prior periods	-	-
<b>Total current tax</b>	<b>4</b>	<b>-</b>
<i>Deferred tax</i>		
Current year	-	44
Adjustment in respect of prior period	-	14
<b>Total deferred tax</b>	<b>-</b>	<b>58</b>
<b>Tax on (loss)/profit on ordinary activities</b>	<b>4</b>	<b>58</b>

*Factors affecting the tax charge for the current year*

The current tax charge for the year is higher (2008: lower) than the standard rate of corporation tax in the UK of 28% (2008: 28.5%). The differences are explained below:

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(15)	126
Current tax at 28% (2008: 28.5%)	(4)	36
<i>Effects of:</i>		
Group relief	14	50
Profit on disposal of non-qualifying assets	-	-
Transfer pricing adjustment	(6)	(42)
Loss on disposal of qualifying assets	-	-
Capitalisation interest	-	(44)
Adjustments to tax charge in respect of previous periods	-	-
<b>Total current tax charge (see above)</b>	<b>4</b>	<b>-</b>

**Notes (continued)**

**7 Tangible fixed assets**

	Assets in course of construction £000	Total £000
<i>Cost</i>		
At beginning of year	-	-
Additions	4,448	4,448
	<hr/>	<hr/>
At end of year	4,448	4,448
	<hr/>	<hr/>
<i>Depreciation</i>		
At beginning of year	-	-
Charge for year	-	-
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2009	4,448	4,448
	<hr/>	<hr/>
At 31 December 2008	-	-
	<hr/>	<hr/>

**8 Debtors**

	2009 £000	2008 £000
Amounts owed by group undertakings	9,566	8,157
	<hr/>	<hr/>

The amounts due from group undertakings stated above are legally due on demand and are thus due within one year although it is not expected that the demand would be made or that these amounts will be received within the next year.

**9 Creditors' amounts falling due within one year**

	2009 £000	2008 £000
Trade creditors	48	64
Amounts owed to group undertakings	10,358	8,573
Corporation tax	4	-
	<hr/>	<hr/>
	10,410	8,637
	<hr/>	<hr/>

The amounts due to group undertakings are legally due on demand and are thus due within one year although it is not expected that the amounts would be demanded within the next year.

**Notes (continued)**

**10 Creditors amounts falling due more after than one year**

	2009 £000	2008 £000
Other loans	4,000	-

This represents a loan from shareholders which is secured over certain assets of the Company by way of fixed and floating charges. They are repayable on 30 June 2012 and have interest payable at a fixed rate of 20%.

**11 Called up share capital**

	2009 £	2008 £
<i>Allotted, issued and fully paid</i>		
1 ordinary share of £1 each	1	1

**12 Reserves**

	Profit and loss account £000
At beginning of year	(375)
Loss for year	(19)
At end of year	(394)

**13 Ultimate parent company and parent undertaking of larger group of which the Company is a member**

The Company is a wholly owned subsidiary undertaking of Grove Limited, a company incorporated in Jersey.

The consolidated accounts of Grove Limited are available to the public and may be obtained from

22 Grenville Street  
 St Helier  
 Jersey  
 JE4 8PX  
 Channel Islands