

**Barchester HoldCo Limited**

**Annual report and financial statements**

Registered number 05843985

Year ended 31 December 2013

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## Company Information

<b>Directors</b>	David Duncan Jon Hather
<b>Secretary</b>	Ian Portal
<b>Registered office</b>	Suite 201 Design Centre East Chelsea Harbour London SW10 0XF
<b>Auditors</b>	KPMG LLP 100 Temple Street Bristol BS1 6AG
<b>Solicitors</b>	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA
<b>Bankers</b>	The Royal Bank of Scotland plc London Corporate Services 2½ Devonshire Square London EC2M 4XJ
<b>Registered number</b>	05843985

## Strategic report

The directors present their Strategic report, Directors' report and financial statements for the year ended 31 December 2013.

### Principal activity

The principal activity of the Company was that of a holding company. During 2013 the company disposed of its 100% holding in its subsidiary Bluehood Limited. Therefore there is no longer a consolidation at this level in the group, the results of the Company will continue to be consolidated as part of Grove Limited consolidated financial statements.

### Business review

Barchester HoldCo Limited had one subsidiary in the prior year, Bluehood Limited, which owned a large portfolio of properties of the Barchester Group. During the year, the company subscribed for a further 117,500,000 £1 ordinary shares in Bluehood Limited, at face value, and settled this through intercompany balances.

The Company disposed of its 100% investment in August 2013 for consideration of £1. The sale included the clearing of the £910m of debt held in the Company, and a significant swap liability (held off balance sheet with the subsidiary), and resulted in a loss on sale of £117.5m recognised in the profit and loss account.

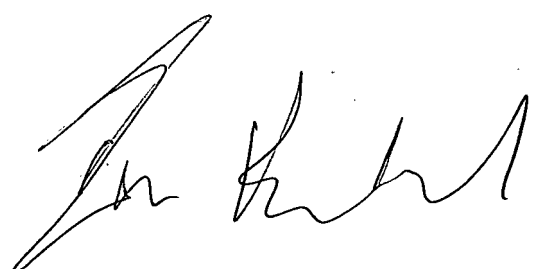
As part of this transaction a capital contribution was received from the parent company amounting to £111,130,000 in order to mitigate the impact of the loss on disposal on the balance sheet of the company.

The Company is now non-trading and plans to remain so in the future. The company is consolidated as part of Grove Limited. As the company is no longer trading, the group's Business review and risk and uncertainties can be found in Grove Limited. The directors deem that there are no risks and uncertainties directly attributable to the company as it is currently not trading.

### Future prospects

The Company is currently non-trading and is expected to remain so in the future. There are no plans for the company to recommence trading in the immediate future.

By order of the board



**Ian Portal**  
*Secretary*

Suite 201  
Design Centre East  
Chelsea Harbour  
London  
SW10 0XF  
18 June 2014

## Directors' report

### Political and charitable donations

The Company made no political or charitable donations during the year (2012: £nil).

### Directors and directors' interests

The directors who held office during the year were (the directors holding office at the date of signing are shown on page 1):

David Duncan

Michael Parsons - (resigned 8 October 2013)

Jon Hather

### Dividends

The directors do not recommend the payment of a dividend (2012:£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.

By order of the board



Ian Portal

Secretary

Suite 201  
Design Centre East  
Chelsea Harbour, London  
SW10 0XF  
18 June 2014

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 group and company and of the profit or loss of the group and 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 and group's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and to prevent and detect fraud and other irregularities.



KPMG LLP  
100 Temple Street  
Bristol  
BS1 6AG

## **Independent auditor's report to the members of Barchester HoldCo Limited**

We have audited the financial statements of Barchester HoldCo Limited for the year ended 31 December 2013 set out on pages 9 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 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 set out on page 4, 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeprivate](http://www.frc.org.uk/auditscopeprivate).

### **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 2013 and of the 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Barchester HoldCo 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.



**Nicholas Hall (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
100 Temple Street  
Bristol  
BS1 6AG

23 June 2014



**Profit and loss account**  
*for the year ended 31 December 2013*

	<i>Note</i>	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
<b>Turnover</b>	<i>1</i>	-	-
Cost of sales		(7,883)	-
		<hr/>	<hr/>
<b>Gross loss and operating loss</b>		(7,883)	-
Loss on sale of investments		(117,500)	-
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	<i>2</i>	(125,383)	-
Tax on loss on ordinary activities	<i>5</i>	88	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>	<i>9</i>	<u>(125,295)</u>	<u>-</u>

There were no acquisitions in the current or prior year.

The notes on pages 9 to 12 form an integral part of these financial statements.

**Reconciliation of movement in shareholder's deficit**  
*for the year ended 31 December 2013*

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Loss for the financial year	(125,295)	-
Capital contribution	111,130	-
Equity shareholder's funds at start of year	-	-
	<hr/>	<hr/>
Equity shareholder's deficit at end of year	<u>(14,165)</u>	<u>-</u>

## Balance sheet

at 31 December 2013

	Note	2013		2012	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments			-		-
<b>Current assets</b>					
Debtors	6	1,203		917,361	
Creditors: amounts falling due within one year	7	(15,368)		(917,361)	
<b>Net current liabilities</b>			(14,165)		-
<b>Total assets less current liabilities</b>			(14,165)		-
Creditors: amounts falling due after more than one year	7		-		-
<b>Net (liabilities)/assets</b>			(14,165)		-
<b>Capital and reserves</b>					
Called up share capital	8		-		-
Profit and loss account	9		(14,165)		-
<b>Equity shareholder's deficit</b>			(14,165)		-

These financial statements were approved by the board of directors on 18 June 2014 and were signed on its behalf by:



**David Duncan**  
Director

Company Number: 05843985

The notes on pages 9 to 12 form an integral part of these financial statements.

## 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 by virtue of section 408 of the Companies Act 2006 from the requirements to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

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 have therefore no disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Grove Limited, within which this Company is included, can be obtained from the address given in note 13.

#### *Going Concern*

Notwithstanding net liabilities/net current liabilities of £14,165,000 the company has adequate 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 and group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing these annual financial statements.

Group companies have confirmed that any amounts due to group undertakings will not be demanded within the next year.

#### *Taxation*

The charge for taxation is based on the profit for the year 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.

### 2 Loss on ordinary activities before taxation

	2013	2012
	£000	£000
<i>Loss on ordinary activities before taxation is stated after charging/(crediting):</i>		
Loss on sale of fixed assets	117,500	-

### 3 Auditor's remuneration

The remuneration of the auditor in the current and prior years was borne by another group company. The estimate of this for the current year is £9,000 (2012:£9,000).

## Notes (continued)

### 4 Directors emoluments

The Company had no employees other than directors (2012: *nil*). The directors received £nil emoluments for services to the Company during the year (2012: *£nil*). The directors received remuneration for services to Grove Limited of which Barchester HoldCo Limited is a subsidiary undertaking, however, the proportion attributable to their services to Barchester HoldCo Limited is not separately identifiable.

### 5 Taxation

	2013 £000	2012 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	-
Adjustments in respect of prior periods	(96)	-
Effects of change in corporation tax rate	8	-
	(88)	-

#### Factors affecting the tax credit for the current year

The current tax charge for the year is lower than (2012: *equal to*) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £000	2012 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	(125,383)	-
Current tax at 23.25% (2012: 24.5%)	(29,147)	-
<i>Factors affecting credit for the year:</i>		
Capital allowances for the year in excess of depreciation	2,005	-
Non qualifying depreciation	27,315	-
Transfer pricing	(173)	-
Total current tax charge (see above)	-	-

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

## Notes (continued)

### 6 Debtors

	2013 £000	2012 £000
<b>Due within one year</b>		
Amount owed by related and subsidiary undertakings	1,092	915,742
Prepayments and accrued income	23	1,619
Deferred Tax Asset	88	-
	<u>1,203</u>	<u>917,361</u>

The amounts owed by related and subsidiary undertakings are unsecured and not subject to any fixed repayment date.

The elements of deferred taxation are as follows:

	2013 £000	2012 £000
Other short term timing differences	<u>88</u>	<u>-</u>

### 7 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Bank loans and overdrafts (net of unamortised issue costs of £nil (2012: £1,744,000))	-	909,824
Amounts owed to related undertakings	14,827	7,537
Accruals and deferred income	541	-
	<u>15,368</u>	<u>917,361</u>

The bank loans were secured over certain assets of the group by way of fixed and floating charges.

Analysis of total borrowings noted above (excluding interest bearing inter-company borrowings):

	2013 £000	2012 £000
Bank loans and other loans falling due:		
In one year or less	-	909,824
Between one and two years	-	-
Between two and five years	-	-
In five years or more	-	-
	<u>-</u>	<u>909,824</u>

## Notes (continued)

### 8 Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

### 9 Reserves

	Profit and loss account £000	Total £000
At beginning of year	-	-
Loss for the financial year	(125,295)	(125,295)
Capital contribution	111,130	111,130
<b>At end of year</b>	<u><b>(14,165)</b></u>	<u><b>(14,165)</b></u>

### 10 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 Barchester HoldCo (Jersey) Limited, a company incorporated and registered in Jersey.

The Company's ultimate parent undertaking is Grove Limited, a company incorporated and registered in Jersey.

The largest group in which the results of the Company are consolidated is that headed by Grove Limited. The consolidated accounts of Grove Limited are available to the public and may be obtained from [www.jerseyfsc.org](http://www.jerseyfsc.org).