Brampton View Limited

(formerly Avery Homes Northampton Limited)

Strategic report, Directors' report and financial statements

Registered number 06088220

9 months ended 31 December 2013

Contents

Strategic report

Background and ownership structure

Brampton View Limited is a trading company within the FSHC Group Holdings Limited group of companies.

The directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate parent entity.

Financial results

In the 9 months ended 31 December 2013, the company made a profit before taxation of £417,000 *(12 months ended 31 March 2013: £267,000).*

Principal activity

The principal activity of the company is the development and operation of a care home together with the provision of specialist services for the elderly.

Business review and KPIs

On 11 April 2013, the company was acquired by Four Seasons (MW) Limited, an intermediate parent company within the FSHC Group Holdings Limited group.

The results of the company are consolidated in the group headed by FSHC Group Holdings Limited, the consolidated financial statements of which contain a detailed business review and KPIs relating to the group. Copies of these financial statements can be obtained from the address given in note 16.

On an individual company basis, the main financial and operational KPIs were as follows:

	9 months ended 31 December 2013	12 months ended 31 March 2013
Turnover	**£2,763,000**	£3,468,000
Operating profit	**£417,000**	£543,000
Average occupancy in the year	**98.3%**	98.0%*

* Average at March 2013 rather than for 12 months ended 31 March 2013

Principal risks and risk management

The FSHC Group Holdings Limited group has management structures and policies and procedures which are designed to enable the achievement of business objectives while controlling the risks associated with the environment in which it operates. The group has a risk management process in place which is designed to identify, manage and mitigate business risk. The company operates within this group structure.

The material risks affecting the company and the means by which they are managed are as follows:

Financial risks

- *Reduction in the demand for our services*
  Mitigation: the company continues to invest in its assets and staff in order to provide an attractive and competitive proposition.

- *Liquidity risk*
  Mitigation: liquidity is managed centrally within the group. Performance is monitored by strong financial and management accounting through the finance function, monthly tracking of long-term business plans and shorter term budgets against actual performance in line with obligations under financing agreements.

Strategic report *(continued)*

Principal risks and risk management *(continued)*

Operational risks

- *Reputational risk*
  Mitigation: in order to mitigate this risk as far as possible, the group has implemented rigorous clinical governance, carries out substantial employee training, employee inductions and employee reference procedures, including a criminal background check for all frontline staff.

- *Regulatory risk*
  Mitigation: the group devotes a considerable amount of time to the management of regulatory matters. Compliance with the on-going requirements of these licences and changes arising from the evolving regulatory environment mean that significant attention has been, and will continue to be, dedicated to regulatory compliance.

Employment policies

The company aims to provide equal opportunities regardless of sex, race, religion or belief, sexual orientation, disability or ethnic origin, recognising that the continued success of the group depends upon its ability to attract, motivate and retain people of the highest calibre.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The company encourages staff involvement through a process of communication and participation. This involves the provision of information through normal management channels including regular management briefing letters, annual conferences and meetings.

Environmental policy

The FSHC Group Holdings Limited group has an environmental commitment which includes compliance with existing environmental regulations, minimising the consumption of resources, a policy of "reduce, reuse and recycle" and providing awareness amongst staff of the environmental impact of travel.

D J Kay
Director

Norcliffe House
Station Road
Wilmslow
Cheshire
SK9 1BU

29 September 2014

Directors' report

The directors present their annual report and the audited financial statements of the company for the period ended 31 December 2013.

Results and dividends

The results for the period are shown in the profit and loss account on page 7. The directors do not recommend the payment of a dividend *(31 March 2013: £nil)*.

Directors

The directors during the year under review were:

I Matthews	(resigned 11 April 2013)
M F Proctor	(resigned 11 April 2013)
J M B Strowbridge	(resigned 11 April 2013)
P C Calveley	(appointed 11 April 2013, resigned 4 November 2013)
D J Kay	(appointed 11 April 2013)
M C Royston	(appointed 13 December 2013)
I Smith	(appointed 4 November 2013)
B R Taberner	(appointed 11 April 2013)

Going concern and liquidity management

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. With this in mind, the directors have formally considered and concluded that the preparation of the financial statements on a going concern basis is appropriate. Further details are shown in the "Basis of preparation" section of note 1 to the financial statements.

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By order of the board

D J Kay
Director

Norcliffe House
Station Road
Wilmslow
Cheshire
SK9 1BU

29 September 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 the directors have elected to prepare the financial statements in accordance with UK 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of Brampton View Limited

We have audited the financial statements of Brampton View Limited for the period ended 31 December 2013 set out on pages 7 to 17. 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 to 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/auditscopeukprivate.

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 its profit for the period 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 the 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 Brampton View 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.

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

29 September 2014

Profit and loss account
for the period ended 31 December 2013

	Note	**Period ended 31 December 2013 £000**	Year ended 31 March 2013 (restated) £000
Turnover	*2*	**2,763**	3,468
Cost of sales		**(2,346)**	(2,925)
Operating profit		**417**	543
Interest payable and similar charges	*6*	**-**	(276)
Profit on ordinary activities before taxation	*3*	**417**	267
Tax on profit on ordinary activities	*7*	**(117)**	(259)
Retained profit for the financial period	*14*	**300**	8

The company has no recognised gains or losses in the current or prior period other than those reported above.

All amounts relate to continuing operations.

The financial statements include the notes on pages 10 to 17.

Balance sheet
at 31 December 2013

	Note	31 December 2013 £000	31 December 2013 £000	31 March 2013 £000	31 March 2013 £000
Fixed assets					
Tangible assets	*8*		**287**		377
Current assets					
Stocks	*9*	**-**		1	
Debtors	*10*	**13,459**		12,574	
Cash at bank and in hand		**115**		228	
		13,574		12,803	
Creditors: amounts falling due within one year	*11*	**(9,072)**		(8,691)	
Net current assets			**4,502**		4,112
Net assets			**4,789**		4,489
Capital and reserves					
Called up share capital	*13*		**-**		-
Profit and loss account	*14*		**4,789**		4,489
Shareholder's funds			**4,789**		4,489

The financial statements include the notes on pages 10 to 17.

These financial statements were approved by the board of directors on 29 September 2014 and were signed on its behalf by:

B. R. Taberner

B R Taberner
Director

Reconciliation of movements in shareholder's funds
for the period ended 31 December 2013

	31 December 2013 £000	31 March 2013 £000
Opening shareholder's funds	**4,489**	4,481
Profit for the financial period	**300**	8
Closing shareholder's funds	**4,789**	4,489

The notes on pages 10 - 17 form 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.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and within the requirements of the Companies Act 2006. The current period is for 9 months as a result of changing the year end to 31 December 2013 to align it with other members within the FSHC Group Holdings Limited group.

Going concern

Following the acquisition of Brampton View Limited and fellow subsidiaries within the Optimum Care group of companies on 11 April 2013, all debt-related liabilities in the acquired group were repaid in full. The repayment was financed by a new bank loan which was further extended in March 2014 to fund an additional acquisition. The bank facilities are now comprised of the following elements:

- "Facility A1": £11,500,000 with repayment instalments every six months increasing from £500,000 in September 2013 to £1,250,000 in September 2015. The balance is due for repayment in April 2019. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the group's leverage.

- "Facility A2": £6,000,000 with repayment instalments every six months increasing from £300,000 in September 2014 to £675,000 in September 2015. The balance is due for repayment in April 2019. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the group's leverage.

- "Facility B1": £38,000,000 repayable in April 2019. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the group's leverage.

- "Facility B2": £19,000,000 repayable in April 2019. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the group's leverage.

- Revolving credit facility: £3,000,000 which remains undrawn at the time of signing the financial statements, and is available until April 2019. Interest is charged at LIBOR plus 2.40% - 3.75% depending on the group's leverage.

In order to manage exposure to fluctuating interest rates, two interest rate swaps have been entered into. The first swap had an initial notional value of £37,500,000 at July 2013 which amortises to £29,437,500 at December 2018 with a fixed payable interest rate of 1.2375%. The second interest rate swap was entered into effective from 30 June 2014. The swap has an initial notional value of £18,750,000 at June 2014 which amortises to £14,756,250 at December 2018 with a fixed interest rate of 2.015%.

These debt facilities provide Four Seasons (CB) Limited and its subsidiaries with a stable and secure financial structure.

The forecast and projections of the company and group, sensitised to take into account all reasonably foreseeable changes in trading performance, show that it has sufficient funding and covenant headroom within its current financing arrangements for at least the next 12 months from the date of these accounts.

Based on these forecasts, the directors of Brampton View Limited have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Cash flow statement

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as at 31 December 2013 it was a wholly owned subsidiary undertaking of Four Seasons (CB) Limited, and its cash flows are included within the consolidated cash flow statement of that company.

Related party transactions

The directors have taken advantage of the exemption in FRS 8, Paragraph 3(c) and as the company is a wholly owned subsidiary of Four Seasons (CB) Limited have not disclosed related party transactions with parent and fellow subsidiary undertakings.

Tangible fixed assets and depreciation

Depreciation has been provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Motor vehicles	25% straight line
Computer equipment	25% straight line
Fixtures, fittings and equipment	15% - 25% straight line
Freehold buildings	2% straight line

No depreciation is provided on freehold land.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation

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

Deferred tax is provided in full on timing differences which 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 is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes *(continued)*

1 Accounting policies *(continued)*

Prior year restatement

Expenses previously recorded as administration expenses have been included in cost of sales in line with group policy.

Dividends on shares presented within shareholder's funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Turnover

Turnover represents fee income relating to the provision of care services net of value added tax, as applicable. Fee income comprises care home fees which are recognised when the delivery of the service is completed. Fees invoiced in advance are included as deferred income until the service is completed.

Turnover is recognised when it can be measured reliably and it is probable that future economic benefits will accrue to the company. Turnover is derived entirely in the UK from the principal activities of the company.

3 Profit on ordinary activities before taxation

	Period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets		
Owned assets	**114**	112
Auditor's remuneration:		
Audit of these financial statements	**2**	3

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's intermediate parent, Four Seasons (CB) Limited.

4 Directors' remuneration

No remuneration was paid to the directors by the company during the current or preceding period.

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company during the period, including both full and part time staff, analysed by category, was as follows:

	Number of employees	
	Period ended 31 December 2013	Year ended 31 March 2013
Management and administration staff	**2**	7
Nursing, care and domestic staff	**80**	99
	82	106

The aggregate payroll costs of these persons were as follows:

	Period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Wages and salaries	**1,037**	1,415
Social security costs	**64**	96
	1,101	1,511

6 Interest payable and similar charges

	Period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
On bank overdrafts	-	2
On loans from group undertakings	-	274
	-	276

Notes *(continued)*

7 Tax on profit on ordinary activities

Analysis of charge in period

	Period ended 31 December 2013		Year ended 31 March 2013	
	£000	**£000**	£000	£000
UK corporation tax				
Current tax on income for the period	**-**		9	
Adjustments in respect of prior period	**(7)**		225	
Total current tax		**(7)**		234
Deferred tax				
Origination/reversal of timing differences	**114**		54	
Amounts in respect of prior period	**10**		(29)	
Deferred tax charge		**124**		25
Tax on profit on ordinary activities		**117**		259

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(31 March 2013: higher)* than the standard rate of corporation tax in the UK 23% *(31 March 2013: 24%)* due principally to the utilisation of brought forward losses. The differences are explained below.

	Period ended 31 December 2013	Year ended 31 March 2013
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before taxation	**417**	267
Current tax at 23% *(31 March 2013: 24%)*	**96**	64
Effects of:		
Expenses not deductible for tax purposes	**-**	1
Depreciation in excess of capital allowances	**26**	26
Tax losses utilised	**(122)**	(82)
Prior period adjustment	**(7)**	225
Total current tax (credit)/charge	**(7)**	234

Factors that may affect future current and total tax (credit)/charge:

The company has losses of £1,333,000 *(31 March 2013: £1,897,000)* available to offset against future trading profits.

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)*

8 Tangible fixed assets

	Freehold land and buildings £000	Equipment and fixtures £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost					
At beginning of period	34	736	14	15	799
Additions	-	24	-	-	24
At end of period	34	760	14	15	823
Depreciation					
At beginning of period	4	403	13	2	422
Charge for the period	-	112	1	1	114
At end of period	4	515	14	3	536
Net book value					
At 31 December 2013	**30**	**245**	**-**	**12**	**287**
At 31 March 2013	30	333	1	13	377

9 Stocks

	31 December 2013 £000	31 March 2013 £000
Raw materials and consumables	**-**	1

10 Debtors

	31 December 2013 £000	31 March 2013 £000
Trade debtors	**78**	49
Amounts owed by group undertakings	**13,092**	11,823
Amounts owed by related undertakings	**-**	19
Deferred tax assets (note 12)	**260**	384
Other debtors	**18**	19
Prepayments and accrued income	**11**	280
	13,459	12,574

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

Notes *(continued)*

11 Creditors: amounts falling due within one year

	31 December 2013 £000	31 March 2013 £000
Trade creditors	**493**	105
Amounts owed to group undertakings	**7,219**	7,207
Other taxes and social security	**36**	34
Group relief payable	**1,161**	1,170
Accruals and deferred income	**36**	73
Other creditors	**127**	102
	9,072	8,691

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

12 Deferred taxation

The movement in the deferred taxation provision during the period was:

	Deferred taxation £000
At beginning of period	384
Charge to the profit and loss for the period	(124)
At end of period	**260**

The elements of deferred taxation are as follows:

	2013 £000	2012 £000
Difference between accumulated depreciation and amortisation and capital allowances	**(27)**	(52)
Tax losses	**287**	436
	260	384

13 Called up share capital

	31 December 2013 No. of shares	£000	31 March 2013 No. of shares	£000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1	-	1	-

Notes *(continued)*

14 Reserves

	Profit and loss account £000	Total £000
At beginning of period	4,489	4,489
Retained profit for the financial period	300	300
At end of period	**4,789**	**4,789**

15 Contingent liabilities

The company, together with its parent and fellow subsidiary undertakings is party to a number of financing arrangements. The implications of this are explained more fully in note 1.

16 Ultimate parent

The company is a wholly owned subsidiary undertaking of Optimum FS Care Developments Limited, a company registered in England and Wales.

The ultimate parent undertaking is Terra Firma Holdings Limited, an entity incorporated in Guernsey.

The largest group in which the results of the company are consolidated is that headed by FSHC Group Holdings Limited. The consolidated financial statements of this company are available to the public and may be obtained from Morgan Sharpe, Old Bank Chambers, La Grande Rue, St Martin's, Guernsey, GY4 6RT.

The smallest group in which the results of the company are consolidated is that headed by Four Seasons (CB) Limited. The consolidated financial statements of this company are available to the public and may be obtained from Companies House.