

Registration number: 06088326

Barchester Limited (formerly brighterkind Limited)

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020

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Barchester Limited (formerly brighterkind Limited)

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Barchester Limited (formerly brighterkind Limited)

Company Information

Directors	Pete Calveley Mark Hazlewood Michael O'Reilly
Company secretary	Michael O'Reilly
Registered office	3rd Floor, The Aspect 12 Finsbury Square London EC2A 1AS

Barchester Limited (formerly brighterkind Limited)

Strategic Report for the Year Ended 31 December 2020

The Directors present their strategic report for the year ended 31 December 2020.

Fair review of the business

The results of the Company are included in the consolidated financial statements of the Group headed by Barchester Finco 2019 Limited. These financial statements contain a detailed business review relating to the Group, along with a summary of likely future developments. Copies can be obtained from Companies House.

Principal risks and uncertainties

The Board of Barchester Finco 2019 Limited analyses key risks to the business and monitors exposure to these risks through a series of Key Performance Indicators (KPIs). These KPIs are reviewed to ensure that the Group is achieving its principal objectives of providing the highest quality of care for residents, while at the same time ensuring that the infrastructure is as fully and efficiently utilised as possible to provide appropriate returns to shareholders.

Clinical quality risk

We are committed to the need to provide a consistent level of care. We have invested in a number of key areas to monitor care provision, including a specialist dementia team, clinical development nurses and a more rigorous programme of quality inspections. The business operates sophisticated levels of performance monitoring with regular reporting to senior management and the Board of any potential issues. In addition, a comprehensive programme of service audits is undertaken across all homes with reports and resulting action plans being the subject of comprehensive review. Perhaps most importantly, the Board encourages a culture of reporting any minor concerns from staff, residents and relatives, all of which are appropriately investigated. There is increased awareness of regulatory changes at Board level and regular briefing updates are being used to ensure appropriate knowledge transfer to staff throughout the business.

KPIs used:

regulatory compliance (both internal and external);
various indicators of clinical well-being; and
number of hours for staffing (employed and agency).

Health & Safety

We understand the need to provide a safe environment for our staff, residents, their guests or anyone else on our premises. Everyone in our business has accountability for health and safety, and they are given the necessary tools (including training, safety equipment and resources) to operate safely. Compliance is organised and monitored through a dedicated health and safety team across the business.

KPIs used:

notifiable accident frequency; and
accident statistics.

Barchester Limited (formerly brighterkind Limited)

Strategic Report for the Year Ended 31 December 2020 (continued)

Public spending policy

Continued pressure is being exerted to reduce Government and Local Authority spending, which is manifesting itself increasingly in the reduction of fees being paid for the care of funded residents. To mitigate this, we undertake robust fee negotiations with the public sector and also focus more on the provision of space to privately funded individuals.

KPIs used:

average fee rates; and
occupancy rates and mix.

Employment of staff

Our business thrives on the skills and expertise of the staff we employ. The shortage of appropriate labour is a potential risk to the business, this is particularly acutely felt with the national shortage of qualified nursing staff. In order to mitigate this risk, the business has a proactive Human Resources and Recruitment team.

Continuity of service and care provided to residents is vitally important to the business. In order to ensure high quality care is provided it is necessary for the business to employ well trained staff and to encourage strong staff retention. To ensure staff have appropriate skills, the business provides on-going statutory and mandatory training to all resident facing staff. Development opportunities are identified and promoted throughout the business to continue to develop staff and encourage staff retention.

In addition, the business has procedures in place to ensure continued compliance with UKBA regulations.

KPIs used:

staff turnover;
staff training statistics; and
number of hours for staffing (employed and agency).

Cost base inflation

The principal costs for the successful operation of the business include staff costs, energy and food. All of these areas are subject to on-going cost pressures in advance of inflation. In order to mitigate these areas, we have a well organised procurement process to source energy and food at the best possible rates. We have a well organised operational structure to ensure that labour is employed as effectively as possible.

KPIs used:

EBITDA and EBITDAR per bed;
labour hours per resident per day; and
costs per resident per day.

Occupancy

An inability to maintain and grow occupancy levels of both private and local authority funded residents is a potential risk to the business. In order to mitigate this risk, we have a proactive Sales and Marketing team who work alongside the operational team to monitor and review occupancy levels.

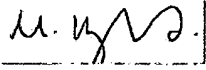
KPIs used:

occupancy rates and mix; and
enquiry conversion rates.

Barchester Limited (formerly brighterkind Limited)

Strategic Report for the Year Ended 31 December 2020 (continued)

Approved by the Board on 31 August 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M. Hazlewood', is written over a horizontal dotted line.

Mark Hazlewood
Director

Barchester Limited (formerly brighterkind Limited)

Directors' Report for the Year Ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is the provision of management services.

Directors of the Company

The Directors who held office during the year were as follows:

J R Richardson (resigned 8 January 2020)

M C Royston (resigned 8 January 2020)

P G Thomas (resigned 8 January 2020)

R S Macaskill (resigned 8 January 2020)

G L Newman (resigned 8 January 2020)

Pete Calveley (appointed 8 January 2020)

Mark Hazlewood (appointed 8 January 2020)

Michael O'Reilly - Company secretary and Director (appointed 8 January 2020)

Dividends

The Directors recommend no final dividend payment be made in respect of the financial year ended 31 December 2020 (2019: nil).

Going concern

The Directors have reasonable expectation that the Group and Company have adequate resources to continue in operation for the foreseeable future. The Directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis. Further details are in note 2 to the financial statements.

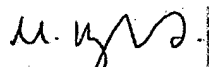
Employment of disabled persons

It is Company policy to fair consideration to the employment needs of disabled people and to comply with current legislation with regard to their employment. Wherever practicable, the Company continues to employ and promote the careers of existing employees who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitudes and abilities.

Employee involvement

The Directors recognise the importance of human resources. Practices to provide good communications and relations with employees including providing them with information on matters of concern to them as employees. Employees or their representatives are consulted on a regular basis so that their views can be taken into account in making decisions which are likely to affect their interests.

Approved by the Board on 31 August 2021 and signed on its behalf by:



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Mark Hazlewood
Director

Barchester Limited (formerly brighterkind Limited)

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 the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

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 apply them consistently;
- make judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Barchester Limited (formerly brighterkind Limited)

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Turnover		-	-
Cost of sales		<u>(456)</u>	<u>(1,800)</u>
Gross loss		(456)	(1,800)
Administrative expenses		<u>(2,693)</u>	<u>(4,503)</u>
Operating loss	4	<u>(3,149)</u>	<u>(6,303)</u>
Other interest receivable and similar income	5	-	72
Interest payable and similar expenses	6	<u>(6,419)</u>	<u>(5,875)</u>
		<u>(6,419)</u>	<u>(5,803)</u>
Loss before tax		(9,568)	(12,106)
Taxation	9	<u>4</u>	<u>27</u>
Loss for the financial year		<u><u>(9,564)</u></u>	<u><u>(12,079)</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

Barchester Limited (formerly brighterkind Limited)

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£ 000	£ 000
Loss for the year	<u>(9,564)</u>	<u>(12,079)</u>
Total comprehensive income for the year	<u><u>(9,564)</u></u>	<u><u>(12,079)</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Barchester Limited (formerly brighterkind Limited)

(Registration number: 06088326)
Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	10	36	77
Investments	11	<u>32,020</u>	<u>32,020</u>
		<u>32,056</u>	<u>32,097</u>
Current assets			
Debtors	12	34,728	51,375
Cash at bank and in hand		<u>4,798</u>	<u>10,016</u>
		39,526	61,391
Creditors: Amounts falling due within one year	13	<u>(108,673)</u>	<u>(121,015)</u>
Net current liabilities		<u>(69,147)</u>	<u>(59,624)</u>
Total assets less current liabilities		(37,091)	(27,527)
Creditors: Amounts falling due after more than one year	13	<u>(21,250)</u>	<u>(21,250)</u>
Net liabilities		<u>(58,341)</u>	<u>(48,777)</u>
Capital and reserves			
Called up share capital	15	20	20
Profit and loss account		<u>(58,361)</u>	<u>(48,797)</u>
Total equity		<u>(58,341)</u>	<u>(48,777)</u>

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 31 August 2021 and signed on its behalf by:



Mark Hazlewood
Director

Barchester Limited (formerly brighterkind Limited)

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	<u>20</u>	<u>(48,797)</u>	<u>(48,777)</u>
Loss for the year	<u>-</u>	<u>(9,564)</u>	<u>(9,564)</u>
Total comprehensive income	<u>-</u>	<u>(9,564)</u>	<u>(9,564)</u>
At 31 December 2020	<u><u>20</u></u>	<u><u>(58,361)</u></u>	<u><u>(58,341)</u></u>

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	<u>20</u>	<u>(36,718)</u>	<u>(36,698)</u>
Loss for the year	<u>-</u>	<u>(12,079)</u>	<u>(12,079)</u>
Total comprehensive income	<u>-</u>	<u>(12,079)</u>	<u>(12,079)</u>
At 31 December 2019	<u><u>20</u></u>	<u><u>(48,797)</u></u>	<u><u>(48,777)</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The functional and presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £'000.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

As the Company is a wholly owned subsidiary of Grove Limited the Company has taken advantage of the disclosure exemptions contained in FRS 102 Section 1.12. By virtue of FRS 102 Section 33.1A the Company has not disclosed transactions or balances with wholly owned entities which form part of the Group.

Name of parent of group

These financial statements are consolidated in the financial statements of Grove Limited.

The financial statements of Grove Limited may be obtained from www.jersey.fsc.org.

Group accounts not prepared

The Company is exempt by virtue of s400 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.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Going concern

Notwithstanding net current liabilities of £69,147,000 the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors of Grove Limited (the Company's ultimate parent undertaking) have prepared cash flow forecasts for the Grove Group for the remainder of 2021 and the year ending 31 December 2022 which take into account the impact of COVID-19 to date and revised expectations in relation to occupancy, labour hours and infection control costs for the remainder of the forecast period. These forecasts demonstrate that the Grove Group will continue to have sufficient available cash resources for the forecast period, including when plausible downside sensitivity analysis is taken into account. In addition to the forecast cash resources available, the Grove Group also has access to a £20m banking facility which is not expected to be drawn down during the period to 31 December 2022 under either the base case or sensitised forecasts, and has a number of options available to management, such as a reduction in discretionary capital expenditure, should they be needed.

Furthermore, the Company is dependent on its ultimate parent company and its fellow subsidiaries not seeking repayment of the amounts currently due to the Group, which at 31 December 2020 amounted to £94,593,000. Grove Limited and the Company's fellow subsidiaries have indicated that they do not intend to seek repayment of these amounts during the next 12 months. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

Key sources of estimation uncertainty

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. The estimated recoverable amount of each asset is assumed to be its fair value less costs to sell, and is based on a third party valuation.

The Company makes an estimate of the recoverable value of amounts owed by debtors. When assessing impairment of debtors, management considers factors including the ageing profile of debtors and historical experience.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the company operates and generates taxable income.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant & Equipment	straight line over 3-5 years
Motor vehicles	straight line over 4 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Exceptional items

Included within administrative expenses are the following exceptional items:

	2020	2019
	£ 000	£ 000
Exceptional items	<u>2,693</u>	<u>4,511</u>

Exceptional costs of £2,693,000 in the current year and £4,511,000 in the prior year primarily relate to costs incurred in relation to the disposal of the Barchester (CB) Group.

4 Operating loss

Arrived at after charging

	2020	2019
	£ 000	£ 000
Depreciation expense	41	51
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(8)</u>

5 Other interest receivable and similar income

	2020	2019
	£ 000	£ 000
Interest receivable on loans to group undertakings	<u>-</u>	<u>72</u>

6 Interest payable and similar expenses

	2020	2019
	£ 000	£ 000
Interest on preference shares	6,415	5,832
Other finance costs	4	27
Interest payable on loans from Group undertakings	<u>-</u>	<u>16</u>
	<u>6,419</u>	<u>5,875</u>

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£ 000	£ 000
Wages and salaries	-	1,034
Social security costs	-	129
Pension costs, defined contribution scheme	-	18
	<u>-</u>	<u>1,181</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Administration and support	<u>-</u>	<u>17</u>

8 Directors' remuneration

The Directors received remuneration for services to Grove Limited of which Barchester Limited (formerly brighterkind Limited) is a subsidiary undertaking, however the proportion attributable to their services to Barchester Limited (formerly brighterkind Limited) is not separately identifiable.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

9 Taxation

Tax charged/(credited) in the income statement

	2020	2019
	£ 000	£ 000
Deferred taxation		
Arising from origination and reversal of timing differences	(1)	-
Arising from changes in tax rates and laws	(3)	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	(27)
Total deferred taxation	<u>(4)</u>	<u>(27)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020	2019
	£ 000	£ 000
Loss before tax	<u>(9,568)</u>	<u>(12,106)</u>
Corporation tax at standard rate	(1,818)	(2,300)
Effect of expense not deductible in determining taxable profit (tax loss)	1,637	1,487
UK deferred tax credit relating to changes in tax rates or laws	(3)	-
Deferred tax credit from unrecognised temporary difference from a prior period	-	(27)
Tax increase arising from group relief	1,126	813
Tax decrease from transfer pricing adjustments	<u>(946)</u>	<u>-</u>
Total tax credit	<u>(4)</u>	<u>(27)</u>

Deferred tax

Deferred tax assets and liabilities

	Asset
	£ 000
2020	
Fixed asset timing differences	<u>31</u>
2019	
Fixed asset timing differences	<u>26</u>

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Tangible assets

	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation		
At 1 January 2020	<u>306</u>	<u>306</u>
At 31 December 2020	<u>306</u>	<u>306</u>
Depreciation		
At 1 January 2020	229	229
Charge for the year	<u>41</u>	<u>41</u>
At 31 December 2020	<u>270</u>	<u>270</u>
Carrying amount		
At 31 December 2020	<u>36</u>	<u>36</u>
At 31 December 2019	<u>77</u>	<u>77</u>

11 Investments in subsidiaries, joint ventures and associates

	2020 £ 000	2019 £ 000
Investments in subsidiaries	<u>32,020</u>	<u>32,020</u>
Subsidiaries		£ 000
Cost or valuation		
At 1 January 2020		32,020
Provision		
At 1 January 2020		<u>-</u>
At 31 December 2020		<u>-</u>
Carrying amount		
At 31 December 2020		<u>32,020</u>
At 31 December 2019		<u>32,020</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Investments in subsidiaries, joint ventures and associates (continued)

Undertaking	Holding	Proportion of voting rights and shares held	
		2020	2019
Subsidiary undertakings			
Alphacare Holdings Limited	Ordinary	100%	100%
Hampton Grove Healthcare Limited	Ordinary	100%	100%
Beacon Place Limited	Ordinary	100%	100%
Spennorth Court Healthcare Limited	Ordinary	100%	100%
Bamfield Lodge Limited	Ordinary	100%	100%
Brampton View Limited	Ordinary	100%	100%
Broadway Halls Care Services Limited	Ordinary	100%	100%
Cedars Health Care Limited	Ordinary	100%	100%
Cepen Lodge Limited	Ordinary	100%	100%
Crabwall Claremont Limited	Ordinary	100%	100%
Elm Bank Healthcare Limited	Ordinary	100%	100%
Hall Park Healthcare Limited	Ordinary	100%	100%
Optimum FS Care Developments Limited	Ordinary	100%	100%
Optimum FS Care Services Limited	Ordinary	100%	100%
Barchester (Botley) Limited	Ordinary	100%	100%
Optimum FS Homes Skipton Limited	Ordinary	100%	100%
Optimum Debtco Limited	Ordinary	100%	100%

All subsidiaries are incorporated in England and Wales and are registered at 3rd Floor, The Aspect, Finsbury Square, London, EC2A 1AS.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

12 Debtors

	Note	2020 £ 000	2019 £ 000
Amounts owed by related parties		30,651	49,978
Other debtors		271	152
Prepayments		-	69
Deferred tax assets	9	31	26
Income tax asset	9	3,775	1,150
Total current trade and other debtors		<u>34,728</u>	<u>51,375</u>

Amounts due from related parties stated above are legally due on demand and are thus recoverable within one year. It is not expected that a demand for these amounts will be made within the next year.

13 Creditors

	Note	2020 £ 000	2019 £ 000
Due within one year			
Trade creditors		-	226
Amounts due to related parties		94,593	107,132
Social security and other taxes		-	141
Outstanding defined contribution pension costs		-	13
Other creditors		517	18
Accruals		<u>13,563</u>	<u>13,485</u>
		<u>108,673</u>	<u>121,015</u>
Due after one year			
Shares classified as debt		<u>21,250</u>	<u>21,250</u>

Amounts due to related parties stated above are legally due on demand and are thus due within one year. It is not expected that a demand for these amounts will be made within the next year.

14 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £Nil (2019 - £18,000).

Contributions totalling £Nil (2019 - £13,000) were payable to the scheme at the end of the year and are included in creditors.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

15 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£ 000	No.	£ 000
A Ordinary shares of £0.01 each	1,369,560	14	1,369,560	14
B Ordinary shares of £0.01 each	150,431	2	150,431	2
C Ordinary shares of £0.01 each	460,001	5	460,001	5
D Ordinary shares of £0.01 each	20,008	-	20,008	-
E Ordinary shares of £0.01 each	5,000	-	5,000	-
Cumulative redeemable preference shares of £1 each	21,250,000	21,250	21,250,000	21,250
	<u>23,255,000</u>	<u>21,270</u>	<u>23,255,000</u>	<u>21,270</u>

The preference shares are redeemable in full at original issue price on the earlier of a sale or flotation of the Company if not previously redeemed. Cumulative dividends accrue at 10% per annum and are payable annually when distributable reserves allow.

Winding up/liquidation

On a winding up, the assets remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be applied as follows:

- Firstly to the preference shareholders at £1 per preference share held, together with all dividend arrears;
- Secondly to the 'A' ordinary shareholders and 'B' ordinary shareholders at £0.01 per share held, together with all dividend arrears;

The balance of the Company's assets shall be distributed amongst holders of the 'A', 'B', 'C', 'D' and 'E' ordinary shareholders pari passu according to the number of shares held.

Voting rights

The preference shares do not carry any voting rights. The 'A' ordinary shares in aggregate carry three times the votes of the 'B', 'C', 'D' and 'E' ordinary shares in aggregate, apportioned pro rata among the 'A' ordinary shares.

Barchester Limited (formerly brighterkind Limited)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

16 Parent and ultimate parent undertaking

The Company's immediate parent is Barchester (MW) Limited, incorporated in England and Wales.

The ultimate parent and controlling party is Grove Limited, incorporated in Jersey. The most senior parent entity producing publicly available financial statements is also Grove Limited. Its financial statements are available upon request from www.jerseyfsc.org.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Grove Limited, incorporated in Jersey.

The address of Grove Limited is:

13 Castle Street
St Helier
Jersey
JE1 1ES

The parent of the smallest group in which these financial statements are consolidated is Barchester Finco 2019 Limited, incorporated in the United Kingdom.

The address of Barchester Finco 2019 Limited is:

3rd Floor
The Aspect
12 Finsbury Square
London
EC2A 1AS