

Grove Place Village Limited

Report and Financial Statements

Year Ended

31 March 2020

Company Number 06863299



Grove Place Village Limited

Company Information

Directors	M J A Edser S Stoneham G P Heather
Registered number	06863299
Registered office	15 Savile Row London W1S 3PJ
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Grove Place Village Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 21

Grove Place Village Limited

Strategic report For the year ended 31 March 2020

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2020.

Business review

Grove Place Village ("the company") operates a continuing care retirement community in the heart of London and is part of the LifeCare Residences group of companies.

The results of the company show a pre-tax loss of £5.4 million (2019 - profit of £5.3 million) and has a net asset position of £43.1 million (2019 - £94.4 million).

Net assets have decreased by £5.1 million (2019 - increase of £4.8 million) primarily due to the decreased valuation of the property at Grove Place Village.

Principal risks and uncertainties

The management and execution of the business's strategy are subject to a number of risks.

At the time of writing, the effects of COVID-19 pose a significant risk to the operation of the business and the financial key performance indicators detailed below. Management, however, are confident that they have reacted to the global pandemic in a way that has protected its staff and residents and has maintained a platform for future growth. Demand for retirement living continues to outweigh supply and the reduction in nursing home occupancy at the start of the current financial year is considered short term. Management therefore believe that the future financial wellbeing of the company has been safeguarded.

Other key business risks and uncertainties affecting the company are considered to relate to competition from other national and independent operators, executive retention, events leading to reputational risk, product availability, regulatory requirements and tightening of the debt markets.

Future outlook

Grove Place is operating a fully sold-down retirement village with a resale cycle that is heading towards maturity. The directors have confidence the business strategy will generate a viable and profitable business. The focus is being placed on maintaining and building upon the high standards of luxury care and 5 star amenities provided.

The company is also committed to providing a nursing home proposition on-site to ensure a full continuum of care can be provided to residents.

Grove Place Village Limited


Strategic report (continued)
For the year ended 31 March 2020

Financial key performance indicators

The table below illustrates the number of resales that have taken place, the total resale value and how much of the proceeds were attributable to the company:

	FY20			FY19		
	No. of Resales	Total Value of Resales (£m)	Company resales revenue (£m)	No. of Resales	Total Value of Resales (£m)	Company resales revenue (£m)
Grove Place Village	12	5.0	1.2	7	3.0	0.6

This report was approved by the board and signed on its behalf.


.....
M J A Edsel
Director

Date: 30 October 2020

Grove Place Village Limited

Directors' report For the year ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities

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 applicable law and United Kingdom Accounting Standards (United Kingdom 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 to 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.

Principal activities

The principal activity of the company is the ownership of a freehold retirement community village and the sale of individual apartments within the village.

The company is also operating and managing a care and retirement community.

Results and dividends

The loss for the year, after taxation, amounted to £5.1million (2019 - £4.8million).

During the year, no dividend was paid (2019 - £Nil).

Directors

The directors who served during the year were:

N J Sibley (resigned 21 July 2020)
M J A Edser (appointed 27 February 2020)
S Stoneham (appointed 27 February 2020)
D A Perfect (resigned 31 March 2020)
G P Heather (appointed 22 July 2020)

Grove Place Village Limited

Directors' report (continued) For the year ended 31 March 2020

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
M J A Edser
Director

Date: 30 October 2020

Grove Place Village Limited

Independent auditor's report to the members of Grove Place Village Limited

Opinion

We have audited the financial statements of Grove Place Village Limited ("the Company") for the year ended 31 March 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of Matter: Property valuations

We draw attention to note 10, which explains that as a result of the impact of the outbreak of the Novel Coronavirus (COVID-19) on the market, the Company's property valuer has advised that less certainty, and a higher degree of caution, should be attached to their valuation than would normally be the case. In particular there is judgment around the levels of future apartment resales, this would have a significant impact on the property valuation. Our opinion is not modified in respect of this matter.

Grove Place Village Limited

Independent auditor's report to the members of Grove Place Village Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Grove Place Village Limited

Independent auditor's report to the members of Grove Place Village Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 30 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Grove Place Village Limited

Statement of comprehensive income For the year ended 31 March 2020

	Note	2020 £000	2019 £000
Turnover	4	2,497	1,798
Cost of sales		(1,579)	(1,302)
Gross profit		918	496
Administrative expenses		(388)	(414)
Fair value movements	10	(4,168)	(3,839)
Operating loss	5	(3,638)	(3,757)
Interest payable and similar expenses	7	(1,768)	(1,574)
Loss before tax		(5,406)	(5,331)
Tax on loss	8	279	501
Loss for the financial year		(5,127)	(4,830)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(5,127)	(4,830)

All amounts relate to continuing operations.


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

Grove Place Village Limited
Registered number:06863299

**Statement of financial position
as at 31 March 2020**

	Note	2020 £000	2019 £000
Fixed assets			
Tangible fixed assets	9	222	114
Investment property	10	23,347	27,515
		<u>23,569</u>	<u>27,629</u>
Current assets			
Stocks	11	50	280
Debtors	12	1,487	847
Cash at bank and in hand		66	34
		<u>1,603</u>	<u>1,161</u>
Creditors: amounts falling due within one year	13	(152)	(130)
Net current assets		<u>1,451</u>	<u>1,031</u>
Total assets less current liabilities		<u>25,020</u>	<u>28,660</u>
Creditors: amounts falling due after more than one year	14	(16,437)	(14,671)
Provisions for liabilities			
Deferred tax		(4,272)	(4,551)
Net assets		<u><u>4,311</u></u>	<u><u>9,438</u></u>
Capital and reserves			
Share capital	16	-	-
Retained Earnings	17	4,311	9,438
		<u><u>4,311</u></u>	<u><u>9,438</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
M J A Edser
Director

Date: 30 October 2020

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

Grove Place Village Limited

Statement of changes in equity For the year ended 31 March 2020

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2019	-	9,438	9,438
Comprehensive loss for the year			
Loss for the year	-	(5,127)	(5,127)
At 31 March 2020	-	4,311	4,311

Statement of changes in equity For the year ended 31 March 2019

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2018	-	14,268	14,268
Comprehensive loss for the year			
Loss for the year	-	(4,830)	(4,830)
At 31 March 2019	-	9,438	9,438

The notes on pages 11 to 21 form part of these .

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

1. General information

Grove Place Village Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of LifeCare Residences Limited as at 31 March 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

These accounts have been prepared on a going concern basis. As described in the strategic report the company has been impacted by COVID-19 and the resultant impact on the economy. In assessing going concern the directors have produced cash-flow forecasts which they consider to be an accurate forecast of the business operating in the COVID-19 environment.

2.4 Turnover

Turnover represents income from the sale of property. Turnover is recognised on an accruals basis and on legal completion of the property sale.

Turnover also represents income from the provision of care services and is recognised in the year the service is provided.

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Straight line over 15 years
Plant and machinery	- 20% - 25% per annum straight line
Fixtures and fittings	- 20% - 25% per annum straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 9)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investment properties (see note 10) are professionally valued annually using net present values of expected cash flows, but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations were:
 - length of cash flows: 25 years
 - WACC: 10.08%
 - average length of stay: 7.5 years
 - average property growth rate: 4% per annum
 - service charge loss of £500,000
 - capital expenditure of £100,000

4. Turnover

	2020 £000	2019 £000
Sale of property	1,239	654
Care services	1,258	1,144
	<u>2,497</u>	<u>1,798</u>

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	23	16
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	6	5
Defined contribution pension cost	18	15

During the year, no director received any emoluments (2019 - £Nil).

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

6. Employees

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	944	822
Social security costs	75	58
Cost of defined contribution scheme	18	15
	<u>1,037</u>	<u>895</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees (including part time)	<u>57</u>	<u>52</u>

7. Interest payable and similar expenses

	2020 £000	2019 £000
Other interest payable	3	2
Interest payable to group undertakings	1,765	1,572
	<u>1,768</u>	<u>1,574</u>

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

8. Taxation

	2020 £000	2019 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(792)	(613)
Effect of change on opening balance	513	-
Adjustments to tax charge in respect of previous periods	-	112
Total deferred tax	(279)	(501)
Taxation on loss on ordinary activities	(279)	(501)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(5,406)	(5,331)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,027)	(1,013)
Effects of:		
Fixed asset differences	-	(11)
Expenses not deductible for tax purposes	-	45
Adjustments to tax charge in respect of previous periods - deferred tax	-	112
Deferred tax not recognised	273	263
Changes in tax rates	475	103
Total tax charge for the year	(279)	(501)

As at 31 March 2020 the company has not recognised deferred tax assets in respect of losses and fixed asset timing differences of £646,342 (2019 - £322,138) due to uncertainty regarding timing and the amount of the realisation.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

9. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 April 2019	98	83	50	231
Additions	118	11	3	132
At 31 March 2020	<u>216</u>	<u>94</u>	<u>53</u>	<u>363</u>
Depreciation				
At 1 April 2019	12	67	39	118
Charge for the year	6	9	8	23
At 31 March 2020	<u>18</u>	<u>76</u>	<u>47</u>	<u>141</u>
Net book value				
At 31 March 2020	<u>198</u>	<u>18</u>	<u>6</u>	<u>222</u>
At 31 March 2019	<u>86</u>	<u>16</u>	<u>12</u>	<u>114</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £000	2019 £000
Freehold	<u>198</u>	<u>86</u>
	<u>198</u>	<u>86</u>

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

10. Investment property

	Freehold investment property £000
Valuation	
At 1 April 2019	27,515
Deficit on revaluation	(4,168)
At 31 March 2020	23,347

The investment property was valued by qualified professional external advisers based on open market value using net present values of expected cashflows. The valuation was performed in March 2020.

The historic cost of the investment property is £849,000 (2019 - £849,000).

With respect to the Investment property held by the company; the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors, as at the Valuation Date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore reported as being subject to 'material valuation. Consequently, less certainty – and a higher degree of caution – should be attached to our Valuation than would normally be the case. In particular there is judgment around the levels of future apartment resales, this would have a significant impact on the property valuation. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the Valuation of these Properties under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the Valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the Valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the Valuation.

11. Stocks

	2020 £000	2019 £000
Stock	50	280

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

12. Debtors

	2020 £000	2019 £000
Trade debtors	106	105
Amounts owed by group undertakings	1,218	585
Other debtors	129	128
Prepayments and accrued income	34	29
	<u>1,487</u>	<u>847</u>

All amounts are due within one year.

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

13. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	58	60
Amounts owed to group undertakings	-	4
Taxation and social security	22	19
Other creditors	4	7
Accruals and deferred income	68	40
	<u>152</u>	<u>130</u>

14. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Amounts owed to group undertakings	<u>16,437</u>	<u>14,671</u>

The intercompany loan has a maximum facility of £12,682,523. The loan is unsecured, accrues an interest rate of 12% and the full balance as well as any outstanding interest is repayable on the 27 March 2022.

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

15. Deferred taxation

	2020 £000	2019 £000
At beginning of year	(4,551)	(5,052)
Credited to the income statement	279	501
At end of year	(4,272)	(4,551)

The provision for deferred taxation is made up as follows:

	2020 £000	2019 £000
Timing difference on valuation of investment property	(4,272)	(4,551)

16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1	1	1

17. Reserves

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £18,212 (2019 - £15,409). Contributions totalling £3,569 (2019 - £3,916) were payable to the fund at the reporting date and are included in creditors.

Grove Place Village Limited

Notes to the financial statements For the year ended 31 March 2020

19. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

20. Controlling party

The company's intermediate parent company is LifeCare Residences Limited. The ultimate parent company is Renaissance Holdings (NZ) Limited, which is incorporated in New Zealand.