

Battersea Place Retirement Village Limited

Report and Financial Statements

Year Ended

31 March 2019

Company Number 07545666



Battersea Place Retirement Village Limited

Company Information

Directors	N J Sibley D A Perfect
Registered number	07545666
Registered office	6 York Street London W1U 6QD United Kingdom
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Battersea Place Retirement Village Limited

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Battersea Place Retirement Village Limited

Strategic report For the year ended 31 March 2019

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2019.

Business review

Battersea Place Retirement Village 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 profit of £5.7 million (2018 - £2.0 million) and has a net asset position of £47.3 million (2018 - £40.5 million).

Net assets have increased by £6.8 million (2018 - £2.6 million) primarily due to the increased valuation of Battersea Place.

Future Outlook

All of the apartments in the Battersea Place development have been sold, meaning the company is operating a fully sold-down retirement village. 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.

Principal risks and uncertainties

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

The 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.

Financial key performance indicators

1. Value of Resales

This is the value of apartments resold during the financial year. Four resales occurred during the financial year ended 31 March 2019 at a total value of £4.4 million (2018 - five resales at £5.2 million).

Battersea Place Retirement Village Limited

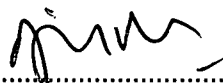
Strategic report (continued)
For the year ended 31 March 2019

Other key performance indicators

1. Care facility occupancy

This is the occupancy rate at the nursing home at Battersea Place. The objective of the company is to maximise the occupancy rate for the nursing home by providing high quality care services. This objective is important to the company as occupancy is a key driver for EBITDA. For the year ended 31 March 2019 the average occupancy at Battersea Place was 69% (2018 - 29%). Management continue to focus on maximising the level of occupancy and hope to improve this key metric during 2020.

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



N J Sibley
Director

Date: 30/9/19

Battersea Place Retirement Village Limited

Directors' report For the year ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

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.

Results and dividends

The profit for the year, after taxation, amounted to £4,735,000 (2018 - £1,723,000).

The statement of comprehensive income is set out on page 8 and shows the profit for the year.

The directors do not recommend the payment of a dividend (2018 - £Nil).

Directors

The directors who served during the year and subsequently were:

N J Sibley
A S Whitelock (resigned 7 January 2019)
R A Waterer (resigned 30 April 2018)
D A Perfect (appointed 17 April 2018)

Principal activities

The principal activities of the company in the year under review was the operation of a retirement village and nursing home.

Battersea Place Retirement Village Limited

Directors' report (continued) For the year ended 31 March 2019

Disclosure of information to auditor

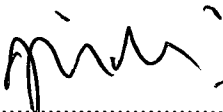
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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.



.....
N J Sibley
Director

Date: 30/9/19

Battersea Place Retirement Village Limited

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

Opinion

We have audited the financial statements of Battersea Place Retirement Village ("the Company") for the year ended 31 March 2019 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 2019 and of its profit 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.

Battersea Place Retirement Village Limited

Independent auditor's report to the members of Battersea Place Retirement 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 Strategic report and 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.

Battersea Place Retirement Village Limited

Independent auditor's report to the members of Battersea Place Retirement 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

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

Date: *30/9/19*

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

Battersea Place Retirement Village Limited

Statement of comprehensive income For the year ended 31 March 2019

	Note	2019 £000	2018 £000
Turnover	4	5,050	4,355
Cost of sales		(3,724)	(2,844)
Gross profit		1,326	1,511
Administrative expenses		(1,352)	(1,210)
Fair value movements		5,757	1,725
Operating profit	5	5,731	2,026
Interest payable and similar charges	7	(17)	(8)
Profit before tax		5,714	2,018
Tax on profit	8	(979)	(295)
Profit for the year		4,735	1,723
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		3,006	880
Tax on revaluation of freehold property		(954)	-
Total comprehensive income for the year		6,787	2,603

All amounts relate to continuing operations.

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

Battersea Place Retirement Village Limited

Registered number: 07545666

Statement of financial position as at 31 March 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	9	9,601	6,606
Investment property	10	54,767	49,010
		<u>64,368</u>	<u>55,616</u>
Current assets			
Stocks	11	6	30
Debtors	12	225	206
Cash at bank and in hand		51	1,006
		<u>282</u>	<u>1,242</u>
Creditors: amounts falling due within one year	13	(7,841)	(8,769)
Net current liabilities		<u>(7,559)</u>	<u>(7,527)</u>
Total assets less current liabilities		<u>56,809</u>	<u>48,089</u>
Provisions for liabilities			
Deferred tax	14	(9,509)	(7,576)
		<u>(9,509)</u>	<u>(7,576)</u>
Net assets		<u><u>47,300</u></u>	<u><u>40,513</u></u>
Capital and reserves			
Share capital	15	-	-
Revaluation reserve	16	4,866	2,814
Retained earnings	16	42,434	37,699
		<u>47,300</u>	<u>40,513</u>

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


.....
N J Sibley
Director

Date: 30/9/19

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

Battersea Place Retirement Village Limited

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

	Share capital £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2018	-	2,814	37,699	40,513
Comprehensive income for the year				
Profit for the year	-	-	4,735	4,735
Surplus on revaluation of freehold property (Note 9)	-	3,006	-	3,006
Tax on revaluation of freehold property	-	(954)	-	(954)
At 31 March 2019	-	4,866	42,434	47,300

Statement of changes in equity For the year ended 31 March 2018

	Share capital £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2017	-	1,934	35,976	37,910
Comprehensive income for the year				
Profit for the year	-	-	1,723	1,723
Surplus on revaluation of freehold property	-	880	-	880
At 31 March 2018	-	2,814	37,699	40,513

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

Battersea Place Retirement Village Limited

Notes to the financial statements For the year ended 31 March 2019

1. General information

Battersea Place Retirement 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 2019 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. Having made appropriate enquiries, the directors consider it reasonable to assume that the company has adequate resources from its parent company and fellow subsidiary to continue for the foreseeable future and, for this reason, has adopted the going concern basis in preparing the financial statements.

2.4 Turnover

Turnover represents income from the provision of property management, and care services and is recognised in the period the service is provided. Turnover also represents a portion of income from sales proceeds recognised on legal completion of the apartment sales, as a result of Battersea Place Retirement Village Limited owning the freehold.

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Long-term leasehold property	- Nil
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 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.7 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.

2.8 Stocks

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

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

2. Accounting policies (continued)

2.9 Debtors

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

2.10 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.

2.11 Creditors

Short term creditors are measured at the transaction price.

2.12 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.

2.13 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.

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

2. Accounting policies (continued)

2.14 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.

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

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 freehold land and buildings, 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.

Freehold land and buildings consists of a Nursing Home which is based on professional valuations using a multiple of between 2-9 times of EBITDA.

- Freehold investment property (see note 10)

The freehold investment property is based on a professional valuation using a net present value of expected cash flows method.

Key inputs into the valuation were:

Length of cashflows: 25 years

Weighted average cost of capital: 10%

Average length of stay: 7.5 years

Average property value growth rate: 4% per annum

50% capital gains share

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Care services	4,154	2,578
Sale proceeds on sale of property	896	1,777
	<u>5,050</u>	<u>4,355</u>

All turnover arose within the United Kingdom.

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

5. Operating profit

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

	2019 £000	2018 £000
Depreciation of tangible fixed assets	272	236
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	60	11
	<u> </u>	<u> </u>

6. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	2,524	1,878
Social security costs	239	173
Cost of defined contribution scheme	60	11
	<u> </u>	<u> </u>
	<u>2,823</u>	<u>2,062</u>

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

	2019 No.	2018 No.
Employees (including part time)	89	79
	<u> </u>	<u> </u>

7. Interest payable and similar charges

	2019 £000	2018 £000
Other loan interest payable	17	8
	<u> </u>	<u> </u>

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

8. Taxation

	2019 £000	2018 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	979	300
Adjustments to tax charge in respect of previous periods	-	(5)
Total deferred tax	979	295
Taxation on profit on ordinary activities	979	295

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	5,714	2,018
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,086	383
Effects of:		
Expenses not deductible for tax purposes	1	2
Adjustments to tax charge in respect of previous periods - deferred tax	-	(25)
Adjust deferred tax rate	-	(35)
Adjust closing deferred tax to average rate of 19.00%	(1,006)	-
Adjust opening deferred tax to average rate of 19.00%	891	-
Deferred tax not recognised	7	-
Group relief	-	(30)
Total tax charge for the year	979	295

As at the 31 March 2019 the company has not recognised deferred tax assets in respect of losses and fixed asset timing differences of £16,954 (2018 - £Nil) due to uncertainty regarding timing and the amount of the realisation.

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

9. Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation				
At 1 April 2018	5,956	453	644	7,053
Additions	-	89	172	261
Revaluations	3,006	-	-	3,006
At 31 March 2019	<u>8,962</u>	<u>542</u>	<u>816</u>	<u>10,320</u>
Depreciation				
At 1 April 2018	-	207	240	447
Charge for the year	-	124	148	272
At 31 March 2019	<u>-</u>	<u>331</u>	<u>388</u>	<u>719</u>
Net book value				
At 31 March 2019	<u>8,962</u>	<u>211</u>	<u>428</u>	<u>9,601</u>
At 31 March 2018	<u>5,956</u>	<u>246</u>	<u>404</u>	<u>6,606</u>

The land and buildings were valued by qualified professional external advisers based on an open market value using a multiple of EBITDA. The valuation was performed in March 2019.

The historical cost of the nursing home is £3,141,509 (2018 - £3,141,509).

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

10. Investment property

	Freehold investment property £000
Valuation	
At 1 April 2018	49,010
Surplus on revaluation	5,757
At 31 March 2019	54,767

The investment property was valued by qualified professional external advisers based on open market value using net present values of expected cash flows. The valuation was performed in March 2019.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £000	2018 £000
Historic cost	4,166	4,166

11. Stocks

	2019 £000	2018 £000
Work in progress	-	22
Finished goods	6	8
	6	30

12. Debtors

	2019 £000	2018 £000
Trade debtors	85	-
Other debtors	40	105
Prepayments and accrued income	100	101
	225	206

All debtors are due within one year.

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

13. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
	219	73
Amounts owed to group undertakings	7,367	8,481
Other taxation and social security	15	54
Other creditors	21	1
Accruals and deferred income	219	160
	<u>7,841</u>	<u>8,769</u>

Amounts owed to group undertakings are unsecured, not interest bearing and are repayable on demand.

14. Deferred taxation

	2019 £000	2018 £000
At beginning of year	(7,576)	(7,281)
Charged to the income statement	(979)	(295)
Charged to other comprehensive income	(954)	-
At end of year	<u>(9,509)</u>	<u>(7,576)</u>

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Timing differences on revaluation of freehold land and buildings	(9,509)	(7,576)
	<u>(9,509)</u>	<u>(7,576)</u>

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

Battersea Place Retirement Village Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

16. Reserves

Revaluation reserve

Gains/losses arising on the revaluation of the nursing home held as freehold land and buildings.

Retained earnings

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

17. 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 £60,005 (2018 - £10,905). Contributions totalling £13,978 (2018 - £288) were payable to the fund at the reporting date and are included in creditors.

18. 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.

19. 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.