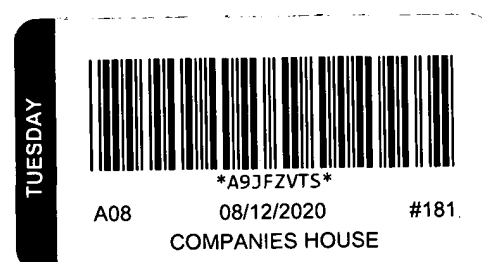


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**PORTHAVEN PROPERTIES NO 2 LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

Registered No. 08167504

**PORTHAVEN PROPERTIES NO 2 LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2019

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# **PORTHAVEN PROPERTIES NO 2 LIMITED**

## **DIRECTORS' REPORT**

For the year ended 31 December 2019

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

### **Principal activity**

Porthaven Properties No 2 Limited (the "Company" or "PPL2") is principally involved in the development of care homes within the United Kingdom through the acquisition of land with planning permission and the design and construction thereon of care homes using third party professionals and contractors. Completed care homes are leased on 30 year leases to Porthaven Care Homes No 2 Limited, the Company's wholly-owned subsidiary entity.

### **Results and dividends**

The profit for the year before taxation amounted to £43,504,543 (9 months to 31 December 2018: £30,368,256). The directors have not recommended a dividend.

### **Future Developments**

The Company intends to continue to own and lease care homes for the elderly within the United Kingdom.

### **Directors**

The directors during the year and to the date of these accounts were as follows:

L Herbert  
S T Kime  
C R Snellgrove  
J Storey

(Appointed 07 February 2018)

## **PORTHAVEN PROPERTIES NO 2 LIMITED**

### **DIRECTORS' REPORT**

For the year ended 31 December 2019

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#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

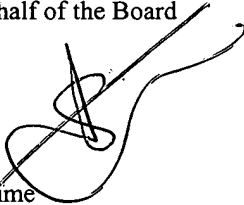
- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **AUDITOR**

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

In preparing this report, the directors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

On behalf of the Board



S T Kime  
Director  
26 March 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORHAVEN PROPERTIES NO 2 LIMITED**

**OPINION**

We have audited the financial statements of Porthaven Properties No 2 Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 December 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.

**THE IMPACT OF MACRO-ECONOMIC UNCERTAINTIES ON OUR AUDIT**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

**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.

**CONCLUSIONS RELATING TO GOING CONCERN (CONTINUED)**

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a Material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006**

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.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS**

As explained more fully in the directors' responsibilities statement set out on page 2, 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. 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: [www.frc.org.uk/auditorsresponsibilities](http://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.

*Grant Thornton UK LLP*

Joanne Love LLB FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

*27 March 2020*

## **PORTHAVEN PROPERTIES NO 2 LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of 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 judgment in applying the Company's accounting policies. 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 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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of Section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The financial statements are presented in Sterling (£). The principal accounting policies adopted in the period are set out below.

#### **Going concern**

The financial statements have been prepared on a going concern basis. At this time there is uncertainty around the potential impact Covid-19. The ultimate outcome of the matter is uncertain and no provision has been in the financial statements in respect of this.

The Company is dependent upon the continued financial support of its parent undertaking, which has been assured. The Company is part of a group which has a detailed business plan to which the shareholders have committed significant funds. The directors have no reason to believe that the parent undertaking will not be able to execute its business plan and pay its indebtedness to its subsidiaries as and when due. The accounts do not contain any adjustments that would be necessary should this basis not be appropriate. The directors therefore believe that it is appropriate to prepare the accounts on a going concern basis.

#### **Turnover**

Turnover represents the rent charged to the Company's 100% owned subsidiaries and will be recognised in the period to which it relates.

#### **Investment property**

Investment property is carried at fair value and revaluation surpluses or losses are recognised in the Income Statement. Deferred taxation is provided on the gains at the rate expected to apply when the property is sold.

#### **Investments in subsidiaries**

Investments in subsidiaries are included at cost less amounts written off. Profits or losses arising from disposals of investments in subsidiaries are recognised in the Statement of Comprehensive Income.

#### **Property, Plant and Equipment - depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal annual instalments over their expected useful lives. The rates generally applicable are or will be:

Motor vehicles	3 years
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**Financial Instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income.

Financial assets and financial liabilities, including derivative financial instruments, are carried at fair value in the Statement of Financial Position with any changes in fair value recognised in the Income Statement.

**Creditors**

Short term trade 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.

**Borrowings**

Bank loans are initially recognised in the Statement of Financial Position at cost net of transaction costs. The transaction costs associated with the bank loans are amortised over the term of the loan. The transaction costs of loan notes, issued to other group companies but used to provide financing to PPL2, are amortised over a period of up to 8 years which is in line with the directors' initial business plan.

All borrowings are classified as either current or long term liabilities based on the repayment terms.

**Tax**

Current tax is recognised for income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Statement of Cash Flows**

The directors have taken advantage of the exemption in FRS 102 from including a Statement of Cash Flows in the Financial Statements on the grounds that the Company is a wholly owned subsidiary and its ultimate parent undertaking publishes a Consolidated Statement of Cash Flows.

**Judgements and Estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The items in the financial statements where these judgements have been made include the valuation of freehold property, the expected useful lives of property, plant and equipment and the recognition or otherwise of deferred tax assets. Actual results may differ from these estimates.

The key management personnel are considered to be the directors of the ultimate parent, the ultimate parent undertaking publishes details of their remuneration.

**PORTHAVEN PROPERTIES NO 2 LIMITED****STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2019

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	Note	31 Dec 2019 £	Period from 1 Apr 2018 to 31 Dec 2018 £
Turnover	2	9,756,715	6,006,006
Fair value adjustments on investment properties		33,792,407	24,398,096
Administrative expenses		<u>(47,468)</u>	<u>(36,808)</u>
<b>Operating profit</b>	3	<b>43,501,654</b>	<b>30,367,294</b>
Net interest receivable/(payable) and other similar charges	4	2,889	962
<b>Profit for the year/period before taxation</b>		<b><u>43,504,543</u></b>	<b><u>30,368,256</u></b>
Tax on profit	5	(5,744,709)	(3,704,300)
<b>Profit for the year/period</b>		<b><u>37,759,834</u></b>	<b><u>26,663,956</u></b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b><u>37,759,834</u></b>	<b><u>26,663,956</u></b>

All transactions arise from continuing operations.

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The accompanying notes on pages 11 to 15 form an integral part of these financial statements.


**PORTHAVEN PROPERTIES NO 2 LIMITED**

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2019

	Note	31 Dec 2019 £	Period from 1 Apr 2018 to 31 Dec 2018 £
<b>Fixed assets</b>			
Investment Property	6	208,065,000	174,290,210
Property, plant and equipment	7	26,253	61,088
Investments	8	100	100
		<u>208,091,353</u>	<u>174,351,398</u>
<b>Current assets</b>			
Debtors	9	40,804,488	30,853,885
Cash at bank and in hand		547,647	1,068,563
		<u>41,352,135</u>	<u>31,922,448</u>
<b>Creditors: amounts falling due in less than one year</b>	10	<u>(100,820,184)</u>	<u>(101,155,085)</u>
<b>Net current liabilities</b>		<b>(59,468,049)</b>	<b>(69,232,637)</b>
<b>Total assets less current liabilities</b>		<b>148,623,304</b>	<b>105,118,761</b>
<b>Provisions for liabilities</b>	11	<u>(21,885,724)</u>	<u>(16,141,015)</u>
<b>Net Assets</b>		<u><b>126,737,580</b></u>	<u><b>88,977,746</b></u>
<b>Capital and Reserves</b>			
Share Capital	13	1,000	1,000
Profit and Loss Account	14	<u>126,736,580</u>	<u>88,976,746</u>
		<u><b>126,737,580</b></u>	<u><b>88,977,746</b></u>

The accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime. The financial statements were approved by the directors and authorised for issue on 26 March 2020, and are signed on their behalf by:

  
C R Snellgrove  
Director

Registered No. 08167504

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.

**PORTHAVEN PROPERTIES NO 2 LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2019

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	<b>Share Capital £</b>	<b>Profit and Loss Account £</b>	<b>Total £</b>
<b>As at 31 March 2018</b>	<b>1,000</b>	<b>62,312,790</b>	<b>62,313,790</b>
Profit for the period	-	26,663,956	26,663,956
<b>At 31 December 2018</b>	<b>1,000</b>	<b>88,976,746</b>	<b>88,977,746</b>
Profit for the year	-	37,759,834	37,759,834
<b>At 31 December 2019</b>	<b>1,000</b>	<b>126,736,580</b>	<b>126,737,580</b>

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The accompanying notes on pages 11 to 15 form an integral part of these financial statements.

# **PORTHAVEN PROPERTIES NO 2 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **1 STATUTORY INFORMATION**

Porthaven Properties No 2 Limited is a private company, limited by shares and domiciled in England and Wales, registration number 08167504. The registered office is 1 High Street, Windsor, Berkshire, SL4 1LD.

### **2 TURNOVER**

Turnover represents the rental income receivable for leasing the completed care homes, all of which are based in the United Kingdom.

### **3 OPERATING PROFIT**

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

	<b>31 Dec 2019</b>	<b>Period from 1 Apr 2018 to 31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Fair value adjustments on investment properties	<b>33,792,407</b>	24,398,096
Depreciation of Property, Plant and Equipment	<b>(34,834)</b>	(35,776)

The Auditor's remuneration in the current and prior period was borne by the parent undertaking.

There were no employees during the current or prior period and the directors were remunerated by other group companies.

### **4 NET INTEREST RECEIVABLE**

	<b>31 Dec 2019</b>	<b>Period from 1 Apr to 31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Interest receivable	<b>2,889</b>	962
	<b>2,889</b>	962

**PORTHAVEN PROPERTIES NO 2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**5 TAXATION**

	<b>31 Dec 2019</b>	<b>Period from 1 Apr 2018 to 31 Dec 2018</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year/period</b>		
Current tax:		
UK Corporation tax based on the results for the year/period at 19% (2018: 19%).	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	5,744,709	4,140,100
Difference in tax rate	-	(435,800)
Total deferred tax	5,744,709	3,704,300
<b>Tax on profit on ordinary activities</b>	<b>5,744,709</b>	<b>3,704,300</b>

**Factors affecting the current tax charge**

The tax assessed on the profit for the year/period is greater than the standard rate of corporation tax in the UK of 19% (December 2018: 19%)

	<b>31 Dec 2019</b>	<b>Period from 1 Apr 2018 to 31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	43,504,543	30,368,256
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	8,265,863	5,769,969
Effects of:		
Transfer pricing adjustment	(1,233)	(820)
Movement in previously unrecognised deferred tax	(35,884)	(34,774)
Income not taxable for tax purposes	-	-
Group Relief	(1,803,968)	(1,098,737)
Difference in tax rate	-	(435,800)
Other timing differences	(680,069)	(495,538)
Total tax	5,744,709	3,704,300

A net deferred tax asset of £764,659 (2018: £800,542) resulting from tax losses carried forward has not been recognised in the accounts due to the current uncertainty of future profits.

## PORTHAVEN PROPERTIES NO 2 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 6 FREEHOLD INVESTMENT PROPERTY

	£
Fair value at 31 December 2018	174,290,210
Additions	282,833
Disposals	(300,450)
Net gain from fair value adjustments	33,792,407
<b>At 31 December 2019</b>	<b><u>208,065,000</u></b>

Freehold land and assets under construction are not being depreciated. All of the properties are charged as security for borrowings held by another other group company.

All of the properties in the portfolio were revalued based on a valuation provided by the independent valuation specialist CBRE Loan Services Limited ("CBRE") on 11 November 2019. CBRE have used 'Fair Maintainable Trade' being the EBITDARM that they believe to be achievable and maintainable if the home is managed efficiently and has reached maturity, as adjusted for non-stabilised homes. This is based on historic and forecast trading results. Various factors have been considered including regional distribution, size and facility of each room, CQC registration and compliance as well as various key performance indicators such as number of beds and occupancy. A number of assumptions have been made in relation to these factors.

The Directors have reviewed the current and expected performance of the care homes, considered the valuations provided by CBRE and believe them to be reasonable at 31 December 2019. The Directors have used this valuation as a basis for determining the fair value of freehold land and buildings as reported in these financial statements.

#### 7 PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles £
<b>Cost:</b>	
At 31 December 2018	189,224
Additions	-
<b>At 31 December 2019</b>	<b><u>189,224</u></b>
<b>Depreciation:</b>	
At 31 December 2018	128,136
Provided in the period	34,835
<b>At 31 December 2019</b>	<b><u>162,971</u></b>
<b>Net book amount:</b>	
<b>At 31 December 2019</b>	<b><u>26,253</u></b>
At 31 December 2018	<u>61,088</u>

**PORTHAVEN PROPERTIES NO 2 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**8 INVESTMENTS**

	<b>Investments in subsidiaries £</b>
<b>Cost:</b>	
<b>At 31 December 2018 and 31 December 2019</b>	<b>100</b>
<b>Net book value at 31 December 2018 and 31 December 2019</b>	<b>100</b>

The above amount represents the entire issued share capital of Porthaven Care Homes No 2 Limited, a company registered in England and Wales.

Porthaven Care Homes No 2 Limited operates care homes in the United Kingdom.

**9 DEBTORS**

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Prepayments	19,255	-
Amounts due from group undertakings	39,571,249	29,660,457
Other debtors	1,213,984	1,193,428
	<u>40,804,488</u>	<u>30,853,885</u>

**10 CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR**

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	197,545	240,462
Other creditors	50,000	11,520
Accruals	63,809	386,397
Amounts owed to group undertakings	100,508,831	100,516,706
	<u>100,820,184</u>	<u>101,155,085</u>

**11 PROVISIONS FOR LIABILITIES**

	<b>Deferred tax</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Provision at 31 December	16,141,015	12,436,715
Difference in tax rate	-	(435,800)
Charge for year at 17%	5,744,709	4,140,100
	<u>21,885,724</u>	<u>16,141,015</u>



## **PORTHAVEN PROPERTIES NO 2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **12 DEFERRED TAXATION**

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Revaluation of properties	<b><u>21,885,724</u></b>	<b><u>16,141,015</u></b>

#### **13 SHARE CAPITAL**

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>£</b>	<b>£</b>
Authorised, allotted, called up and fully paid ordinary shares of £1 each	<b><u>1,000</u></b>	<b><u>1,000</u></b>

#### **14 RESERVES**

##### **Share Capital**

Represents the nominal value of shares that have been issued

##### **Profit and Loss Account**

Includes all current and prior period retained profits and losses

#### **15 CAPITAL COMMITMENTS**

The Company had no capital commitments at 31 December 2018 or at 31 December 2019.

#### **16 CONTINGENT LIABILITIES**

The Company had no contingent liabilities to disclose at 31 December 2018 and 31 December 2019.

#### **17 COMMITMENTS UNDER OPERATING LEASES**

The Company has no commitments under non-cancellable operating leases.

#### **18 ULTIMATE PARENT UNDERTAKING**

The directors consider that the Company's immediate parent undertaking is Porthaven Management Limited and the ultimate parent undertaking is FRC Star Group Holdings Limited, both companies are incorporated in England and Wales.

Copies of the group financial statements can be obtained from FRC Star Group Holdings Limited's registered office. The directors consider these accounts to be both the smallest and largest group of undertakings for which group accounts are prepared.

#### **19 CONTROLLING PARTY**

The Company's ultimate controlling party is Fremont Investment Advisors Inc. by virtue of its control of the majority of the shares of FRC Star Group Holdings Limited.

**20 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS 102 and has not disclosed transactions with wholly owned subsidiaries.