

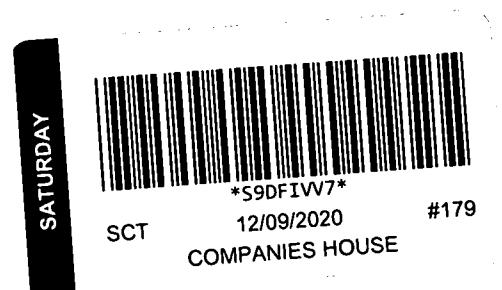
BAM Propco (Burnside) Limited

Directors' Report and Financial Statements

Year Ended

30 September 2019

Company Number 08861081



BAM Propco (Burnside) Limited

Company Information

Directors	T Bolot D Wulwick
Registered number	08861081
Registered office	383a Euston Road London NW1 3AU
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

BAM Propco (Burnside) Limited

Contents

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Independent Auditor's Report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 17

BAM Propco (Burnside) Limited

Directors' Report For the Year Ended 30 September 2019

The directors present their report together with the audited financial statements for the year ended 30 September 2019.

Principal activity

The principal activity of the company is that of an owner of a care home which is operated by a fellow group company.

Results and dividends

The loss for the year, after taxation, amounted to £50,286 (2018 - loss £47,947).

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

Going concern

The group's external banking finance of £36.4m, which is secured against the company's fixed assets, is repayable on demand. For further details of this please refer to note 2.2.

Directors

The directors who served during the year were:

T Bolot
D Wulwick

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.

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

This report was approved by the board on 7 September 2020 and signed on its behalf.



T Bolot
Director

BAM Propco (Burnside) Limited

Directors' Responsibilities Statement For the Year Ended 30 September 2019

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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.

BAM Propco (Burnside) Limited

Independent Auditor's Report to the Members of BAM Propco (Burnside) Limited

Opinion

We have audited the financial statements of BAM Propco (Burnside) Limited ("the company") for the year ended 30 September 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 30 September 2019 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.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates that the company is reliant on the continued support of the group's bank, which has been provided on a non-binding basis. As stated in note 2.2 these events or conditions, along with other matters as set out in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BAM Propco (Burnside) Limited

Independent Auditor's Report to the Members of BAM Propco (Burnside) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the directors' report. 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.

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; 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.

BAM Propco (Burnside) Limited

Independent Auditor's Report to the Members of BAM Propco (Burnside) Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

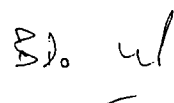
Auditor's responsibilities for the audit of the financial statements

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 at 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.



7 September 2020

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

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

BAM Propco (Burnside) Limited

Statement of Comprehensive Income For the Year Ended 30 September 2019

		2019 £	2018 £
Turnover	4	180,866	181,975
Administrative expenses		(41,339)	(47,947)
Exceptional administrative expenses - provision for intragroup debtors		(8,947)	-
Operating profit	5	<u>130,580</u>	<u>134,028</u>
Interest payable and expenses		(180,866)	(181,975)
Loss before tax		<u>(50,286)</u>	<u>(47,947)</u>
Tax on loss	8	-	-
Loss and total comprehensive loss for the financial year		<u><u>(50,286)</u></u>	<u><u>(47,947)</u></u>

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 9 to 17 form part of these financial statements.

BAM Propco (Burnside) Limited

Registered number:08861081

**Statement of Financial Position
As at 30 September 2019**

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	10		4,410,714		4,452,053
Current assets					
Debtors: amounts falling due within one year	11	-		8,947	
Creditors: amounts falling due within one year	12	(4,864,021)		(4,864,021)	
Net current liabilities			(4,864,021)		(4,855,074)
Net liabilities			(453,307)		(403,021)
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account	14		(453,308)		(403,022)
Total equity			(453,307)		(403,021)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
7 September 2020



T Bolot
Director

The notes on pages 9 to 17 form part of these financial statements.

BAM Propco (Burnside) Limited

Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2018	1	(403,022)	(403,021)
Comprehensive income for the year			
Loss for the year	-	(50,286)	(50,286)
Total comprehensive income for the year	-	(50,286)	(50,286)
At 30 September 2019	1	(453,308)	(453,307)

Statement of Changes in Equity For the Year Ended 30 September 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	1	(355,075)	(355,074)
Comprehensive income for the year			
Loss for the year	-	(47,947)	(47,947)
Total comprehensive income for the year	-	(47,947)	(47,947)
At 30 September 2018	1	(403,022)	(403,021)

The notes on pages 9 to 17 form part of these financial statements.

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

1. General information

BAM Propco (Burnside) Limited is a private company limited by shares and incorporated in England and 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 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 Section 1A of 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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.2 Going concern

Since its inception the company and the wider group has relied upon funding provided by its bank to finance its investments and to meet its ongoing working capital requirements. These loans, which amounted to £36.4 million at 30 September 2019 (2018 - £35.8 million), are subject to cross guarantees and security as disclosed in note 12. The loan facilities were renewed in February 2018 and expire on 31 December 2024, although all of the amounts drawn are repayable on demand.

Since the year end, in April 2020, the group deferred interest payments due to its bank but has since repaid the outstanding balance over a short period. No action has been taken by the bank in relation to this event of default.

The company's ability to continue as a going concern is dependent on that of the group.

Specifically in relation to the potential impact of the COVID-19 pandemic on the group, the directors have considered:

- the current trading performance of the group following lockdown measures introduced by the government;
- the short to medium term economic impacts due to the COVID-19 pandemic within the care home sector;
- their robust control procedures which have been put into place to ensure that the group is not materially impacted should there be a second wave of the pandemic;
- their strong communication strategy with their bankers regarding performance against budget especially in relation to KPI's such as care home occupancy levels, weekly average fees and staff cost and other key cost variances.

The group has prepared projections for the period to September 2021 which show that it will have a similar shortfall of funds to cover its interest payment in the forthcoming quarter and expects to repay the outstanding interest balance over a short period with the continued financial support of its bankers. Thereafter the group expects to be able to work within the terms of its borrowing facilities for the foreseeable future. Any delay in the return of pre-COVID-19 occupancy levels or any further waves of COVID-19 infection could have a further effect on the group's ability to fulfil its future interest and other financial obligations.

The bank has provided a "standstill" letter of support to the group on a non-binding basis. The bank has not taken any enforcement steps since an interest deferral in April 2020 and, whilst it continues to review the performance of the care homes and reserves its rights under the loan agreements, the bank's current intention is to continue the debt finance facilities on their existing terms. On this basis, the directors believe the bank will continue to support the group for a period of not less than twelve months from the date of approval of the financial statements, and covering the projected interest deferral in the forthcoming quarter. They believe that it is reasonable in these circumstances to assume that the group will have adequate resources to continue in operational existence with the ongoing financial support of their bankers. Accordingly they have drawn up the financial statements on a going concern basis.

As the standstill letter of support from the bank is provided on a non-binding basis, a material uncertainty exists which may cast significant doubt over the group's and therefore the company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the group and company were unable to continue as a going concern.

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises revenue recognised in respect of rental income receivable from a fellow subsidiary undertaking for occupation of the company's property. Turnover is recognised on an accruals basis.

2.4 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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.

Land is not depreciated. Depreciation of other assets is charged so as to allocate the cost of assets less residual value over their estimated useful lives using the straight-line method. The estimated useful life of freehold buildings is 50 years.

Depreciation is provided on the following basis:

Furniture, fixtures and fittings	-	20% straight line
----------------------------------	---	-------------------

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Financial instruments

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities are initially measured at transaction price (including transaction costs) and are subsequently held at amortised cost.

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.8 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.9 Taxation

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.

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include a review of the historical cost less accumulated depreciation and any accumulated impairment losses of the property and the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 10)

Tangible fixed assets which are comprised of freehold land and buildings are stated at historical cost less accumulated depreciation and any accumulated impairment losses. In considering whether there has been any impairment in the value of the company's property assets the directors assess whether the coverable amount is less than its carrying amount. The recoverable amount of the property asset is the higher of the fair value less cost to sell and its value in use. If there is an indication that an asset may be impaired, the directors review the remaining useful life of the property asset to ensure this is still appropriate.

The fair value of the property asset is ascertained through the review of a number of factors and information flows, including market knowledge, recent market movements, recent sales and similar properties, historical experience, rent levels and cash flows for the respective property. There is an inevitable degree of judgement involved and value can be only reliably tested ultimately in the market itself.

Whilst the directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the future selling price, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be significant.

4. Turnover

The whole of the turnover is attributable to that of the principal activity of the company.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation on tangible fixed assets	41,339	47,947

6. Auditor's remuneration

Audit fees were borne upon by the parent company.

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

7. Employees

The company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

8. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Adjustments in relation to prior periods	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

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

	2019 £	2018 £
Loss on ordinary activities before tax	(50,286)	(47,947)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(9,554)	(9,110)
Effects of:		
Losses available to carry forward	9,554	9,110
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

9. Exceptional items

	2019 £	2018 £
Exceptional items - user input	8,947	-
	<u>8,947</u>	<u>-</u>

10. Tangible fixed assets

	Freehold property £	Furniture, fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2018	4,640,000	60,000	4,700,000
At 30 September 2019	<u>4,640,000</u>	<u>60,000</u>	<u>4,700,000</u>
Depreciation			
At 1 October 2018	193,339	54,608	247,947
Charge for the year on owned assets	35,947	5,392	41,339
At 30 September 2019	<u>229,286</u>	<u>60,000</u>	<u>289,286</u>
Net book value			
At 30 September 2019	<u>4,410,714</u>	<u>-</u>	<u>4,410,714</u>
At 30 September 2018	<u>4,446,661</u>	<u>5,392</u>	<u>4,452,053</u>

11. Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	-	8,947

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

12. Creditors: amounts falling due within one year

	2019 £	2018 £
Borrowings (secured)	707,397	734,311
Amounts owed to group undertakings	4,156,624	4,129,710
	<u>4,864,021</u>	<u>4,864,021</u>

As described in note 2.2, the bank loan expires on 31 December 2024, although all amounts remain repayable on demand.

These loans are secured by way of fixing and floating charge over the assets of the company and fellow subsidiary undertakings. The total amount of group borrowings outstanding at 30 September 2019 was £36.4 million (2018 - £35.8 million).

13. Share capital

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

14. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Financial commitments

The company has given a fixed and floating charge over all of its assets as security for the borrowings of its fellow subsidiary undertakings. The total amount of group borrowings outstanding at 30 September 2019 was £36.4 million (2018 - £35.8 million).

16. Related party transactions

The company has taken advantage of the exemption available in under paragraph 33.1A of Financial Reporting Standard 102 not disclose transactions with other wholly owned members of group.

BAM Propco (Burnside) Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

17. Ultimate parent undertaking and controlling party

The immediate parent undertaking is BAM Propco (2) Limited.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is BAM Parentco (2) Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ. In the opinion of the directors this is the company's ultimate parent company.

The ultimate controlling party is Mr T Bolot.