

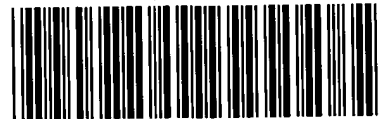
Registration number: 10109920

# Worplesdon View 2016 Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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# **Worplesdon View 2016 Limited**

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## **Worplesdon View 2016 Limited**

### **Company Information**

<b>Directors</b>	Pete Calveley Mark Hazlewood Michael O'Reilly
<b>Company secretary</b>	Michael O'Reilly
<b>Registered office</b>	3rd Floor, The Aspect 12 Finsbury Square London EC2A 1AS
<b>Bankers</b>	The Royal Bank of Scotland Plc London Corporate Services 2 1/2 Devonshire Square London EC2M 4XJ
<b>Auditor</b>	KPMG LLP Chartered Accountants 1 St Peter's Square Manchester M2 3AE

## **Worplesdon View 2016 Limited**

### **Strategic Report for the Year Ended 31 December 2017**

The Directors present their strategic report for the year ended 31 December 2017.

#### **Principal activity**

The principal activity of the Company is the ownership and leasing of nursing homes to a related company within the Grove Limited group ("Group").

#### **Fair review of the business**

The Company acquired the freehold to the nursing homes known as Gorseway, Ashchurch View, Hurstwood View, Latimer Court, Worplesdon View, Beaufort Grange and Bryn Ivor Lodge during the year. Bryn Ivor Lodge was subsequently sold to another Group company.

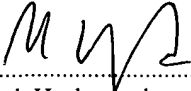
Details of the result for the year are set out in the Profit and Loss Account on page 9. The Directors are satisfied with the Company's result.

#### **Principal risks and uncertainties**

Given Barchester's strong position in the sector, there is little risk of it defaulting on its lease payments to the Group.

It is not necessary for the Company to use KPIs in its analysis.

Approved by the Board on 22 June 2018 and signed on its behalf by:

  
.....  
Mark Hazlewood  
Director

## **Worplesdon View 2016 Limited**

### **Directors' Report for the Year Ended 31 December 2017**

The Directors present their report and the financial statements for the year ended 31 December 2017.

#### **Directors of the Company**

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

Pete Calveley

Mark Hazlewood

Michael O'Reilly - Company secretary and Director (appointed 3 April 2017)

#### **Dividends**

The Directors recommend no final dividend payment be made in respect of the financial year ended 31 December 2017 (2016: nil).

#### **Going concern**

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

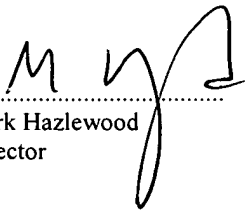
#### **Disclosure of information to the auditor**

Each Director has taken steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Appointment of auditor**

The auditor KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 22 June 2018 and signed on its behalf by:

  
.....  
Mark Hazlewood  
Director

## **Worplesdon View 2016 Limited**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

## **Worplesdon View 2016 Limited**

### **Independent Auditor's Report to the Members of Worplesdon View 2016 Limited**

#### **1. Our opinion is unmodified**

We have audited the financial statements of Worplesdon View 2016 Limited (the 'Company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Worplesdon View 2016 Limited**

### **Independent Auditor's Report to the Members of Worplesdon View 2016 Limited (continued)**

#### **2. Key audit matters: our assessment of risks of material misstatement**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

##### **Accounting treatment for business combination (£15.7m, 2016: £nil): New in year**

Refer to page 15 (accounting policy) and page 22 (financial disclosure).

##### **The risk - accounting treatment**

The Company has recognised goodwill in respect of acquisitions in the year through the purchase of freehold properties. The Company was therefore required to make an assessment of the fair values of acquired assets and liabilities at the acquisition date. This can be an area of significant judgement and estimate, and will require additional financial statement disclosures.

##### **Our procedures included:**

- **Test of detail:** We tested the completeness of the identified assets and liabilities acquired and the estimation of their fair value at the acquisition date. We assessed the carrying value of goodwill in the balance sheet at the year end with no impairment indicators being identified.

- **Assessing transparency:** We assessed whether the group's disclosures were in accordance with the relevant accounting standards.

##### **Recoverability of debt due from group entities (£42.5 million, 2016: £nil): New in year**

Refer to page 15 (accounting policy) and page 27 (financial disclosure).

##### **The risk - low risk, high value**

The carrying amount of the intra-group debtor balance represents 37% of the company's total assets. The recoverability of the balance is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the company financial statements, this balance is considered to be an area that had the greatest effect on our overall company audit.

##### **Our procedures included:**

- **Tests of detail:** We assessed 100% of the company debtor balance to identify, with reference to the group entities' financial statements, whether the group entities have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether the group entities have historically been profit-making.

- **Assessing group entities audit:** We assessed the work performed by the group entities audit team, and considered the results of that work, on those net assets, including assessing the liquidity of the assets and therefore the ability of the group entities to fund repayment of the receivable.

##### **Accounting treatment for interest bearing loan notes payable (£104.0 million, 2016: £nil): New in year**

Refer to page 16 (accounting policy) and pages 28 (financial disclosure).



## **Worplesdon View 2016 Limited**

### **Independent Auditor's Report to the Members of Worplesdon View 2016 Limited (continued)**

#### **The risk - accounting treatment**

The Company has in issue significant interest bearing loan notes payable from its parent company (together 'the Loan Notes'). The Loan Notes agreements contain complex terms. The risk is that the accounting treatment adopted for the continuing recognition and measurement of the Loans Notes is not in line with relevant accounting standards.

#### **Our procedures included:**

- **Accounting analysis:** We inspected the Loan Note agreements and made our own independent assessment of the appropriate accounting treatment having regard to the requirements of the relevant accounting standards. In particular, we evaluated the specific rights and obligations of the Company and those of other entities which are contractual parties to the Loan Notes. We then considered whether the accounting treatment adopted by the Company was in line with our own independent assessment.
- **Assessing transparency:** We assessed the adequacy of the Company's disclosures in relation to the Loan Notes.

#### **3. Our application of materiality and an overview of the scope of our audit**

Materiality for these financial statements was set at £1,149,000 (2016: £22,000), determined with reference to a benchmark of total assets of £113,448,000 (2016: £1,340,000), of which it represents 1.0% (2016: 1.6%).

We agreed to report to the Board any corrected or uncorrected identified misstatements exceeding £57,450 (2017: £1,100), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit was all performed at the company's accounting office in Inverness, UK.

#### **4. We have nothing to report on going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **5. Strategic report and Directors' report**

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic Report or the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **6. We have nothing to report on the other matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, 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.

We have nothing to report in these respects.

## Worplesdon View 2016 Limited

### Independent Auditor's Report to the Members of Worplesdon View 2016 Limited (continued)

#### 7. Respective responsibilities

##### *Directors' responsibilities*

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities*

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### 8. The purpose of our audit work and to whom we owe our responsibilities

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.

*Nicola Quayle*

Nicola Quayle (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

Date: *27 June 2018*

# **Worplesdon View 2016 Limited**

## **Profit and Loss Account for the Year Ended 31 December 2017**

		Year ended 31 December 2017	7 April 2016 to 31 December 2016
	Note	£ 000	£ 000
Turnover	3	267	-
Administrative expenses		(1,843)	-
Exceptional items	4	<u>3,900</u>	<u>-</u>
Operating profit	5	<u>2,324</u>	<u>-</u>
Other interest receivable and similar income	6	2,684	-
Interest payable and similar expenses	7	<u>(2,336)</u>	<u>-</u>
		<u>348</u>	<u>-</u>
Profit before tax		2,672	-
Taxation	10	<u>(811)</u>	<u>-</u>
Profit for the financial year		<u><u>1,861</u></u>	<u><u>-</u></u>

The above results were derived from continuing operations.

**Worplesdon View 2016 Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2017**

	<b>Year ended 31 December 2017 £ 000</b>	<b>7 April 2016 to 31 December 2016 £ 000</b>
Profit for the year	<u>1,861</u>	<u>-</u>
Total comprehensive income for the year	<u><u>1,861</u></u>	<u><u>-</u></u>

**Worplesdon View 2016 Limited**  
**(Registration number: 10109920)**  
**Balance Sheet as at 31 December 2017**

	Note	31 December 2017 £ 000	31 December 2016 £ 000
<b>Fixed assets</b>			
Intangible assets	11	15,683	-
Tangible assets	12	1	1
Investment property	13	4,790	-
Investments	14	2,979	-
		<u>23,453</u>	<u>1</u>
<b>Current assets</b>			
Debtors	16	85,480	1,339
Cash at bank and in hand		4,515	-
		<u>89,995</u>	<u>1,339</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(7,623)</u>	<u>(1,340)</u>
<b>Net current assets/(liabilities)</b>		<u>82,372</u>	<u>(1)</u>
<b>Total assets less current liabilities</b>		105,825	-
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(103,964)</u>	<u>-</u>
<b>Net assets</b>		<u>1,861</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	18	-	-
Profit and loss account		1,861	-
<b>Total equity</b>		<u>1,861</u>	<u>-</u>

Approved and authorised by the Board on 22 June 2018 and signed on its behalf by:

  
 .....  
 Mark Hazlewood  
 Director

**Worplesdon View 2016 Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2017**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2017	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the year	<u>-</u>	<u>1,861</u>	<u>1,861</u>
Total comprehensive income	<u>-</u>	<u>1,861</u>	<u>1,861</u>
At 31 December 2017	<u><u>-</u></u>	<u><u>1,861</u></u>	<u><u>1,861</u></u>

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 7 April 2016	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

## **Worplesdon View 2016 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **1 General information**

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

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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

##### **Basis of preparation**

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

##### **Summary of disclosure exemptions**

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

##### **Name of parent of group**

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

The financial statements of Grove Limited may be obtained from [www.jersey.fsc.org](http://www.jersey.fsc.org).

##### **Group accounts not prepared**

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

##### **Going concern**

The financial statements have been prepared on a going concern basis. The Company has the long-term support of the ultimate parent company, Grove Limited. The Directors have no reason to believe that this support will not continue for a period of at least 12 months from the date of approval of these financial statements, and therefore consider it appropriate to prepare the financial statements on a going concern basis.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 2 Accounting policies (continued)

##### Judgements

The classification of leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains the significant risks and rewards of ownership of these assets, and accordingly whether the lease requires the asset to be recognised as an investment property or finance lease receivable.

##### Key sources of estimation uncertainty

Investment properties are stated at valuation. Where a full Red Book valuation is not performed in a given year on a specific property, the Directors are required to value the property using professional judgement. In such cases, the Directors instruct an external valuer with relevant experience in the sector to perform a desktop valuation on which the Directors' valuation is based.

The Company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

##### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

##### Tax

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

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

##### Tangible assets

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

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

##### Depreciation

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

Asset class  
Plant & Equipment

Depreciation method and rate  
Straight line over 10 years



## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 2 Accounting policies (continued)

##### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit and loss.

##### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

##### Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

##### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	straight line over the life of the lease

##### Investments

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

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

##### Impairment of debtors

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 2 Accounting policies (continued)

##### Borrowings

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

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

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

##### Leases

Where the Company transfers substantially all the risks and rewards of ownership, the arrangement is classified as a finance lease and a receivable is recognised at an amount equal to the net investment in the lease. Recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

##### Share capital

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

#### 3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2017	7 April 2016 to 31 December 2016
	£ 000	£ 000
Rental income from investment property	267	-

#### 4 Exceptional items

An analysis of the company's exceptional items for the year is as follows:

	31 December 2017	31 December 2016
	£ 000	£ 000
Compensation received	3,900	-

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 5 Operating profit

Arrived at after charging

	2017	7 April 2016 to 31 December
	£ 000	2016 £ 000
Amortisation expense	257	-
Loss on disposal of finance lease receivable	110	-

#### 6 Other interest receivable and similar income

	2017	7 April 2016 to 31 December
	£ 000	2016 £ 000
Interest receivable on loans to group undertakings	720	-
Other finance income	1,964	-
	2,684	-

Other finance income relates entirely to the finance lease described in note 19.

#### 7 Interest payable and similar expenses

	2017	7 April 2016 to 31 December
	£ 000	2016 £ 000
Interest payable on loans from Group undertakings	2,336	-

#### 8 Directors' remuneration

The Company had no employees other than Directors. The Directors received remuneration for services to Grove Limited of which Worplesdon View 2016 Limited is a subsidiary undertaking, however the proportion attributable to their services to Worplesdon View 2016 Limited is not separately identifiable.

#### 9 Auditor's remuneration

The remuneration of the auditor in the current year was borne by another Group company. The estimate for the current year is £5,000 (2016: £1,000).

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 10 Taxation

Tax charged/(credited) in the income statement

	2017 £ 000	7 April 2016 to 31 December 2016 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>811</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19.25%.

The differences are reconciled below:

	2017 £ 000	7 April 2016 to 31 December 2016 £ 000
Profit before tax	<u>2,672</u>	<u>-</u>
Corporation tax at standard rate	514	-
Effect of expense not deductible in determining taxable profit	320	-
Tax increase from transfer pricing adjustments	38	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(61)</u>	<u>-</u>
Total tax charge	<u>811</u>	<u>-</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the Company's future tax charge accordingly.

# **Worplesdon View 2016 Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **11 Intangible assets**

	<b>Goodwill £ 000</b>	<b>Total £ 000</b>
<b>Cost or valuation</b>		
At 1 January 2017	-	-
Acquired through business combinations (see note 15)	18,791	18,791
Disposals	<u>(2,858)</u>	<u>(2,858)</u>
At 31 December 2017	<u>15,933</u>	<u>15,933</u>
<b>Amortisation</b>		
At 1 January 2017	-	-
Amortisation charge	257	257
Amortisation eliminated on disposals	<u>(7)</u>	<u>(7)</u>
At 31 December 2017	<u>250</u>	<u>250</u>
<b>Carrying amount</b>		
At 31 December 2017	<u><u>15,683</u></u>	<u><u>15,683</u></u>

# Worplesdon View 2016 Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 12 Tangible assets

	Furniture, fittings and equipment £ 000	Total £ 000
<b>Cost or valuation</b>		
At 1 January 2017	<u>1</u>	<u>1</u>
At 31 December 2017	<u>1</u>	<u>1</u>
<b>Depreciation</b>		
At 1 January 2017	-	-
Charge for the year	<u>-</u>	<u>-</u>
At 31 December 2017	<u>-</u>	<u>-</u>
<b>Carrying amount</b>		
At 31 December 2017	<u>1</u>	<u>1</u>
At 31 December 2016	<u>1</u>	<u>1</u>

### 13 Investment properties

	31 December 2017 £ 000
At 1 January	-
Additions	4,910
Fair value adjustments	<u>(120)</u>
At 31 December	<u>4,790</u>

Investment properties comprise a nursing and residential home.

It was valued by Christie & Co on 31 December 2017. The valuation was prepared on the basis of open market value as an investment subject to the current lease in place. The valuation was conducted in accordance with the principals of the RICS Valuation - Global Standards 2017 (the "Red Book") incorporating the International Valuation Standards 2017 ("IVS"). Christie & Co are members of the Royal Institute of Chartered Surveyors and have appropriate qualifications and recent experience in the locations and categories of asset being valued.

# Worplesdon View 2016 Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 14 Investments in subsidiaries, joint ventures and associates

	31 December 2017 £ 000
<b>Subsidiaries</b>	
<b>Cost or valuation</b>	
At 1 January 2017	-
Additions	4,324
At 31 December 2017	4,324
<b>Provision</b>	
At 1 January 2017	-
Provision	1,345
At 31 December 2017	1,345
<b>Carrying amount</b>	
At 31 December 2017	2,979
At 31 December 2016	-

### Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Hagley Place Limited	England and Wales	Ordinary	100%	0%

The principal activity of Hagley Place Limited is the ownership and leasing of a nursing home to a related company.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Business combinations

On 11 May 2017, Worplesdon View 2016 Limited acquired the freehold of the property known as Bryn Ivor Lodge, and as a consequence, assumed the role of lessor with reference to the existing long lease pertaining to the property.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>2017</b> <b>£ 000</b>
<b>Assets and liabilities acquired</b>	
Financial assets	9,029
Goodwill	<u>2,858</u>
Total consideration	<u><u>11,887</u></u>
<b>Satisfied by:</b>	
Cash	<u><u>11,887</u></u>

The useful life of goodwill is 33 years, being the term remaining on the existing lease as at the date of acquisition.



## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Business combinations (continued)

On 16 June 2017, Worplesdon View 2016 Limited acquired the freehold of property known as Ashchurch View, and as a consequence, assumed the role of lessor with reference to the existing long lease pertaining to the property.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>2017</b> <b>£ 000</b>
<b>Assets and liabilities acquired</b>	
Financial assets	7,905
Goodwill	<u>1,949</u>
Total consideration	<u><u>9,854</u></u>
<b>Satisfied by:</b>	
Cash	<u><u>9,854</u></u>

The useful life of goodwill is 30 years, being the term remaining on the existing lease as at the date of acquisition.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Business combinations (continued)

On 21 June 2017, Worplesdon View 2016 Limited acquired the freehold of property known as Hurstwood View, and as a consequence, assumed the role of lessor with reference to the existing long lease pertaining to the property.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>2017</b>
	<b>£ 000</b>
<b>Assets and liabilities acquired</b>	
Financial assets	7,764
Goodwill	<u>1,591</u>
Total consideration	<u><u>9,355</u></u>
<b>Satisfied by:</b>	
Cash	<u><u>9,355</u></u>

The useful life of goodwill is 30 years, being the term remaining on the existing lease as at the date of acquisition. being the term remaining on the existing lease as at the date of acquisition.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Business combinations (continued)

On 23 June 2017, TEST 2 acquired the freehold of property known as Latimer Court, and as a consequence, assumed the role of lessor with reference to the existing long lease pertaining to the property.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>2017</b> <b>£ 000</b>
<b>Assets and liabilities acquired</b>	
Financial assets	8,836
Goodwill	<u>3,139</u>
Total consideration	<u><u>11,975</u></u>
<b>Satisfied by:</b>	
Cash	<u><u>11,975</u></u>

The useful life of goodwill is 31 years, being the term remaining on the existing lease as at the date of acquisition. being the term remaining on the existing lease as at the date of acquisition.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Business combinations (continued)

On 21 August 2017, TEST acquired the freehold of property known as Worplesdon View, and as a consequence, assumed the role of lessor with reference to the existing long lease pertaining to the property.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>2017</b> <b>£ 000</b>
<b>Assets and liabilities acquired</b>	
Financial assets	9,923
Goodwill	<u>7,345</u>
Total consideration	<u><u>17,268</u></u>
<b>Satisfied by:</b>	
Cash	<u><u>17,268</u></u>

The useful life of goodwill is 30 years, being the term remaining on the existing lease as at the date of acquisition. being the term remaining on the existing lease as at the date of acquisition.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Business combinations (continued)

On 8 September 2017, acquired the freehold of property known as Beaufort Grange, and as a consequence, assumed the role of lessor with reference to the existing long lease pertaining to the property.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	2017 £ 000
<b>Assets and liabilities acquired</b>	
Financial assets	9,156
Goodwill	<u>1,909</u>
Total consideration	<u><u>11,065</u></u>
<b>Satisfied by:</b>	
Cash	<u><u>11,065</u></u>

The useful life of goodwill is 31 years, being the term remaining on the existing lease as at the date of acquisition. being the term remaining on the existing lease as at the date of acquisition.

#### 16 Debtors

		31 December 2017 £ 000	2016 £ 000
	Note		
Amounts owed by related parties		42,517	-
Other debtors		-	1,339
Finance lease receivables	19	<u>42,963</u>	<u>-</u>
		<u><u>85,480</u></u>	<u><u>1,339</u></u>

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

# **Worplesdon View 2016 Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **17 Creditors**

	<b>31 December 2017 £ 000</b>	<b>31 December 2016 £ 000</b>
<b>Due within one year</b>		
Trade creditors	7	-
Amounts due to related parties	6,669	1,340
Accrued expenses	136	-
Income tax liability	811	-
	<u>7,623</u>	<u>1,340</u>
<b>Due after one year</b>		
Amounts due to related parties	<u>103,964</u>	<u>-</u>

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

Amounts due to related parties after one year include £103,964,000 (2016: nil) of loan notes issued to Barchester Propco (Jersey) 2016 Limited. The loan notes were issued on 18 August 2017 and are subject to interest payable at 4.9546% per annum. The notes are due for repayment on 18 August 2021. The notes were listed on the Channel Islands Securities Exchange as of 22 December 2017.

## Worplesdon View 2016 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 18 Share capital

##### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 19 Obligations under leases and hire purchase contracts

##### Finance leases - lessor

The Company leases the freehold to the properties known as Ashchurch View, Hurstwood View, Latimer Court, Worplesdon View and Beaufort Grange, to another Group company, Barchester Healthcare Homes Limited.

The amount of the net investment in a finance lease is determined as shown in the following table:

	2017 £ 000	2016 £ 000
Minimum lease payments	<u>137,583</u>	<u>-</u>
Gross investment	137,583	-
Unearned finance income	<u>(94,620)</u>	<u>-</u>
Net investment (present value of minimum lease payments)	<u>42,963</u>	<u>-</u>

The gross investment amount and the present value of payable minimum lease payments are shown in the following table:

	2017 £ 000		2016 £ 000	
	Gross investment in lease	Present value of minimum lease payments	Gross investment in lease	Present value of minimum lease payments
<b>Maturity</b>				
Not later than one year	3,713	3,509	-	-
Later than one year and not later than five years	15,418	11,648	-	-
Later than five years	<u>118,452</u>	<u>27,806</u>	<u>-</u>	<u>-</u>
	<u>137,583</u>	<u>42,963</u>	<u>-</u>	<u>-</u>

Contingent rents recognised as income in the period are £Nil (2016 - £Nil).

## **Worplesdon View 2016 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **20 Parent and ultimate parent undertaking**

The Company's immediate parent is Barchester PropCo (Jersey) 2016, incorporated in Jersey.

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

#### **Relationship between entity and parents**

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

The address of Grove Limited is:

Queensway House  
Hilgrove Street  
St Helier  
Jersey  
JE1 1ES

The parent of the smallest group in which these financial statements are consolidated is Barchester Propco (Jersey) 2016 Limited, incorporated in Jersey.

The address of Barchester Propco (Jersey) 2016 Limited is:

Queensway House  
Hilgrove Street  
St Helier  
Jersey  
JE1 1ES