

Registered number: OC366986

UK Healthcare Property 1 LLP  
Annual report and financial statements  
for the year ended 31 March 2013



## **UK Healthcare Property 1 LLP**

### **Annual report and financial statements for the year ended 31 March 2013**

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# **UK Healthcare Property 1 LLP**

## **Information**

### **Designated members**

Bndges Ventures Holdings Limited  
The CarePlaces Limited Partnership

### **Independent auditors**

PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

### **Registered office**

1 Craven Hill  
London  
W2 3EN

### **Registered number**

OC366986

## **UK Healthcare Property 1 LLP**

### **Members' report for the year ended 31 March 2013**

The members present their report and audited financial statements for the year ended 31 March 2013. A list of the members can be found on page 1.

#### **Principal activities**

The partnership's principal activity during the year was investment in care home properties leased to care home operators.

#### **Review of the business and future developments**

Two care homes were completed during the year and leased to a leading care home operator.

Land was acquired during the period and construction on three care homes commenced during the period. On completion these care homes will be leased to a leading care home operator.

#### **Designated members**

The designated members during the year and up to the date of signing the financial statements were:

Bridges Ventures Holdings Limited

The CarePlaces Limited Partnership

#### **Members' capital and interests**

Members will determine the annual drawings payable by the partnership and are permitted to make drawings in anticipation of profits which will be allocated to them. Profits/(losses) are allocated on the basis as set out in the partnership agreement entered into by the members. No member is entitled to draw out or receive back any part of its capital contribution except on the winding up of the partnership.

#### **Results for the period and allocation to members**

The partnership's profit for the year is £nil (2012: £nil).

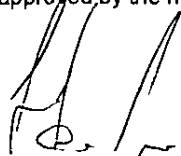
#### **Statement of disclosure of information to auditors**

So far as the partners are aware, there is no relevant audit information of which the company's auditors are unaware. The partners have taken all the steps that they ought to have taken as partners in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Basis of preparation**

The members' report has been prepared under the small companies regime of the Companies Act 2006 as modified for LLP's.

This report was approved by the members and signed on their behalf by



S D Ringer  
on behalf of The CarePlaces Limited Partnership  
17 June 2013

## **UK Healthcare Property 1 LLP**

### **Members' responsibilities statement for the year ended 31 March 2013**

**Registered number OC366986**

#### **Statement of members' responsibilities in respect of the financial statements**

The members are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulations

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Accounting standards and applicable law (United Kingdom Generally Accepted Accounting Practice). Under the company law as applied to limited liability partnerships the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business

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



S D Ringer  
on behalf of The CarePlaces Limited Partnership  
17 June 2013

## **UK Healthcare Property 1 LLP**

### **Independent auditors' report to the members of UK Healthcare Property 1 LLP**

We have audited the financial statements of UK Healthcare Property 1 LLP for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of members and auditors**

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2013 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

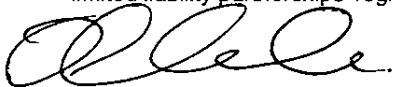
## **UK Healthcare Property 1 LLP**

### **Independent auditors' report to the members of UK Healthcare Property 1 LLP (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit, or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime



Jason Clarke (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cardiff

17 June 2013

## UK Healthcare Property 1 LLP

### Profit and Loss Account for the year ended 31 March 2013

	Note	12 month period ending 31 March 2013 £	8 month period ending 31 March 2012 £
Turnover	2	1,234,370	304,449
Administrative expenses		(88,186)	(60,265)
Other operating income		9,141	2,380
<b>Operating profit</b>	<b>3</b>	<b>1,155,325</b>	<b>246,564</b>
Impairment of fixed asset investment	6	(122,382)	(67,592)
Interest payable and similar charges		(246,120)	(60,657)
<b>Profit for the financial year before members' remuneration and profit share</b>		<b>786,823</b>	<b>118,315</b>
Members' remuneration charged as an expense	5	(786,823)	(118,315)
<b>Profit for the financial year available for discretionary division among members</b>		<b>-</b>	<b>-</b>

All results derive from continuing operations

There is no material difference between the loss for the current and prior financial year above and their historical cost equivalents

### Statement of total recognised gains and losses for the year ended 31 March 2013

	Note	12 month period ending 31 March 2013 £	8 month period ending 31 March 2012 £
Profit for the financial year available for discretionary division among members		-	-
Unrealised surplus on revaluation of properties	12	2,023,527	67,222
<b>Total recognised gains and losses related to the year</b>		<b>2,023,527</b>	<b>67,222</b>



## UK Healthcare Property 1 LLP

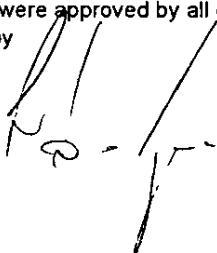
### Balance Sheet as at 31 March 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Fixed asset investment	6	26	122,408
Tangible assets	7	37,535,051	17,320,572
		<b>37,535,077</b>	<b>17,442,980</b>
<b>Current assets</b>			
Debtors	8	517,042	462,541
Cash at bank and in hand		44,801	285,200
		<b>561,843</b>	<b>747,741</b>
<b>Creditors amounts falling due within one year</b>	9	<b>(2,569,372)</b>	<b>(1,864,233)</b>
<b>Net current liabilities</b>		<b>(2,007,529)</b>	<b>(1,116,492)</b>
<b>Total assets less current liabilities</b>		<b>35,527,548</b>	<b>16,326,488</b>
<b>Creditors amounts falling due after more than one year</b>	10	<b>(9,566,000)</b>	<b>(3,036,000)</b>
<b>Net assets attributable to members of the LLP</b>		<b>25,961,548</b>	<b>13,290,488</b>
<b>Represented by</b>			
<b>Members' other interests</b>			
Members' capital classified as equity	12	24,159,712	13,411,930
Revaluation reserve	12	2,090,749	67,222
Other reserves	12	(288,913)	(188,664)
<b>Total members' interests</b>	12	<b>25,961,548</b>	<b>13,290,488</b>

These financial statements have been delivered in accordance with the provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime

These financial statements were approved by all designated members on 17 June 2013 and signed on their behalf by

S D Ringer  
Designated member



## **UK Healthcare Property 1 LLP**

### **Notes to the financial statements for the year ended 31 March 2013**

#### **1 Accounting policies**

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

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 (as it applied to Limited Liability Partnerships), applicable accounting standards in the UK and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (the "SORP"). A summary of the more important accounting policies are set out below

##### **Cashflow**

The financial statements do not include a Cash Flow Statement because the LLP, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **Revenue Recognition**

Revenue consists of gross rental income calculated on an accruals basis and excluding value added tax. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of the lease commencement to the lease end date.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example increases arising on rent reviews, are recorded as income in the periods in which they are earned.

##### **Taxation**

Income tax payable on the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. The LLP is not taxed as a corporate entity.

##### **Allocation of profits and drawings**

Members will determine the annual drawings payable by the partnership and are permitted to make drawings in anticipation of profits which will be allocated to them. Profits/(losses) are allocated on the basis as set out in the partnership agreement entered into by the members.

##### **Assets under construction**

Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant asset class.

##### **Investment property**

The investment property is a property owned by the company which is held for long-term rental income and for capital appreciation. The company has elected to use the fair value model. In accordance with SSAP 19, the investment property is initially recognised at cost and subsequently revalued from time to time to fair value on the basis of market value. The surplus or deficit on the revaluation is transferred to the investment property revaluation reserve.

Depreciation is not provided in respect of the investment property. This treatment is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic depreciation would be inappropriate. The accounting policy adopted is therefore necessary to give a true and fair view. Depreciation is only one of the many factors reflected in the property valuations and the amount which might otherwise be shown cannot be separately identified or quantified.

##### **Derivative financial instruments**

The company used interest rate swaps. The interest payable on interest rate swaps is accrued in the same way as interest arising on the related borrowings.

Interest rate swaps are valued for disclosure purposes at the prevailing market value as calculated by the hedging counterparty.

## UK Healthcare Property 1 LLP

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 1 Accounting policies (continued)

##### Fixed asset investments

Investments held as fixed assets are stated at cost less any provision for impairment

#### 2 Turnover

The LLP's activities are solely in the United Kingdom

#### 3 Operating profit

	2013 £	2012 £
Operating profit is stated after charging		
Auditors' remuneration	10,520	6,000

#### 4 Employee information

The partnership had no employees during the year (2012 none)

#### 5 Information in relation to Members

	2013 £	2012 £
Paid under the terms of the LLP agreement	786,823	118,315

The amount of profit attributable to the member with the largest entitlement was £786,823

#### 6 Fixed asset investment

	£
Cost	
At 1 April 2012 and 31 March 2013	190,000
Impairment	
At 1 April 2012	67,592
Provided during the year	122,382
At 31 March 2013	189,974
Net book value	
At 31 March 2013	26
At 31 March 2012	122,408

In December 2011, the partnership invested in a swaption for a notional value of £8,000,000. At 31 March 2013 the redeemable value of the swaption was £26 and the members have recognised an impairment of £122,382 in the financial statements.

## UK Healthcare Property 1 LLP

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 7 Tangible fixed assets

	Investment Properties £	Assets Under Construction £	Total £
<b>Cost or valuation</b>			
At 1 April 2012	8,000,000	9,320,572	17,320,572
Additions	-	18,190,952	18,190,952
Surplus on revaluation	2,023,527	-	2,023,527
Transfers	14,876,473	(14,876,473)	-
<b>At 31 March 2013</b>	<b>24,900,000</b>	<b>12,635,051</b>	<b>37,535,051</b>

Investment properties were revalued at 31 March 2013, in accordance with the Group's accounting policy, by external valuers Knight Frank LLP, chartered surveyors. The valuation was carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

#### 8 Debtors

	2013 £	2012 £
Trade debtors	13,687	10,492
Amounts owed by group undertakings and undertakings in which the LLP has a participating interest	100	100
Other debtors	503,255	451,949
	<b>517,042</b>	<b>462,541</b>

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

#### 9 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	472,073	-
Trade creditors	1,813,233	1,635,068
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	65,931
Other taxes and social security costs	662	220
Other creditors	283,404	163,014
	<b>2,569,372</b>	<b>1,864,233</b>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The bank loan is secured against all assets of the partnership.

The partnership held a number of interest rate swaps which are detailed below at the balance sheet date.

Swap Date	Notional Value	Maturity Date	Fair value at balance sheet date	
			2013	2012
September 2011	2,277,000	2016	(85,954)	(34,120)
September 2011	2,422,500	2017	(128,868)	(38,603)
January 2012	3,300,000	2017	(137,035)	(16,652)
July 2012	3,750,000	2018	(96,622)	-
July 2012	2,640,000	2018	(68,018)	-
September 2012	2,680,000	2018	(63,518)	-
			<b>(580,015)</b>	<b>(89,375)</b>

## UK Healthcare Property 1 LLP

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 10 Creditors: amounts falling due after one year

	2013 £	2012 £
Bank loans	9,566,000	3,036,000

#### 11 Bank Borrowings

	2013 £	2012 £
<b>Secured</b>		
<b>Amounts payable</b>		
Within two to five years	9,566,000	3,036,000
	<b>9,566,000</b>	<b>3,036,000</b>

The partnerships holds three loans that are repayable in one instalment for each loan in August 2016 and August and September 2017. The loans carry interest at LIBOR plus a margin. The loans are secured against the assets of the partnership.

#### 12 Total members' interests

	Members' capital £	Other reserves £	Revaluation reserve £	Total £
Members' interest balance at 3 August 2011	-	-	-	-
Profit for the period available for discretionary division among members	-	-	-	-
Members interests after loss for the period	-	-	-	-
Discretionary distribution to Members Introduced by members	- 13,411,930	(188,664) -	- -	(188,664) 13,411,930
Surplus on revaluation of fixed assets	-	-	67,222	67,222
<b>Members' interests at 1 April 2012</b>	<b>13,411,930</b>	<b>(188,664)</b>	<b>67,222</b>	<b>13,290,488</b>
Profit for the year available for discretionary division among members	-	-	-	-
Members' interests after loss for the year	13,411,930	(188,664)	67,222	13,290,488
Discretionary distribution to Members	-	(100,249)	-	(100,249)
Surplus on revaluation of fixed assets Introduced by members	- 10,747,782	- -	2,023,527	2,023,527 10,747,782
<b>Balance at 31 March 2013</b>	<b>24,159,712</b>	<b>(288,913)</b>	<b>2,090,749</b>	<b>25,961,548</b>

#### 13 Average number of members

The average number of members in the financial period was two (2012: two)

**UK Healthcare Property 1 LLP**

**Notes to the financial statements for the year ended 31 March 2013  
(continued)**

**14 Controlling party**

The ultimate controlling party is The Careplaces Limited Partnership, a partnership registered in the United Kingdom. The financial statements of The Careplaces Limited Partnership can be obtained from 1 Craven Hill, London W2 3EN.