

Registered number: OC366986

UK Healthcare Property 1 LLP
Annual report and financial statements
for the year ended 31 March 2018



UK Healthcare Property 1 LLP

Annual report and financial statements for the year ended 31 March 2018

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UK Healthcare Property 1 LLP

Information

Designated members

The CarePlaces (Investments) Limited
The CarePlaces Limited Partnership

Independent auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

Registered office

38 Seymour Street
London
W1H 7BP

Registered number

OC366986

UK Healthcare Property 1 LLP

Members' report for the year ended 31 March 2018

The members of UK Healthcare Property 1 LLP ("the Partnership") present their report and the audited financial statements for the year ended 31 March 2018. A list of the members can be found on page 1.

Review of the business and future developments

The Partnership owned three care home developments at Castleton, Five Ash Down and Tewkesbury, each care home was leased to Barchester Healthcare Limited under a long term lease. All three developments had call options in favour of Barchester Healthcare Limited. Barchester Healthcare Limited exercised these options during the 2017 financial year. The Castleton care home was sold in May 2017, and the care homes at Five Ash Down and Tewkesbury were both sold in June 2017.

All the assets held in the Partnership were disposed of by the end of the current financial year. The Partnership has commenced liquidation proceedings; consequently the financial statements have been prepared on a basis other than going concern. There is no material impact of this accounting method on the financial statements.

Designated members

The Designated Members during the year and up to the date of signing the financial statements were:

The CarePlaces (Investments) Limited

The CarePlaces Limited Partnership

Members' capital and interests

In preparation of the liquidation of the Partnership, all members' capital and interests have been repaid.

Results for the year and allocation to members

The Partnership's loss for the financial year available for discretionary division among members is £19,291,880 (2017: profit of £1,966,770).

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



P D Richings

on behalf of The CarePlaces Limited Partnership

Designated Member

14 June 2018

UK Healthcare Property 1 LLP

Members' responsibilities statement for the year ended 31 March 2018

Registered number: OC366986

Statement of members' responsibilities in respect of the financial statements

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

Company law requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the financial statements, the members are required to:

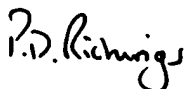
- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information for auditors

So far as each Designated Member is aware there is no relevant information of which the Partnership's auditors are unaware. Relevant information is defined as information needed by the Partnership's auditors in connection with preparing their report. Each Designated Member has taken all the steps (such as making inquiries of other members of the Partnership and the auditors and any other steps required by their duty to exercise due care, skill and diligence) that they ought to have taken in their duty as a member in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.



P D Richings
on behalf of The CarePlaces Limited Partnership
Designated Member
14 June 2018

UK Healthcare Property 1 LLP

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

Report on the audit of the financial statements

Opinion

In our opinion, UK Healthcare Property 1 LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. Following the period end the members have decided that the entity will cease trading and the entity will be liquidated during the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

UK Healthcare Property 1 LLP

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also 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.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, 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 this opinion, 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.

UK Healthcare Property 1 LLP

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

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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.

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
14 June 2018

UK Healthcare Property 1 LLP

Income Statement for the year ended 31 March 2018

	Note	2018 £	2017 £
Revenue		323,965	2,016,076
Administrative expenses		(28,949)	(89,906)
Changes in value of investment property		-	2,174,139
Other operating income		-	13,248
Operating profit	3	295,016	4,113,557
Exceptional items:			
(Loss)/profit on the disposal of tangible fixed assets		(59,762)	40,132
		235,254	4,153,689
Interest receivable		13,660	-
Interest payable and similar charges		(75,232)	(441,176)
Changes in value of financial instruments		-	99,828
Profit for the financial year before members' remuneration and profit share		173,682	3,812,341
Members' remuneration charged as an expense	5	(19,465,562)	(1,845,571)
(Loss)/profit for the financial year available for discretionary division among members		(19,291,880)	1,966,770

UK Healthcare Property 1 LLP

Statement of Financial Position as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	-	29,779,139
Current assets			
Debtors	7	189	279,056
Cash at bank and in hand		86,384	888,285
		86,573	1,167,341
Creditors: amounts falling due within one year	8	(19,165)	(11,587,192)
Net current assets/(liabilities)		67,408	(10,419,851)
Total assets less current liabilities		67,408	19,359,288
Net assets attributable to members		67,408	19,359,288

Represented by:

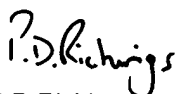
Members' other interests

Members' capital	-	35,498,307
Other reserves	67,408	(16,139,019)

Total members' interests	67,408	19,359,288
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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.

The financial statements on pages 7 - 15 were approved by all designated members on 14 June 2018 and signed on their behalf by:



P D Richings
on behalf of The CarePlaces Limited Partnership
Designated Member

UK Healthcare Property 1 LLP

Statement of Changes in Equity for the year ended 31 March 2018

	Members' capital £	Other reserves £	Total of members' interests £
Members' interests balance as 1 April 2016	35,498,307	(18,105,789)	17,392,518
Members' remuneration charged as an expense	-	(1,845,571)	(1,845,571)
Profit for the year available for discretionary division among members	-	3,812,341	3,812,341
Members' interests at 31 March 2017 and 1 April 2017	35,498,307	(16,139,019)	19,359,288
Members remuneration charged as an expense	-	(19,465,562)	(19,465,562)
Profit for the year available for discretionary division among members	-	173,682	173,682
Members' interests after profit for the year	35,498,307	(35,430,899)	67,408
Repaid to members	(35,498,307)	35,498,307	-
Balance at 31 March 2018	-	67,408	67,408

UK Healthcare Property 1 LLP

Notes to the financial statements for the year ended 31 March 2018

1 Accounting policies

General information

UK Healthcare Property 1 LLP ("the Partnership") developed and leased out care homes and assisted living apartments all of which have been sold. The limited liability partnership is incorporated in England, and the registered office is at 38 Seymour Street, London. W1H 7BP.

Statement of compliance

The individual financial statements of UK Healthcare Property 1 LLP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 (as it is applied to Limited Liability Partnerships) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (the "SORP"). A summary of the accounting policies is set out below:

Basis of Preparation

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. The Partnership has adopted FRS 102 in these financial statements.

These financial statements have been prepared on a basis other than going concern. Following the period end, given the sale of the remaining properties, the members have decided that the entity will cease trading and will be liquidated during the next financial year. As a result, these financial statements have been prepared on a basis other than going concern, with all the financial assets and liabilities measured at their recoverable values. No adjustments were necessary to be made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision, and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The comparative financial information continues to be prepared on a going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied:

Related party transactions

The Partnership has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

Cash flow

The financial statements do not include a Cash Flow Statement because the Partnership, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Companies Act 2006 (as it applies to limited liability partnerships).

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.

UK Healthcare Property 1 LLP

Notes to the financial statements for the year ended 31 March 2018 (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Functional and presentation currency

The functional and presentation currency is the pound sterling.

Taxation

Income tax payable on the Partnership's profits is solely the liability of the individual members and consequently is not dealt with in these financial statements. The Partnership 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.

Investment property

Investment property is carried at fair value as determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income Statement.

Financial instruments

The Partnership has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

UK Healthcare Property 1 LLP

Notes to the financial statements for the year ended 31 March 2018 (continued)

1 Accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, in which case the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

UK Healthcare Property 1 LLP

Notes to the financial statements for the year ended 31 March 2018 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting judgements and key sources of estimation uncertainty:

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions:

The Partnership makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of the investment property:

The Partnership assesses the value of investment properties on an annual basis in accordance with the accounting policy stated in note 1. This valuation follows the principles of FRS 102 Section 16; investment properties are measured at fair value, at each reporting date, using an open market value for existing use basis. This approach requires estimation of the future income streams, length of the leasehold and a number of other market based assumptions. Any changes in these assumptions will impact the carrying value of the investment property. All three properties held at the beginning of this financial year have now been sold during the current financial year.

3 Operating profit

	2018 £	2017 £
Operating profit is stated after charging:		
Services provided by the partnership's auditors		
Auditors' remuneration	13,005	12,663

4 Employee information

The Partnership had no employees during the year (2017: none).

5 Members' remuneration charged as an expense

	2018 £	2017 £
Paid under the terms of the Partnership agreement	19,465,562	1,845,571

UK Healthcare Property 1 LLP

Notes to the financial statements for the year ended 31 March 2018 (continued)

6 Tangible assets

	Investment Property 2018 £	Investment Property 2017 £
Cost or valuation		
At 1 April	29,779,139	27,605,000
Surplus on revaluation	-	2,174,139
Disposals	(29,779,139)	-
At 31 March	-	29,779,139

Investment properties were revalued at 31 March 2017, in accordance with the Partnership'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. All three properties held by the Partnership were subject to options by the tenant. The tenant served notice under each option during 2017; the properties were revalued in line with the option price. They have all subsequently been sold at this price during the current financial year.

7 Debtors

	2018 £	2017 £
Trade debtors	-	26,959
Amounts owed by group undertakings	-	7,095
Other debtors	189	245,002
	189	279,056

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

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	-	10,250,000
Financial derivatives	-	112,781
Trade creditors	1,080	631,156
Amounts owed to group undertakings and undertakings in which the company has a participating interest	80	-
Other creditors	18,005	593,255
	19,165	11,587,192

The Partnership held a number of interest rate swaps which are detailed below at the reporting date:

Swap Date	Notional Value	Maturity Date	Fair value at reporting date	
			2018 £	2017 £
September 2011	2,422,500	2017	-	25,803
January 2012	3,300,000	2017	-	26,381
June 2015	3,720,000	2017	-	60,597
			-	112,781

UK Healthcare Property 1 LLP

Notes to the financial statements for the year ended 31 March 2018 (continued)

9 Bank Borrowings

	2018 £	2017 £
Secured		
Amounts payable:		
Within one year	-	10,250,000
	-	10,250,000

The Partnership had three bank loans which were each repayable in one instalment respectively in August 2017, September 2017 and December 2017. The loans carried interest at LIBOR plus a margin. The loans were secured against the assets of the Partnership, and all the loans were repaid during the year in line with the property disposals.

10 Average number of members

The average number of members in the financial year was two (2017: two).

11 Controlling party

The ultimate controlling party is The CarePlaces Limited Partnership, a partnership registered in the United Kingdom.