

REGISTERED NUMBER: 09355855 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD
15 DECEMBER 2014 TO 31 DECEMBER 2015
FOR
CRIMSON DORSET PROPERTIES LIMITED**

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CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

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for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015**

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CRIMSON DORSET PROPERTIES LIMITED

COMPANY INFORMATION
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

DIRECTORS:

Michael Allen Smith
Brian Kenneth Wood
Nicholas Wayne Jacoby

SECRETARY:

Jordan Company Secretaries Limited

REGISTERED OFFICE:

20-22 Bedford Row
London
WC1R 4JS

REGISTERED NUMBER:

09355855 (England and Wales)

AUDITORS:

KPMG LLP
15 Canada Square
London
E14 5GL

REPORT OF THE DIRECTORS
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

The directors present their report with the financial statements of the company for the period 15 December 2014 to 31 December 2015.

INCORPORATION

The company was incorporated on 15 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of investment in care home properties.

DIRECTORS

The directors who have held office during the period from 15 December 2014 to the date of this report are as follows:

Michael Allen Smith - appointed 15 December 2014
Brian Kenneth Wood - appointed 15 December 2014
Christian Noel Cummings - appointed 15 December 2014

Nicholas Wayne Jacoby was appointed as a director after 31 December 2015 but prior to the date of this report.

Christian Noel Cummings ceased to be a director after 31 December 2015 but prior to the date of this report.

POTENTIAL IMPACT OF BREXIT.

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy and real estate markets, with increased volatility expected in financial markets. Occupiers and investors are still taking stock and heightened political and economic uncertainty makes it difficult to assess the full implications for the commercial property market at this early stage. Since the referendum date, it has not been possible to gauge the effect of this decision by reference to transactions in the market place, hence this does not impact the fair value of assets and liabilities, including investment property, reported at the balance sheet date of 31 December 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

REPORT OF THE DIRECTORS
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

AUDITORS

The auditors, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Michael Allen Smith - Director

Date: 9/15/16
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CRIMSON DORSET PROPERTIES LIMITED**

We have audited the financial statements of Crimson Dorset Properties Limited for the period ended 31 December 2015 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Henry Todd (Senior Statutory Auditor)
for and on behalf of KPMG LLP
15 Canada Square
London
E14 5GL

Date:

15 September 2016

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

INCOME STATEMENT
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

	Notes	£
TURNOVER		3,689,678
Administrative expenses		<u>(363,363)</u>
OPERATING PROFIT	2	3,326,315
Change in fair value of investment properties	3	<u>(147,516)</u>
		3,178,799
Interest payable and similar charges		<u>(4,210,192)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,031,393)
Tax on loss on ordinary activities	4	<u>(218,708)</u>
LOSS FOR THE FINANCIAL PERIOD		<u><u>(1,250,101)</u></u>

The notes form part of these financial statements

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

STATEMENT OF COMPREHENSIVE INCOME
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

	Notes	£
LOSS FOR THE PERIOD		(1,250,101)
OTHER COMPREHENSIVE INCOME		<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(1,250,101)</u></u>

The notes form part of these financial statements

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015

	Notes	£
FIXED ASSETS		
Investment property	5	57,000,000
CURRENT ASSETS		
Debtors	6	3,691,295
Cash at bank	7	1,400,000
		<u>5,091,295</u>
CREDITORS		
Amounts falling due within one year	8	<u>(6,291,436)</u>
NET CURRENT LIABILITIES		<u>(1,200,141)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>55,799,859</u>
CREDITORS		
Amounts falling due after more than one year	9	(57,000,000)
PROVISIONS FOR LIABILITIES	12	<u>(48,960)</u>
NET LIABILITIES		<u>(1,249,101)</u>
CAPITAL AND RESERVES		
Called up share capital	13	1,000
Retained earnings	14	<u>(1,250,101)</u>
SHAREHOLDERS' FUNDS		<u>(1,249,101)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 9/15/16 and were signed on its behalf by:


Michael Allen Smith - Director

The notes form part of these financial statements

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

STATEMENT OF CHANGES IN EQUITY
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	1,000	-	1,000
Total comprehensive loss	-	(1,250,101)	(1,250,101)
Balance at 31 December 2015	<u>1,000</u>	<u>(1,250,101)</u>	<u>(1,249,101)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The company is early adopting Financial Reporting Standard 102.

Going Concern

The financial statements are prepared on a going concern basis despite the fact that there are current net liabilities, as in the opinion of the directors this is the appropriate treatment.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is in respect of rental income, which is recognised on a straight-line basis.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise;

and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Accounting estimates and judgements

The fair value of the investment properties is the main area within the Financial Statements where there is significant estimation uncertainty. All of the properties are valued by the directors on the basis of Market Value. For completed properties, the primary source of evidence for property valuations is recent, comparable market transactions on an arms'-length basis having regard to whether the properties are let or unlet at the date of valuation. Property valuations are inherently subjective, as they are made on the basis of assumptions made by the directors which may not prove to be accurate when the properties are disposed.

2. OPERATING PROFIT

The operating profit is stated after charging:

	£
Directors' remuneration and other benefits etc	-

Fees for audit services performed in 2016 are estimated to be £14,500 and will be paid in 2016.

3. CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	£
Unrealised loss on revaluation of investment property.	147,516

4. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the period was as follows:

	£
Current tax:	
UK corporation tax	169,748
Deferred tax,	48,960
Tax on loss on ordinary activities	218,708

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

4. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£
Loss on ordinary activities before tax	<u>(1,031,393)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.184%	(208,176)
Effects of:	
Expenses not deductible for tax purposes	442,476
Group relief/other reliefs	(15,142)
Tax rate changes	<u>(450)</u>
Total tax charge	<u>218,708</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2015 has been calculated based on these rates.

5. INVESTMENT PROPERTY

FAIR VALUE

	Total £
At 15 June 2015	-
Additions	57,147,516
Unrealised loss on investment	<u>(147,516)</u>
At 31 December 2015	<u>£57,000,000</u>

This is a directors' determination of fair value.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	3,351,418
Other debtors	338,877
Called up share capital not paid	1,000
	<u>3,691,295</u>

7. CASH AT BANK

The balance of £1,400,000 relates entirely to restricted cash.

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Payments on account	1,400,000
Amounts owed to group undertakings	4,721,071
Tax	169,748
Accruals and deferred income	617
	<u>6,291,436</u>

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

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£
Other loans (see note 10)	<u>57,000,000</u>

10. LOANS

An analysis of the maturity of loans is given below:

	£
Amounts falling due in more than five years:	
Repayable otherwise than by instalments	
Shareholder Loan Notes	<u>57,000,000</u>

Shareholder loan notes are in respect of Nominal Fixed Rate Unsecured Loan Notes 2015.
The Loan Notes are repayable after 10 years and carry interest at a rate of 8% per annum.

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	£
Within one year	3,997,723
Between one and five years	15,990,890
In more than five years	16,325,034
	<u>36,313,647</u>

12. PROVISIONS FOR LIABILITIES

	£
Deferred tax	
Accelerated capital allowances	<u>48,960</u>
	Deferred
	tax
	£
Fixed asset timing differences	<u>48,960</u>
Balance at 31 December 2015	<u>48,960</u>

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 15 DECEMBER 2014 TO 31 DECEMBER 2015

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
1,000	Ordinary	£1	<u>1,000</u>

1,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

14. **RESERVES**

	Retained earnings £
Deficit for the period	<u>(1,250,101)</u>
At 31 December 2015	<u>(1,250,101)</u>

15. **ULTIMATE PARENT COMPANY**

Ventas Inc (incorporated in U.S.A.) is regarded by the directors as being the company's ultimate parent company.

16. **ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

17. **PARENT COMPANY**

The immediate parent company is Crimson Dorset Limited, registered in the UK.

Copies of the consolidated financial statements can be obtained from:

Ventas Inc
353 North Clark Street
Suite 3300
Chicago
Illinois
60654 USA