

Registration number: 10109920

Worplesdon View 2016 Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Worplesdon View 2016 Limited

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Worplesdon View 2016 Limited

Company Information

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

Worplesdon View 2016 Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

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

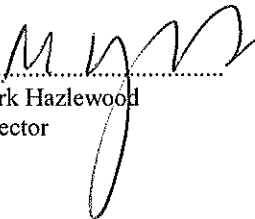
Details of the result for the year are set out in the Profit and Loss Account on page 10. The Directors are satisfied with the Company's result.

Principal risks and uncertainties

Given Barchester's strong position in the sector, the Directors consider that 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 25 June 2019 and signed on its behalf by:



.....
Mark Hazlewood
Director

Worplesdon View 2016 Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

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

Dividends

The Directors recommend no final dividend payment be made in respect of the financial year ended 31 December 2018 (2017: 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.

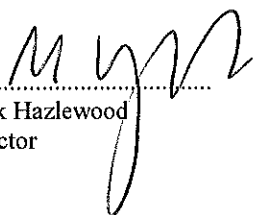
Disclosure of information to the auditor

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 25 June 2019 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 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 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 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;
- 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.

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 2018 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 2018 and of its loss 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 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. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above. 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.

Recoverability of debt due from group entities (£40.5 million, 2017: £42.5m)

Refer to page 17 (accounting policy) and page 22 (financial disclosures)

The risk - low risk, high value

The carrying amount of the intra-group debtor balance represents 38% 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 the recoverability of 100% of intercompany debtors owed by other group entities to identify, with reference to the group entities' financial statements, whether they have both a positive net asset value and sufficient headroom to cover the debt owed, and that future cash flow plans include repayment of the debt.

- **Assessing the audit of the group entities:** We assessed the work performed by the group 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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

Materiality for these financial statements was set at £1,134,000 (2016: £1,149,000), determined with reference to a benchmark of total assets of £107,318,000 (2017: £113,448,000), of which it represents 1.1% (2016: 1.0%).

We agreed to report to the Directors any corrected or uncorrected identified misstatements exceeding £56,700 (2017: £57,450), 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.

Worplesdon View 2016 Limited

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

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period.

Based on this work, 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 a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

Worplesdon View 2016 Limited

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

5. Strategic report and Directors' report

The Directors 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, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

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 Company financial statements to be audited 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 other irregularities (see below), 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, other irregularities 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.

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

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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: *28 June 2019*

Worplesdon View 2016 Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Turnover	3	439	267
Cost of sales		<u>(1)</u>	<u>-</u>
Gross profit		438	267
Administrative expenses		(2,945)	(1,843)
Exceptional items	4	<u>-</u>	<u>3,900</u>
Operating (loss)/profit	5	<u>(2,507)</u>	<u>2,324</u>
Other interest receivable and similar income	6	6,083	2,684
Interest payable and similar expenses	7	<u>(5,137)</u>	<u>(2,336)</u>
		<u>946</u>	<u>348</u>
(Loss)/profit before tax		(1,561)	2,672
Taxation	10	<u>991</u>	<u>(811)</u>
(Loss)/profit for the financial year		<u><u>(570)</u></u>	<u><u>1,861</u></u>

The above results were derived from continuing operations.

Worplesdon View 2016 Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

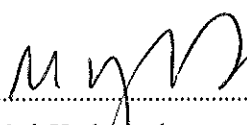
	2018	2017
	£ 000	£ 000
(Loss)/profit for the year	<u>(570)</u>	<u>1,861</u>
Total comprehensive income for the year	<u><u>(570)</u></u>	<u><u>1,861</u></u>

The notes on pages 14 to 25 form an integral part of these financial statements.

Worplesdon View 2016 Limited
(Registration number: 10109920)
Balance Sheet as at 31 December 2018

	Note	31 December 2018 £ 000	31 December 2017 £ 000
Fixed assets			
Intangible assets	11	15,135	15,683
Tangible assets	12	-	1
Investment property	13	-	4,790
Investments	14	2,979	2,979
		<u>18,114</u>	<u>23,453</u>
Current assets			
Debtors	15	84,188	85,480
Cash at bank and in hand		5,018	4,515
		<u>89,206</u>	<u>89,995</u>
Creditors: Amounts falling due within one year	16	<u>(2,065)</u>	<u>(7,623)</u>
Net current assets		<u>87,141</u>	<u>82,372</u>
Total assets less current liabilities		105,255	105,825
Creditors: Amounts falling due after more than one year	16	<u>(103,964)</u>	<u>(103,964)</u>
Net assets		<u>1,291</u>	<u>1,861</u>
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account		1,291	1,861
Total equity		<u>1,291</u>	<u>1,861</u>

Approved and authorised by the Board on 25 June 2019 and signed on its behalf by:



 Mark Hazlewood
 Director

Worplesdon View 2016 Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	-	1,861	1,861
Loss for the year	-	(570)	(570)
Total comprehensive income	-	(570)	(570)
At 31 December 2018	-	1,291	1,291

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

The notes on pages 14 to 25 form an integral part of these financial statements.

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

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.

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 Company has net assets and net current assets. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and thus continue to adopt the going concern assumption in these financial statements.

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (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 and deferred tax. Tax is recognised in profit or loss, except that a charge 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.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

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	Depreciation method and rate
Plant & Equipment	Straight line over 10 years

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

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

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.

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:

	2018 £ 000	2017 £ 000
Rental income from investment property	418	267
Leasing of equipment	1	-
Other revenue	20	-
	<u>439</u>	<u>267</u>

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Exceptional items

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

	31 December 2018 £ 000	31 December 2017 £ 000
Compensation received	<u>-</u>	<u>3,900</u>

5 Operating loss

Arrived at after charging

	2018 £ 000	2017 £ 000
Amortisation expense	548	257
Loss on disposal of investment property	2,418	-
Loss on disposal of finance lease receivable	<u>-</u>	<u>110</u>

6 Other interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest receivable on loans to group undertakings	1,927	720
Other finance income	<u>4,156</u>	<u>1,964</u>
	<u>6,083</u>	<u>2,684</u>

Other finance income relates entirely to the finance lease described in note 18.

7 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
Interest payable on loans from Group undertakings	<u>5,137</u>	<u>2,336</u>

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 (2017: £5,000).

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

10 Taxation

Tax charged/(credited) in the income statement

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	242	811
UK corporation tax adjustment to prior periods	(766)	-
	<u>(524)</u>	<u>811</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(466)	-
Arising from changes in tax rates and laws	(1)	-
Total deferred taxation	<u>(467)</u>	<u>-</u>
Tax (receipt)/expense in the income statement	<u>(991)</u>	<u>811</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
(Loss)/profit before tax	<u>(1,561)</u>	<u>2,672</u>
Corporation tax at standard rate	(297)	514
Effect of expense not deductible in determining taxable profit	559	320
Deferred tax credit relating to changes in tax rates or laws	(1)	-
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	(477)	-
Decrease in UK and foreign current tax from adjustment for prior periods	(766)	-
Tax increase from transfer pricing adjustments	32	38
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(41)</u>	<u>(61)</u>
Total tax (credit)/charge	<u>(991)</u>	<u>811</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. Deferred tax balances have been calculated at a rate of 17% as this is the rate at which the majority of the timing differences are expected to reverse.

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

10 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

31 December 2018	Asset £ 000
Fixed asset timing differences	403
Other timing differences	64
	<u>467</u>

11 Intangible assets

	Goodwill £ 000	Total £ 000
Cost or valuation		
At 1 January 2018	<u>15,933</u>	<u>15,933</u>
At 31 December 2018	<u>15,933</u>	<u>15,933</u>
Amortisation		
At 1 January 2018	250	250
Amortisation charge	<u>548</u>	<u>548</u>
At 31 December 2018	<u>798</u>	<u>798</u>
Carrying amount		
At 31 December 2018	<u>15,135</u>	<u>15,135</u>
At 31 December 2017	<u>15,683</u>	<u>15,683</u>

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

12 Tangible assets

	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation		
At 1 January 2018	<u>1</u>	<u>1</u>
At 31 December 2018	<u>1</u>	<u>1</u>
Depreciation		
At 1 January 2018	-	-
Charge for the year	<u>1</u>	<u>1</u>
At 31 December 2018	<u>1</u>	<u>1</u>
Carrying amount		
At 31 December 2018	<u>-</u>	<u>-</u>
At 31 December 2017	<u>1</u>	<u>1</u>

13 Investment properties

	31 December 2018 £ 000
At 1 January	4,790
Disposals	<u>(4,790)</u>
At 31 December	<u>-</u>

During the year the Company disposed of its only investment property.

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

14 Investments in subsidiaries, joint ventures and associates

	31 December 2017 £ 000
Subsidiaries	
Cost or valuation	
At 1 January 2018	4,324
Provision	
At 1 January 2018	1,345
Carrying amount	
At 31 December 2018	2,979
At 31 December 2017	2,979

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	
			2018	2017
Subsidiary undertakings				
Hagley Place Limited	England and Wales	Ordinary	100%	100%

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

15 Debtors

		31 December 2018 £ 000	2017 £ 000
	Note		
Amounts owed by related parties		40,518	42,517
Finance lease receivables	18	43,203	42,963
Deferred tax assets	10	467	-
		<u>84,188</u>	<u>85,480</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 2018 (continued)

16 Creditors

	31 December 2018 £ 000	31 December 2017 £ 000
Due within one year		
Trade creditors	-	7
Amounts due to related parties	1,945	6,669
Accrued expenses	-	136
Income tax liability	120	811
	<u>2,065</u>	<u>7,623</u>
Due after one year		
Amounts due to related parties	<u>103,964</u>	<u>103,964</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 (2017: £103,964,000) 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 2018 (continued)

17 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

18 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:

	2018 £ 000	2017 £ 000
Minimum lease payments	<u>133,869</u>	<u>137,583</u>
Gross investment	133,869	137,583
Unearned finance income	<u>(90,666)</u>	<u>(94,620)</u>
Net investment (present value of minimum lease payments)	<u>43,203</u>	<u>42,963</u>

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

	2018 £ 000		2017 £ 000	
	Gross investment in lease	Present value of minimum lease payments	Gross investment in lease	Present value of minimum lease payments
Maturity				
Not later than one year	3,769	3,561	3,713	3,509
Later than one year and not later than five years	15,649	11,823	15,418	11,648
Later than five years	<u>114,451</u>	<u>27,819</u>	<u>118,452</u>	<u>27,806</u>
	<u>133,869</u>	<u>43,203</u>	<u>137,583</u>	<u>42,963</u>

Contingent rents recognised as income in the period are £Nil (2017 - £Nil).

Worplesdon View 2016 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

19 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.

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