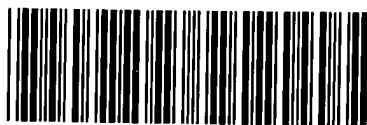


HASSINGHAM LIMITED

Annual report and financial statements

for the year ended 31 December 2017

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HASSINGHAM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2017

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HASSINGHAM LIMITED

OFFICERS AND PROFESSIONAL ADVISERS **Year ended 31 December 2017**

DIRECTORS

Paul Musgrave
Colin Haig

COMPANY SECRETARY

Colin Haig

REGISTERED OFFICE

523 Highgate Studios
53-79 Highgate Road
London
NW5 1TL

BANKERS

NatWest Bank plc
208 Piccadilly
London W1A 2DG

INDEPENDENT AUDITOR

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

HASSINGHAM LIMITED

STRATEGIC REPORT

Year ended 31 December 2017

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

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITY

The principal activity of the Company continued to be the provision of nursing care.

Occupancy and room fees are the primary factors affecting revenues. The Company seeks to maintain high occupancy and fee levels by offering high-quality, person-centred care appropriate to the needs of service-users, in purpose-built facilities managed by well qualified staff.

The Company experienced a significant improvement in profitability, which arose through the considerable increase in its occupancy and fee rates, despite pressure on fees and negligible increases from public authorities. Staffing costs control was also improved, which positively impacted on profits. Maintaining the improved income level whilst controlling staffing costs remains a high priority for the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risk and uncertainties are:

- A decline occupancy or in negotiated fee rates for the provision of care
- The recruitment and retention of high-quality nursing and care staff
- Maintaining the quality of the home environment.

The Company continues to address these risks through:


- Continuous improvement in the quality of care it provides, which enhances its reputation and maintains its position as the provider of choice for private care purchasers and for Local Authority and Clinical Commissioning Group commissioners.
- Investment in our staff in terms of learning, development and reward.
- A programme of refurbishment, upgrading our facilities with investment in the home and through increased maintenance expenditure.

KEY PERFORMANCE INDICATORS

	2017	2016
Occupancy levels	98%	87%
Staff cost ratio	62%	70%
Contribution/income ratio	23%	14%

The directors believe that the Company is well positioned, operational and financially stable.

On behalf of the Board



Colin Haig
Director
1 May 2018

HASSINGHAM LIMITED

DIRECTORS' REPORT

Year ended 31 December 2017

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

FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise sterling cash and bank deposits and inter-Company loans, together with trade debtors and creditors arising from normal operations.

The Company's activities are not exposed to interest rate risk as its long term financing from other group companies is interest free.

The Company has no exposure to price or currency risk as it has no equity investments or foreign currency balances. The credit risk attributable to trade debtors is minimal as the majority of the Company's fees are paid by local authorities and the experience of bad debt on private residents has been minimal.

FINANCIAL RESULTS AND DIVIDENDS

The results for the financial year are set out on page 7.

The directors do not recommend the payment of a dividend (2016: nil).

FUTURE DEVELOPMENTS

The high standards of care delivered; together with growth in profitability are continuing priorities for the future.

GOING CONCERN

The company is a co-guarantor of the Forest Healthcare Finance Limited (a fellow group company) loan facility with the Bank of Ireland. The outstanding loan of £61,365,784 at the balance sheet date is scheduled to be repaid on 20 December 2018. The group intends to discharge this obligation through sale of the share capital of Newco A 13 Limited, the ultimate parent undertaking. The group has instructed professional advisors to lead this process and the directors are confident that a sale will be completed in the near future. There is, however, some uncertainty over whether this transaction will be completed before the loan repayment date of 20 December 2018. In preparation for this, the group has received from its bankers written confirmation that, in the event that the sale is not completed by 20 December 2018, it is not their intention to demand repayment of the facility, and in such a circumstance, they anticipate entering in to negotiations with a view to extending the facility up to the date of sale or for a period ending no earlier than 30 June 2019.

On this basis, and in consideration of their assessment of the company's financial position, and having reviewed the forecast cash flows, the Directors have concluded that they have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern.

Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are given below:

Paul Musgrave
Colin Haig

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the Strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

HASSINGHAM LIMITED

DIRECTORS' REPORT (CONTINUED) **Year ended 31 December 2017**

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 and 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR

Grant Thornton UK LLP is the Company's auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Colin Haig
Director
1 May 2018

Independent auditor's report to the members of Hassingham Limited

Opinion

We have audited the financial statements of Hassingham Limited (the 'company') for the year ended 31 December 2017, which comprise, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Independent auditor's report to the members of Hassingham Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Richard Hagley BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date

1 May 2018

HASSINGHAM LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	5	1,929,521	1,602,605
Cost of sales		(1,310,292)	(1,183,552)
Gross profit		619,229	419,053
Administrative expenses		(387,626)	(447,966)
Operating profit/(loss)		231,603	(28,913)
Other income		-	-
Profit/(loss) on ordinary activities before taxation	7	231,603	(28,913)
Tax on profit/loss on ordinary activities	8	(45,120)	(3,675)
Profit/(loss) for the financial year		186,482	(32,588)

Other comprehensive income

Profit/(loss) for the financial year	186,482	(32,588)
Other comprehensive income	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	186,482	(32,588)

All amounts relate to continuing operations.

The notes on pages 10 to 18 form an integral part of the financial statements.

HASSINGHAM LIMITED

BALANCE SHEET

As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	9	267,858	330,358
Tangible assets	10	2,395,251	2,321,915
		2,663,109	2,652,273
Current assets			
Debtors	11	2,265,032	2,239,508
Cash at bank		36,056	27,323
		2,292,088	2,266,831
Creditors: amounts falling due within one year	12	(1,540,256)	(1,690,645)
Net current assets		751,832	576,186
Total assets less current liabilities		3,414,941	3,228,459
Net assets		3,414,941	3,228,459
Capital and reserves			
Called up share capital	13	2,221	2,221
Share premium account		853,290	853,290
Capital Contribution		2,887,122	2,887,122
Profit and loss account		(327,692)	(514,174)
Total shareholder's funds		3,414,941	3,228,459

The financial statements of Hassingham Limited, registered number 05509279, were approved by the Board of Directors and authorised for issue on 1 May 2018. The notes on pages 10 to 18 form an integral part of the financial statements.



Colin Haig
Director

HASSINGHAM LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2017

	Called up Share capital £	Share premium account £	Capital contribution £	Profit and loss account £	Total equity £
Balance at 31 December 2016	2,221	853,290	2,887,122	(514,174)	3,228,459
Total comprehensive income for the period					
Profit	-	-	-	186,482	186,482
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	186,482	186,482
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 December 2017	2,221	853,290	2,887,122	(327,692)	3,414,941
	Called up Share capital £	Share premium account £	Capital contribution £	Profit and loss account £	Total equity £
Balance at 31 December 2015	2,221	853,290	2,887,122	(481,586)	3,261,047
Total comprehensive income for the period					
Profit or (loss)	-	-	-	(32,588)	(32,588)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(32,588)	(32,588)
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 December 2016	2,221	853,290	2,887,122	(514,174)	3,228,459

The notes on pages 10 to 18 form an integral part of the financial statements.

HASSINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. GENERAL INFORMATION

Hassingham Limited (the "Company") is a Company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

2. STATEMENT OF COMPLIANCE

The individual financial statements of the Company 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with FRS 102.

(b) Going concern

The company is a co-guarantor of the Forest Healthcare Finance Limited (a fellow group company) loan facility with the Bank of Ireland. The outstanding loan of £61,365,784 at the balance sheet date is scheduled to be repaid on 20 December 2018. The group intends to discharge this obligation through sale of the share capital of Newco A 13 Limited, the ultimate parent undertaking. The group has instructed professional advisors to lead this process and the directors are confident that a sale will be completed in the near future. There is, however, some uncertainty over whether this transaction will be completed before the loan repayment date of 20 December 2018. In preparation for this, the group has received from its bankers written confirmation that, in the event that the sale is not completed by 20 December 2018, it is not their intention to demand repayment of the facility, and in such a circumstance, they anticipate entering in to negotiations with a view to extending the facility up to the date of sale or for a period ending no earlier than 30 June 2019.

On this basis, and in consideration of their assessment of the company's financial position, and having reviewed the forecast cash flows, the Directors have concluded that they have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern.

Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Exemptions for qualifying entities

The Company's ultimate parent undertaking, Newco A 13 Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Newco A 13 Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As the consolidated financial statements of Newco A 13 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(d) Turnover

Turnover represents fees receivable for nursing and personal care from public authorities and private individuals, which are exempt from value added tax. Turnover from the supply of these services is recognised upon provision of service.

(e) Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 20 years. Provision is made for any impairment.

(f) Tangible fixed assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Land & buildings

Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Furniture, fittings and equipment

Plant and machinery, motor vehicles and furniture, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Land is not depreciated. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	-	Not depreciated
Freehold buildings	-	2% straight line
Plant and machinery	-	15% straight line
Motor vehicles	-	25% reducing balance
Furniture, fittings and equipment	-	15%-33% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(g) Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxation (continued)

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(h) 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 are shown within borrowings in current liabilities.

(i) Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where 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 profit or loss.

If there is 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 profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Distributions to equity holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

(l) Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

(m) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

4. CRITICAL ACCOUNTING JUDGEMENTS AND 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.

(a) Critical judgements in applying the entity's accounting policies

There are no critical judgements in applying the entity's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2017

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONTINUED)

(b) Critical accounting estimates and assumptions

The Company 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.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment and note 3(d) for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

5. TURNOVER

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

6. STAFF COSTS

Number of employees

The average monthly number of employees (including directors) during the year was:

	2017 Number	2016 Number
Administration and nursing	60	56

	2017 £	2016 £
Employment costs		
Wages and salaries	930,667	851,586
Social security costs	63,459	59,344
Other pension costs	5,027	4,609
	999,153	915,539

Directors' emoluments are paid via another Group Company. The amounts attributable to this Company are £31,639 (2016: £32,848). The value of their services for the Company during the year, if allocated to the Company, would be £31,639 (2016: £32,848).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2017

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2017 £	2016 £
Amortisation – intangible fixed assets	62,500	62,500
Depreciation of owned tangible fixed assets	57,108	51,539
Auditors' remuneration – audit fees	6,998	7,026
Auditors' remuneration – tax compliance fees	3,000	3,000

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of the tax charge in the year

	2017 £	2016 £
Current tax:		
United Kingdom corporation tax	41,847	3,675
Adjustments in respect of prior periods	(261)	-
Deferred tax:		
Origination and reversal of timing differences	3,534	-
Total tax (note 8(b))	45,120	3,675

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2016: higher) than the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)

Profit/(loss) on ordinary activities before taxation	231,603	(28,913)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016: 20.00%)	44,576	(5,783)
Effects of		
Non-deductible expenses	-	9,567
Depreciation in excess of capital allowances	-	(5,285)
Other short term timing differences	-	5,175
Fixed asset differences	9,751	-
Adjustments to tax in respect of previous periods	(261)	-
Impact of changes in tax rates – deferred tax	(1,457)	-
Deferred tax not recognised	(7,489)	-
Total tax (note 8(a))	45,120	3,675

(c) Factors that may affect future tax charges

During the prior year, as a result of changes in the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020, which were substantially enacted on 26 October 2016, the relevant deferred tax balances have been re-measured.

HASSINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2017

9. INTANGIBLE ASSETS		Goodwill £
Cost		
At 1 January 2017 and 31 December 2017		1,250,000
Accumulated amortisation		
At 1 January 2017		919,642
Charge for the year		62,500
At 31 December 2017		982,142
Net book value		
At 31 December 2017		267,858
At 31 December 2016		330,358

10. TANGIBLE ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost					
At 1 January 2017	2,574,506	164,446	6,866	264,054	3,009,872
Additions	-	-	-	130,444	130,444
At 31 December 2017	2,574,506	164,446	6,866	394,498	3,140,316
Accumulated depreciation					
At 1 January 2017	354,678	162,385	6,866	164,028	687,957
Charge for the year	27,308	921	-	28,879	57,108
At 31 December 2017	381,986	163,306	6,866	192,907	745,065
Net book value					
At 31 December 2017	2,192,520	1,140	-	201,591	2,395,251
At 31 December 2016	2,219,828	2,061	-	100,026	2,321,915

Land and buildings have been provided as security against the loan that has been undertaken by Forest Healthcare Finance Limited, a fellow group company.

11. DEBTORS

	2017 £	2016 £
Trade debtors	115,887	148,974
Amounts owed by group undertakings	2,130,505	2,082,536
Other debtors	-	-
Prepayments and accrued income	9,640	7,998
	2,256,032	2,239,508

Amounts owed by group undertakings have no fixed repayment terms, are repayable on demand and are interest free.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	68,349	58,751
Amounts owed to group undertakings	1,361,755	1,583,065
Deferred Tax	3,534	-
Taxation and social security	17,529	16,090
Other creditors	61,551	1,274
Accruals and deferred income	27,538	31,465
	<u>1,540,256</u>	<u>1,690,645</u>

Amounts owed to group undertakings have no fixed repayment terms, are repayable on demand and are interest free.

13. CALLED UP SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid		
511 (2016: 511) 'A' Ordinary Shares of £1 each	511	511
1,710 (2016: 1,710) 'B' Ordinary Shares of £1 each	1,710	1,710
	<u>2,221</u>	<u>2,221</u>

The 'A' and 'B' classes of ordinary shares have the same rights and rank pari passu in all respects.

14. DEFERRED TAXATION

A deferred tax asset has not been recognised in respect of timing differences relating to fixed assets, as the directors consider that it is not probable that these losses will be utilised in the foreseeable future. The total amount of the asset not recognised is (2016: £7,750).

15. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

There are no other transactions that require disclosure.

16. FINANCIAL GUARANTEES

The Company is a guarantor to the group facility.

17. RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital contribution – this reserve represents a capital contribution received from the shareholder.

Profit and loss account – includes all current and prior period retained profits and losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2017

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider that the ultimate parent Company and ultimate controlling party is Newco A 13 Limited, a Company registered in England and Wales. The immediate parent undertaking is Forest Hingham Limited, a Company registered in England and Wales. The only group to which the Company belongs for which consolidated financial statements are prepared is Newco A 13 Limited, a Company registered in England and Wales. Copies of the consolidated financial statements of Newco A 13 Limited can be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL.