

Company Registration No. 05886730 (England and Wales)

HAZELDENE HEALTH CARE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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HAZELDENE HEALTH CARE LIMITED

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HAZELDENE HEALTH CARE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Non-current assets					
Property, plant and equipment	4	3,867,588		3,216,975	
Investments	5	1		1	
		<u>3,867,589</u>		<u>3,216,976</u>	
Current assets					
Trade and other receivables	6	939,246		-	
Cash and cash equivalents		2,848		71,703	
		<u>942,094</u>		<u>71,703</u>	
Current liabilities	7	(2,866,723)		(3,291,685)	
Net current liabilities			(1,924,629)		(3,219,982)
Total assets less current liabilities			<u>1,942,960</u>		<u>(3,006)</u>
Non-current liabilities	8	(1,987,769)		-	
Net liabilities			<u>(44,809)</u>		<u>(3,006)</u>
Equity					
Called up share capital	9	2		2	
Retained earnings		(44,811)		(3,008)	
Total equity			<u>(44,809)</u>		<u>(3,006)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 18 December 2020 and are signed on its behalf by:

Mr A S Shookhye
Director

Company Registration No. 05886730

HAZELDENE HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Hazeldene Health Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is 13 Oathall Road, Haywards Heath, West Sussex, RH16 3EG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 398 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the company's operations. In response to the COVID-19 pandemic, the directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

At the year end the company had net current liabilities and the company is dependent on the ongoing support of the group's bankers. In addition, there is a balance owed to a connected group and there is no expectation that this will become payable in the next 12 months. The directors have also confirmed that, if required, they will provide financial support to the company.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold land and buildings

Held at fair value

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluations are made with sufficient regularity to ensure that the carrying amount in the financial statements does not differ materially from that which would be determined using the fair value at the end of the reporting period.

HAZELDENE HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.4 Non-current investments

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and includes deposits held at call with banks.

1.7 Financial assets and liabilities

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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 the liability simultaneously.

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like other accounts receivable and payable and loans from related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at the transaction price (including transaction costs) and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

HAZELDENE HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Fair value of property, plant and equipment

The director's valuation relating to the fair value of property, plant and equipment is based on their use of the professional valuation carried out in December 2017 at £3.1 million taking into account any additions, disposals and depreciation since this date. The valuation was carried out in accordance with the 2014 edition of The Royal Institution of Chartered Surveyors valuation manual by Savills, an independent firm of Chartered Surveyors with a recognised and relevant professional qualification and with recent experience in the location and category of the property, plant and equipment being valued. The valuation was made on the basis of existing condition as a vacant premises with planning consent for a care home in line with Section 27 of FRS 102.

3 Employees

In both the current and comparative periods, the company did not have any employees (excluding directors).

HAZELDENE HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Property, plant and equipment

	Land and buildings £
Cost or valuation	
At 1 January 2019	3,216,975
Additions	650,613
	<hr/>
At 31 December 2019	3,867,588
	<hr/>
Depreciation and impairment	
At 1 January 2019 and 31 December 2019	-
	<hr/>
Carrying amount	
At 31 December 2019	3,867,588
	<hr/>
At 31 December 2018	3,216,975
	<hr/>

The directors have valued property, plant and equipment as disclosed in note 2.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019 £	2018 £
Cost	4,432,044	3,781,431
Accumulated depreciation	-	-
	<hr/>	<hr/>
Carrying value	4,432,044	3,781,431
	<hr/>	<hr/>

There is a mortgage charge held over the freehold land and buildings by the company's bankers.

5 Fixed asset investments

	2019 £	2018 £
Investments	1	1
	<hr/>	<hr/>

HAZELDENE HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Fixed asset investments (Continued)

Movements in non-current investments

Shares in group undertakings

	£
Cost or valuation	
At 1 January 2019 & 31 December 2019	1
Carrying amount	
At 31 December 2019	1
At 31 December 2018	1

6 Trade and other receivables

Amounts falling due within one year:

	2019 £	2018 £
Amounts owed by group undertakings	825,205	-
Other receivables	114,041	-
	<u>939,246</u>	<u>-</u>

7 Current liabilities

	2019 £	2018 £
Amounts owed to group undertakings	-	3,234,827
Other payables	2,866,723	56,858
	<u>2,866,723</u>	<u>3,291,685</u>

8 Non-current liabilities

	2019 £	2018 £
Bank loans and overdrafts	1,711,000	-
Other payables	276,769	-
	<u>1,987,769</u>	<u>-</u>

The bank loans are secured by a fixed and floating charge over the assets of the company as well as a mortgage charge over the freehold land and buildings in note 4. The directors Mr A Shookhye and Mrs M Shookhye have also provided a personal guarantee of £8,500,000.

HAZELDENE HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

Qualified opinion

We have audited the financial statements of Hazeldene Health Care Limited (the 'company') for the year ended 31 December 2019 which comprise , the statement of financial position and notes to the financial statements, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 qualified opinion

We were unable to obtain sufficient audit evidence of the contractually agreed terms and conditions of the bank loan taken out during the year and included within non-current liabilities. As such we have been unable to confirm the related loan covenants and therefore compliance therewith. We are also unable to confirm whether the presentation of the bank loan and security disclosures in the financial statements are in compliance with the financial reporting framework that has been applied.

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.

The senior statutory auditor was Robin Evans.

The auditor was MHA Carpenter Box.

MHA Carpenter Box is a trading name of Carpenter Box Limited

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.