

Parent Company Accounts of  
5929924- HFHC Properties Ltd

**H Care Limited**

**Annual report**

**For the year ended 31 March 2014**

**MGR Weston Kay LLP**

*Chartered Accountants  
And Statutory Auditors*

**55 Loudoun Road  
St John's Wood  
London NW8 0DL**

**Company Registration No. 09616585  
(England and Wales)**

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**H Care Limited**  
**Annual report**  
**For the year ended 31 March 2014**

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**Company information**

<b>Directors</b>	<b>P A de Savary</b> <b>A M de Savary</b> <b>G K S Pell</b> <b>D A Patel</b> <b>H J de Savary</b> <b>P J Brasier</b> <b>R Nunn</b> <b>B D Marchant</b> <b>G Miller</b>
<b>Secretary</b>	<b>A M de Savary</b>
<b>Company number</b>	<b>05616585</b>
<b>Registered office</b>	<b>55 Loudoun Road</b> <b>St John's Wood</b> <b>London</b> <b>NW8 0DL</b>
<b>Registered auditors</b>	<b>MGR Weston Kay LLP</b> <b>Chartered Accountants</b> <b>Statutory Auditors</b> <b>55 Loudoun Road</b> <b>St John's Wood</b> <b>London NW8 0DL</b>

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**H Care Limited**  
**Report and financial statements**  
**For the year ended 31 March 2014**

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**H Care Limited**  
**Strategic report**  
**For the year ended 31 March 2014**

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The directors present their report and financial statements for the year ended 31 March 2014.

**Review of the business**

**Fair Review of the Business**

The group increased its turnover by 19.7% (2013: 20.4%) during the year under review. The group's direct costs, which are dominated by wage costs for the homes, increased by 16.4% (2013: 14.5%) and administrative expenses increased by 27.4% (2013: 21.5%). During the year, the group also increased the number of registered rooms that it owns and operates on existing locations by 17 to 72. Four new specialist Learning Disability services have been registered with the Care Quality Commission, increasing both the range and scope of specialist services including:

- Profound, multiple learning disabilities
- Individuals who were born blind
- Severe sensory issues
- Mild or quite severe mental health issues
- Complex challenging behaviours

Autism and epilepsy continue to be predominant diagnosis, together with other rarer syndromes and health issues. The directors are satisfied with the results for the year and the group's future trading prospects.

**Principal Risks and Uncertainties**

The directors consider the main risks faced by the business are those relating to the provision of substandard care, failure to respond to changes in legislation and funding policy. The directors are aware of these risks, have developed sophisticated care planning and recording systems to ensure that the group's care users receive the best quality of care, keep fully up to date with current and proposed legislation, regulations and funding policies thereby mitigating these risks as far as possible.

**Position of the Group at the Year End**

In the opinion of the directors, the group is in a strong position at year end having enjoyed good growth during the year resulting in shareholders' funds increasing by £2.45m to £7.69m.

**Key Performance Indicators**

The group's management regularly monitor the performance of the homes, reviewing monthly management information including management accounts, occupancy ratios and staffing requirements. They also work with the Care Quality Commission to ensure that the standard of care given to the care users is in line with or exceeds the national standard. The main key performance indicators are sales growth highlighted above and gross profit margin which increased from 41.7% to 43.3% in line with increased occupancy.

On behalf of the Board



P A de Savary  
Director

30 September 2014

**H Care Limited**  
**Directors' report**  
**For the year ended 31 March 2014**

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The directors present their report and financial statements for the year ended 31 March 2014.

**Principal activities and review of the business**

The principal activity of the group continued to be care home management for people with a learning disability.

**Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

**Future developments**

The group continues with its goal of overall growth and is expanding its purpose built care homes to accommodate more service users. The directors aim to grow occupancy numbers and continues to invest in the training of staff, developing care information management systems and continuing to provide a high standard of care across its homes.

**Directors**

The following directors have held office since 1 April 2013:

P A de Savary  
A M de Savary  
G K S Pell  
D A Patel  
H J de Savary  
P J Brasier  
R Nunn  
B D Marchant  
G Miller

**Auditors**

Following the year end MGR Audit Limited resigned as auditors and MGR Weston Kay LLP was appointed by the directors in their place. A Resolution will be placed before the members in general meeting to approve their reappointment in accordance with the Companies Act 2006.

**H Care Limited**  
**Directors' report**  
**For the year ended 31 March 2014**

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**Statement of directors' responsibilities**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



P A de Savary  
Director  
30 September 2014

## **H Care Limited**

### **Independent auditors' report to the members of H Care Limited For the year ended 31 March 2014**

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We have audited the group and parent company financial statements (the "financial statements") of H Care Limited for the year ended 31 March 2014 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2014 and of the group's 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **H Care Limited**

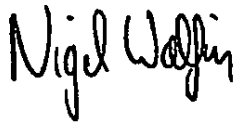
### **Independent auditors' report to the members of H Care Limited For the year ended 31 March 2014**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, 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.



**Nigel Walfisz FCA (Senior Statutory Auditor)  
for and on behalf of MGR Weston Kay LLP  
Chartered Accountants  
Statutory Auditor**

55 Loudoun Road  
St John's Wood  
London NW8 0DL

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**H Care Limited**  
**Consolidated profit and loss account**  
**For the year ended 31 March 2014**

		<b>2014</b>	<b>2013</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover	<b>2</b>	<b>6,086,888</b>	<b>5,086,684</b>
Cost of sales		<b>(3,451,086)</b>	<b>(2,965,908)</b>
Gross profit		<b>2,635,802</b>	<b>2,120,776</b>
Administrative expenses - recurring		<b>(1,592,873)</b>	<b>(1,250,308)</b>
Operating profit before exceptional charges	<b>3</b>	<b>1,042,929</b>	<b>870,468</b>
Administration expenses - exceptional - bank loan refinancing costs		<b>(206,998)</b>	<b>-</b>
Profit on ordinary activities after exceptional charges		<b>835,931</b>	<b>870,468</b>
Interest payable and similar charges	<b>4</b>	<b>(458,358)</b>	<b>(453,958)</b>
Profit on ordinary activities before taxation	<b>3</b>	<b>377,573</b>	<b>416,510</b>
Tax on profit on ordinary activities	<b>5</b>	<b>-</b>	<b>-</b>
Profit on ordinary activities after taxation		<b>377,573</b>	<b>416,510</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**H Care Limited****Statement of recognised gains and losses****For the year ended 31 March 2014**

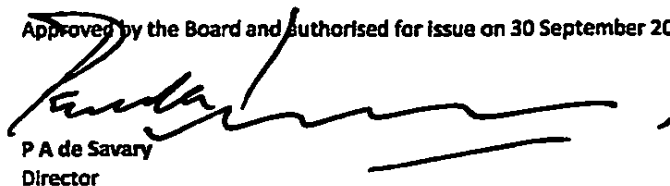
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	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>	<b>377,573</b>	<b>416,510</b>
<b>Unrealised surplus on revaluation of properties</b>	<b>2,070,482</b>	<b>3,666,519</b>
<b>Total recognised gains and losses relating to the year</b>	<b><u>2,448,055</u></b>	<b><u>4,083,029</u></b>

**H Care Limited**  
**Balance sheets**  
**As at 31 March 2014**

		Group		Company	
	Notes	2014	2013	2014	2013
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7	20,302,279	16,257,623	-	-
Investments	8	-	-	85,037	85,037
		<u>20,302,279</u>	<u>16,257,623</u>	<u>85,037</u>	<u>85,037</u>
<b>Current assets</b>					
Debtors	9	207,502	232,627	4,395,540	4,094,893
Cash at bank and in hand		160,540	16,582	385	276
		<u>368,042</u>	<u>249,209</u>	<u>4,395,925</u>	<u>4,095,169</u>
Creditors: amounts falling due within one year	10	(1,242,747)	(1,143,458)	(402,836)	(1)
Net current liabilities		<u>(874,705)</u>	<u>(894,249)</u>	<u>3,993,089</u>	<u>4,095,168</u>
Total assets less current liabilities		<u>19,427,574</u>	<u>15,363,374</u>	<u>4,078,126</u>	<u>4,180,205</u>
Creditors: amounts falling due after more than one year	11	(11,739,695)	(10,123,550)	(4,753,031)	(4,644,499)
		<u>7,687,879</u>	<u>5,239,824</u>	<u>(674,905)</u>	<u>(464,294)</u>
<b>Capital and reserves</b>					
Called up share capital	12	4,000	4,000	4,000	4,000
Revaluation reserve	13	10,227,123	8,156,641	-	-
Profit and loss account	13	(2,543,244)	(2,920,817)	(678,905)	(468,294)
Shareholders' funds	14	<u>7,687,879</u>	<u>5,239,824</u>	<u>(674,905)</u>	<u>(464,294)</u>

Approved by the Board and authorised for issue on 30 September 2014

  
P A de Savary  
Director

Company Registration No. 05616585

**H Care Limited****Consolidated cash flow statement****For the year ended 31 March 2014**

	2014	2013
	£	£
Net cash inflow/(outflow) from operating activities	887,064	(623,714)
Returns on investments and servicing of finance		
Interest paid	(224,738)	(243,349)
Net cash outflow for returns on investments and servicing of finance	(224,738)	(243,349)
Capital expenditure		
Payments to acquire tangible assets	(2,174,078)	(720,769)
Net cash outflow for capital expenditure	(2,174,078)	(720,769)
Net cash outflow before management of liquid resources and financing	(1,511,752)	(1,587,832)
Financing		
New long term bank loan	7,688,090	-
Other new long term loans	108,532	4,644,499
Other new short term loans	887,788	245,000
Repayment of long term bank loan	(6,180,477)	(312,519)
Repayment of other short term loans	(608,708)	(3,069,249)
Net cash inflow from financing	1,895,225	1,507,731
Increase/(decrease) in cash in the year	383,473	(80,101)

# H Care Limited

## Notes to the consolidated cash flow statement

For the year ended 31 March 2014

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2014	2013
		£	£
	Operating profit	835,931	870,468
	Depreciation of tangible assets	199,904	136,061
	Decrease/(Increase) in debtors	25,125	(120,261)
	Increase/(decrease) in creditors within one year	(173,896)	(1,509,982)
	Net cash inflow/(outflow) from operating activities	887,064	(623,714)
2	Analysis of net debt	1 April 2013	Cash flow Other non-cash changes 31 March 2014
		£	£
	Net cash:		
	Cash at bank and in hand	16,582	143,958
	Bank overdrafts	(239,515)	239,515
		(222,933)	383,473
	Debts falling due within one year	(558,708)	(279,080)
	Debts falling due after one year	(10,123,550)	(1,616,145)
		(10,682,258)	(1,895,225)
	Net debt	(10,905,191)	(1,511,752)
3	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	Increase/(decrease) in cash in the year	383,473	(80,101)
	Cash inflow from increase in debt	(1,895,225)	(1,507,731)
	Movement in net debt in the year	(1,511,752)	(1,587,832)
	Opening net debt	(10,905,191)	(9,317,359)
	Closing net debt	(12,416,943)	(10,905,191)

## **H Care Limited**

### **Notes to the consolidated financial statements**

**For the year ended 31 March 2014**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

##### **1.2 Going concern**

Based on the trading and cash flow projections to 31 March 2015, which have been prepared on the assumption that the loans from both the bank and the shareholders will continue to be made available, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the demand for repayment of these loans.

##### **1.3 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### **1.4 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

##### **1.5 Turnover**

Turnover represents amounts receivable for care services provided calculated on a daily basis. The group's income is exempt from value added tax.

##### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Nil
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% - 33% reducing balance or straight line depending on nature of the individual assets
Motor vehicles	25% straight line

No depreciation is provided in respect of freehold land and buildings as, the directors are of the opinion that their estimated residual value will not be lower than their cost or revalued amount.

##### **1.7 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.8 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

## H Care Limited

### Notes to the consolidated financial statements

For the year ended 31 March 2014

#### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity of care home management for people with a learning disability wholly undertaken in the United Kingdom.

3	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	199,904	136,061
	Operating lease rentals		
	- Plant and machinery	52,432	33,973
	- Other assets	43,320	29,672

#### Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £0; 2013: £0)

Assurance, tax advisory and other services

23,700	15,680
14,377	7,045
38,077	22,725

#### 4 Interest payable

On bank loans and overdrafts

On other loans wholly repayable within five years

2014 £	2013 £
247,747	243,349
210,611	210,609
458,358	453,958

# H Care Limited

## Notes to the consolidated financial statements

For the year ended 31 March 2014

5	Taxation	2014	2013
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	377,573	416,510
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	86,842	99,962
	Effects of:		
	Non deductible expenses	30,722	2,504
	Depreciation add back	45,978	32,654
	Capital allowances	(71,280)	(22,055)
	Tax losses utilised	(111,754)	(163,612)
	Directors'/participants' remuneration adjustment	13,195	-
	Other tax adjustments	6,297	50,547
		(86,842)	(99,962)
	Current tax charge for the year	-	-

The company has estimated losses of £ 895,345 (2013 - £ 1,287,409) available for carry forward against future trading profits.

## 6 Result for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The holding company's result was:

	2014	2013
	£	£
Result for the financial year	(210,611)	(210,609)



**H Care Limited****Notes to the consolidated financial statements  
For the year ended 31 March 2014****7 Tangible fixed assets**

Group	Freehold land and buildings	Information systems	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2013	15,874,144	77,600	626,870	68,692	16,647,306
Additions	1,850,370	48,463	275,245	-	2,174,078
Revaluation	2,070,482	-	-	-	2,070,482
<b>At 31 March 2014</b>	<b>19,794,996</b>	<b>126,063</b>	<b>902,115</b>	<b>68,692</b>	<b>20,891,866</b>
<b>Depreciation</b>					
At 1 April 2013	-	51,611	299,890	38,182	389,683
Charge for the year	-	22,323	162,272	15,309	199,904
<b>At 31 March 2014</b>	<b>-</b>	<b>73,934</b>	<b>462,162</b>	<b>53,491</b>	<b>589,587</b>
<b>Net book value</b>					
At 31 March 2014	19,794,996	52,129	439,953	15,201	20,302,279
At 31 March 2013	15,874,144	25,989	326,980	30,510	16,257,623

The freehold and leasehold land and buildings were valued by the directors based on a report by an independent property consultancy at 31 March 2014.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar properties, and rollover relief against tax on the gains would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

## H Care Limited

### Notes to the consolidated financial statements

For the year ended 31 March 2014

#### 8 Fixed asset investments

##### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2013 & at 31 March 2014	85,037
<b>Net book value</b>	
At 31 March 2014	85,037
At 31 March 2013	85,037

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

##### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Home From Home Care Limited	England & Wales	Ordinary	100.00
HFHC Properties Limited	England & Wales	Ordinary	100.00
HFHC Midlands Limited	England & Wales	Ordinary	100.00
HFHC Partnering Limited	England & Wales	Ordinary	100.00
HFHC Management Limited	England & Wales	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Home From Home Care Limited	Care home management for people with a learning disability
HFHC Properties Limited	Provision of rental accommodation for employees of the Group
HFHC Midlands Limited	Labour recruitment and provision of personnel
HFHC Partnering Limited	Dormant
HFHC Management Limited	Dormant

HFHC Properties Limited (company number 05929924) has taken advantage of the exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

# H Care Limited

## Notes to the consolidated financial statements

For the year ended 31 March 2014

### 9 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	177,176	207,438	-	-
Amounts owed by group undertakings	-	-	4,394,946	4,094,299
Other debtors	2,386	2,503	594	594
Prepayments and accrued income	27,940	22,686	-	-
	<u>207,502</u>	<u>232,627</u>	<u>4,395,540</u>	<u>4,094,893</u>

Amounts falling due after more than one year and included in the debtors above are:

	Company	
	2014	2013
	£	£
Amounts owed by group undertakings	4,394,350	4,093,703
	<u>4,394,350</u>	<u>4,093,703</u>

### 10 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	482,955	798,223	-	-
Trade creditors	52,169	74,765	-	-
Amounts owed to group undertakings	-	-	1	1
Taxes and social security costs	74,285	50,418	11,898	-
Directors' current accounts	13,923	25,923	-	-
Other creditors	390,937	1,743	390,937	-
Accruals and deferred income	228,478	192,386	-	-
	<u>1,242,747</u>	<u>1,143,458</u>	<u>402,836</u>	<u>1</u>
Debt due in one year or less	<u>482,955</u>	<u>558,708</u>	<u>-</u>	<u>-</u>

# H Care Limited

## Notes to the consolidated financial statements

For the year ended 31 March 2014

### 11 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	6,986,664	5,479,051	-	-
Other loans	4,753,031	4,644,499	4,753,031	4,644,499
	<u>11,739,695</u>	<u>10,123,550</u>	<u>4,753,031</u>	<u>4,644,499</u>
Analysis of loans				
Not wholly repayable within five years by instalments:	-	6,037,739	-	-
Wholly repayable within five years	12,577,483	4,644,519	5,107,864	4,644,499
	<u>12,577,483</u>	<u>10,682,258</u>	<u>5,107,864</u>	<u>4,644,499</u>
Included in current liabilities	(837,788)	(558,708)	(354,833)	-
	<u>11,739,695</u>	<u>10,123,550</u>	<u>4,753,031</u>	<u>4,644,499</u>
Instalments not due within five years	4,396,040	4,138,330	-	-
	<u>4,396,040</u>	<u>4,138,330</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	5,215,091	4,861,719	4,753,031	4,644,499
In more than two years but not more than five years	6,524,604	1,121,118	-	-
In more than five years	4,396,040	4,138,330	-	-
	<u>4,396,040</u>	<u>4,138,330</u>	<u>-</u>	<u>-</u>

The parent has cross guarantees in place with subsidiary companies to secure group loans against group assets.

### 12 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

**H Care Limited**  
**Notes to the consolidated financial statements**  
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**13 Statement of movements on reserves**  
**Group**

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2013	8,156,641	(2,920,817)
Profit for the year	-	377,573
Revaluation during the year	2,070,482	-
Balance at 31 March 2014	<u>10,227,123</u>	<u>(2,543,244)</u>

**Company**

	Profit and loss account £
Balance at 1 April 2013	(468,294)
Loss for the year	(210,611)
Balance at 31 March 2014	<u>(678,905)</u>

**14 Reconciliation of movements in shareholders' funds**  
**Group**

	2014 £	2013 £
Profit for the financial year	377,573	416,510
Other recognised gains and losses	2,070,482	3,666,519
Net addition to shareholders' funds	<u>2,448,055</u>	<u>4,083,029</u>
Opening shareholders' funds	5,239,824	1,156,795
Closing shareholders' funds	<u>7,687,879</u>	<u>5,239,824</u>

	2014 £	2013 £
Company		
Loss for the financial year	(210,611)	(210,609)
Opening shareholders' funds	(464,294)	(253,685)
Closing shareholders' funds	<u>(674,905)</u>	<u>(464,294)</u>

## H Care Limited

### Notes to the consolidated financial statements

For the year ended 31 March 2014

#### 15 Financial commitments

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Between two and five years	38,964	18,000

#### 16 Directors' remuneration

	2014	2013
	£	£
Remuneration	234,653	161,319
Directors' remuneration capitalised	(55,760)	-
	178,893	146,130
Remuneration disclosed above include amounts paid to the highest paid director:		
Remuneration for qualifying services	100,000	69,000

#### 17 Employees

##### Number of employees

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

	2014	2013
	Number	Number
Care	174	142
Administration	23	17
	197	159
Employment costs		
	2014	2013
	£	£
Wages and salaries	3,398,156	2,911,760

#### 18 Control

The ultimate controlling party, both this year and last, was Paul de Savary, the managing director and largest shareholder in the group.

## **H Care Limited**

### **Notes to the consolidated financial statements**

**For the year ended 31 March 2014**

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#### **19 Related party transactions**

##### **Group**

The group has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

Harkstave Healthcare Projects Limited is owned and controlled by three of the directors, P A de Savary, H de Savary and A M de Savary. During the year, purchases of £1,590,146 were made from Harkstave Healthcare Projects Limited.

At the balance sheet date the group had made advance payments to Harkstave Healthcare Projects Limited totalling £42,953 against building works being carried out on behalf of, and to be invoiced at that value, to the group.

P A de Savary's director's loan account started the year with a credit balance of £25,923. During the year, £12,000 of this loan was repaid leaving a closing credit balance at the balance sheet date of £13,923.

##### **Company**

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

#### **20 Post Balance Sheet Events**

##### **Group**

The group is funded by loans from its investors totalling £3,432,632 (£3,082,632) of which £1,590,299 is repayable on 30 September 2016 and £1,492,333 on 30 September 2019. Certain holders of the loan note instruments totalling £1,492,333 nominal together with the accompanying interest accrued to 31 March 2012 of £654,157 agreed a Bilateral deed of Variation in August/ September 2014 to extend repayment to 30 September 2019. The combined balance of £2,146,490 is included in creditors falling due after more than one year.