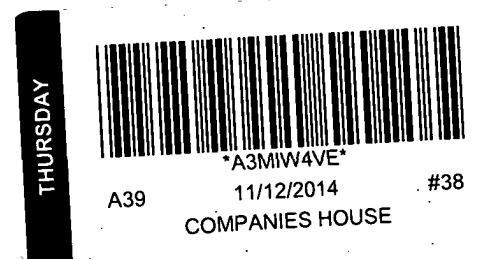


# Hadrian Healthcare (Wetherby) Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2014



# Hadrian Healthcare (Wetherby) Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTOR

I Watson

### SECRETARY

J Gill

### REGISTERED OFFICE

Hadrian Offices  
3 Keel Row  
The Watermark  
Gateshead  
Tyne and Wear  
NE11 9SZ

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
1 St. James' Gate  
Newcastle upon Tyne  
NE1 4AD

# Hadrian Healthcare (Wetherby) Limited

## DIRECTOR'S REPORT

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The director submits his report and financial statements of Hadrian Healthcare (Wetherby) Limited for the year ended 31 March 2014.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the operation of a care home.

### DIRECTOR

The director who served the company during the year was as follows:

I Watson

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The director who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

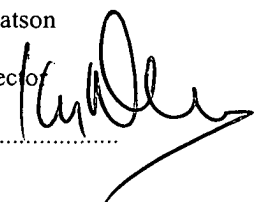
### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by

I Watson

Director



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2/12/14

# Hadrian Healthcare (Wetherby) Limited

## DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 those financial statements, the director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. The director is 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HADRIAN HEALTHCARE (WETHERBY) LIMITED

We have audited the financial statements on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditor**

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is 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 (APB's) Ethical Standards for Auditors.

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

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St. James' Gate

Newcastle upon Tyne

NE1 4AD

3/12/14

# Hadrian Healthcare (Wetherby) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2014

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|   | <i>Notes</i> | 2014<br>£        | 2013<br>£        |
|---|--------------|------------------|------------------|
| TURNOVER                                    |              | 2,120,738        | 11,973           |
| Cost of sales                               |              | (1,468,569)      | (138,771)        |
| Gross profit/(loss)                         |              | 652,169          | (126,798)        |
| Administrative expenses                     |              | (533,613)        | (126,506)        |
| OPERATING PROFIT/(LOSS)                     | 1            | 118,556          | (253,304)        |
| Interest receivable                         |              | 950              | —                |
|   |              | 119,506          | (253,304)        |
| Interest payable and similar charges        |              | (150,671)        | (10,885)         |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION |              | (31,165)         | (264,189)        |
| Taxation                                    | 2            | (95,769)         | 60,396           |
| LOSS FOR THE FINANCIAL YEAR                 | 11           | <u>(126,934)</u> | <u>(203,793)</u> |

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# Hadrian Healthcare (Wetherby) Limited

## BALANCE SHEET

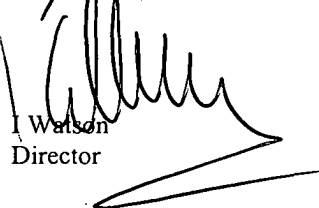
31 March 2014

|  | Notes | 2014<br>£        | 2013<br>£          |
|--|-------|------------------|--------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                    |
| Tangible assets                              | 3     | <u>6,875,153</u> | <u>6,843,505</u>   |
| <b>CURRENT ASSETS</b>                        |       |                  |                    |
| Debtors                                      | 4     | 152,045          | 72,217             |
| Cash at bank and in hand                     |       | <u>71,659</u>    | <u>1,810,636</u>   |
|  |       | 223,704          | 1,882,853          |
| <b>CREDITORS</b>                             |       |                  |                    |
| Amounts falling due within one year          | 5     | <u>(339,986)</u> | <u>(1,923,377)</u> |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(116,282)</u> | <u>(40,524)</u>    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 6,758,871        | 6,802,981          |
| <b>CREDITORS</b>                             |       |                  |                    |
| Amounts falling due after more than one year | 6     | (7,059,445)      | (7,010,424)        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 7     | <u>(33,803)</u>  | <u>—</u>           |
| <b>NET LIABILITIES</b>                       |       | <u>(334,377)</u> | <u>(207,443)</u>   |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                    |
| Called up share capital                      | 10    | 1                | 1                  |
| Profit and loss account                      | 11    | <u>(334,378)</u> | <u>(207,444)</u>   |
| <b>DEFICIT</b>                               |       | <u>(334,377)</u> | <u>(207,443)</u>   |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 5 to 10 were approved and signed by the director and authorised for issue on

2/12/14

  
I. Watson  
Director

2/12/14

# Hadrian Healthcare (Wetherby) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### BASIS OF PREPARATION

Notwithstanding the deficiency of shareholders' funds the financial statements have been prepared on the going concern basis which assumes the continued financial support of the company's director, ultimate parent undertaking and the company's bankers.

If the going concern basis proved to be invalid, the financial statements would have to be prepared on a break up basis in which the balance sheet would be restated to include all assets at their estimated realisable values and all liabilities would become current and would have to be increased to include those liabilities contingent on the company ceasing to trade.

### TURNOVER

Turnover represents the amounts (excluding Value Added Tax), receivable for goods and services provided in the normal course of business during the year. The turnover is derived entirely from its principal activities carried out in the United Kingdom.

### FIXED ASSETS

All fixed assets are initially recorded at cost.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                     |   |                      |
|---------------------|---|----------------------|
| Fixtures & Fittings | - | 15% reducing balance |
|---------------------|---|----------------------|

The company's freehold property is maintained by a programme of repair and refurbishment such that the residual value is deemed to be at least equal to the book value. Having regard to this, it is opinion of the directors that depreciation as required by the Companies Act 2006 and accounting standards would not be material.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.



# Hadrian Healthcare (Wetherby) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

### 1 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

|                                    | 2014         | 2013         |
|------------------------------------|--------------|--------------|
|                                    | £            | £            |
| Depreciation of owned fixed assets | 118,292      | 2,082        |
| Auditor's fees                     | <u>3,500</u> | <u>3,500</u> |

### 2 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

|  | 2014          | 2013            |
|--|---------------|-----------------|
|  | £             | £               |
| Deferred tax:                                  |               |                 |
| Origination and reversal of timing differences | <u>95,769</u> | <u>(60,396)</u> |

### 3 TANGIBLE FIXED ASSETS

|                     | Freehold<br>property<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£       |
|---------------------|---------------------------|-----------------------------|------------------|
| Cost                |                           |                             |                  |
| At 1 April 2013     | 6,121,798                 | 723,789                     | 6,845,587        |
| Additions           | <u>44,384</u>             | <u>105,556</u>              | <u>149,940</u>   |
| At 31 March 2014    | <u>6,166,182</u>          | <u>829,345</u>              | <u>6,995,527</u> |
| Depreciation        |                           |                             |                  |
| At 1 April 2013     | –                         | 2,082                       | 2,082            |
| Charge for the year | <u>–</u>                  | <u>118,292</u>              | <u>118,292</u>   |
| At 31 March 2014    | <u>–</u>                  | <u>120,374</u>              | <u>120,374</u>   |
| Net book value      |                           |                             |                  |
| At 31 March 2014    | <u>6,166,182</u>          | <u>708,971</u>              | <u>6,875,153</u> |
| At 31 March 2013    | <u>6,121,798</u>          | <u>721,707</u>              | <u>6,843,505</u> |

### 4 DEBTORS

|                                | 2014           | 2013          |
|--------------------------------|----------------|---------------|
|                                | £              | £             |
| Trade debtors                  | 116,645        | 4,564         |
| Other debtors                  | 11,367         | 4,300         |
| Prepayments and accrued income | 24,033         | 1,387         |
| Deferred taxation (note 7)     | <u>–</u>       | <u>61,966</u> |
|                                | <u>152,045</u> | <u>72,217</u> |

# Hadrian Healthcare (Wetherby) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

### 5 CREDITORS: Amounts falling due within one year

|                                      | 2014           | 2013             |
|--------------------------------------|----------------|------------------|
|                                      | £              | £                |
| Trade creditors                      | 60,863         | 417,908          |
| Amounts owed to related undertakings | 1,775          | –                |
| PAYE and social security             | 28,774         | 6,180            |
| Directors current accounts           | –              | 1,000,000        |
| Other creditors                      | 6,714          | –                |
| Accruals and deferred income         | 241,860        | 499,289          |
|                                      | <u>339,986</u> | <u>1,923,377</u> |

### 6 CREDITORS: Amounts falling due after more than one year

|                      | 2014             | 2013             |
|----------------------|------------------|------------------|
|                      | £                | £                |
| Bank loans (secured) | 4,000,000        | 4,000,000        |
| Other creditors      | 3,059,445        | 3,010,424        |
|                      | <u>7,059,445</u> | <u>7,010,424</u> |

Included in other creditors is a director's loan account of £3,059,445 (2013: £4,010,424). The director's loan is interest free with no fixed repayment terms.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

|            | 2014             | 2013             |
|------------|------------------|------------------|
|            | £                | £                |
| Bank loans | <u>4,000,000</u> | <u>4,000,000</u> |

The bank loan is secured by fixed and floating charges on the assets of the company and other group assets, supported by an unlimited cross guarantee. In addition, personal guarantees were given by the directors up to a total amount of £566,900.

### 7 PROVISIONS FOR LIABILITIES AND CHARGES

|  | Deferred taxation |
|--|-------------------|
|  | £                 |
| Balance brought forward                                  | (61,966)          |
| Profit and Loss Account movement arising during the year | <u>95,769</u>     |
| Balance carried forward                                  | <u>33,803</u>     |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

|   | 2014             | 2013             |
|---|------------------|------------------|
|   | £                | £                |
| Excess of taxation allowances over depreciation on fixed assets | 187,079          | 42,993           |
| Tax losses available  | <u>(153,276)</u> | <u>(104,959)</u> |
|   | <u>33,803</u>    | <u>(61,966)</u>  |

# Hadrian Healthcare (Wetherby) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

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### 8 CONTINGENCIES

The company is subject to an unlimited cross guarantee with its parent Hadrian Healthcare (NE) Limited, and fellow subsidiaries companies, Hadrian Healthcare (Gosforth) Limited, Hadrian Healthcare (Whickham) Limited, Care Construction (NE) Limited and AH Burslam Limited. The total bank borrowings of these companies at the balance sheet date was £7,700,000 (2013: £7,709,068).

### 9 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption available under FRSSE whereby there is no requirement to disclose inter-group transactions and balances as the company is a wholly-owned subsidiary and the group accounts in which it is included are publicly available

During the year under review I Watson, director, introduced funds of £698,038 and withdrew funds of £1,649,017 leaving a balance due from the company of £3,059,445 (2013: £4,010,424).

Included in amounts owed to related undertakings is an amount of £1,775 (2013: £nil) owed to Hadrian Healthcare Limited, a company in which I Watson, director, is a director and shareholder.

### 10 SHARE CAPITAL

|                                     | 2014     | 2013     |
|-------------------------------------|----------|----------|
|                                     | £        | £        |
| Allotted, called up and fully paid: |          |          |
| 1 Ordinary share of £1 each         | <u>1</u> | <u>1</u> |

### 11 PROFIT AND LOSS ACCOUNT

|                              | 2014             | 2013             |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| At the beginning of the year | (207,444)        | (3,651)          |
| Loss for the financial year  | <u>(126,934)</u> | <u>(203,793)</u> |
| At the end of the year       | <u>(334,378)</u> | <u>(207,444)</u> |

### 12 ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Hadrian Healthcare (NE) Limited, a company registered in England.