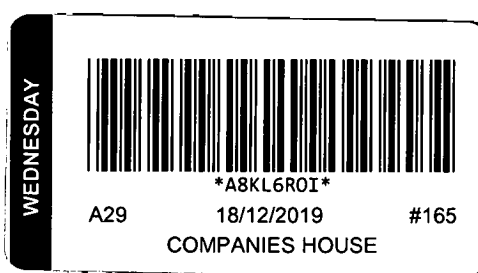


Company Registration No. 08514644 (England and Wales)

HARTWOOD FINANCE COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR



HARTWOOD FINANCE COMPANY LIMITED

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HARTWOOD FINANCE COMPANY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	2	2,151,245		2,151,889	
Creditors: amounts falling due within one year	3	(4,799)		(3,000)	
Net current assets			2,146,446		2,148,889
Creditors: amounts falling due after more than one year	4		(2,151,683)		(2,151,579)
Net liabilities			(5,237)		(2,690)
Capital and reserves					
Called up share capital	5		1		1
Profit and loss reserves			(5,238)		(2,691)
Total equity			(5,237)		(2,690)

The director of the company has elected not to include a copy of the profit and loss account 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 and signed by the director and authorised for issue on 30 September 2019

D P Walsh
Director



Company Registration No. 08514644

HARTWOOD FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Hartwood Finance Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Garden Floor, 2 Kensington Square, London, W8 5EP.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is a special purpose vehicle for holding group loans and is reliant on the continued operation of its related companies to remain a going concern. The director has assessed the operating activities of the underlying operations of such related companies and is confident that the amounts advanced will be recovered. Accordingly the accounts have been prepared on the going concern basis.

1.3 Financial instruments

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 balance sheet 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.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

HARTWOOD FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.4 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.

1.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2 Debtors

	2019 £	2018 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	2,151,245	2,151,889

3 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,400	-
Other creditors and accruals	2,399	3,000
	4,799	3,000

4 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	2,151,683	2,151,579

HARTWOOD FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Called up share capital

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

6 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 unqualified.

The senior statutory auditor was Graham Rigby.
The auditor was Baldwins Audit Services.

7 Related party transactions

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with fellow subsidiaries of Hartwood Care (UK) LLP ("the LLP") and the LLP on the grounds that consolidated financial statements are prepared by the LLP.

In the prior year, ultimate parent undertaking Cinnamon Care Homes LP ("the LP") settled a third party liability on behalf of the company totalling £1,080,161. At the balance sheet date the company owed the LP £2,151,579 (2018: £2,151,579). Potential notional interest charges relating to off-market loans received from the LP have been disregarded as the LP is prohibited from charging actual interest and also because the loans represent quasi-equity investments in respect of which the fair value has been deemed to be equal to the capital value of sums advanced.

During the year Cinnamon Finance Company Limited, a fellow group undertaking, settled expenses of £104 on behalf of the company, this balance was outstanding at the balance sheet date (2018: £nil).

8 Parent company

The ultimate parent undertaking of the company is Cinnamon Care Homes LP by virtue of its beneficial shareholding. There is no individual ultimate controlling party.