

Octopus Serendip Holdco Limited

**Consolidated Financial Statements
Period from 17 November 2016 to 30 September 2017**

Registration number: 10484787

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Octopus Serendip Holdco Limited

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Octopus Serendip Holdco Limited

Consolidated Balance Sheet

30 September 2017

	Note	2017 £
Fixed assets		
Intangible assets	4	9,204
Tangible assets	5	<u>4,645,146</u>
		<u>4,654,350</u>
Current assets		
Debtors	7	373,724
Cash at bank and in hand		<u>71,043</u>
		444,767
Creditors: Amounts falling due within one year	9	<u>(415,761)</u>
Net current assets		<u>29,006</u>
Total assets less current liabilities		4,683,356
Creditors: Amounts falling due after more than one year	9	(5,206,167)
Provisions for liabilities		<u>(35,315)</u>
Net liabilities		<u>(558,126)</u>
Capital and reserves		
Called up share capital	11	1,000
Revaluation reserve		123,150
Profit and loss account		<u>(682,276)</u>
Equity attributable to owners of the company		<u>(558,126)</u>
Total equity		<u>(558,126)</u>

Approved and authorised by the Board on 16/3/2018 and signed on its behalf by:


Mr V Thayanandarajah
Director

Company Registration Number: 10484787

Octopus Serendip Holdco Limited

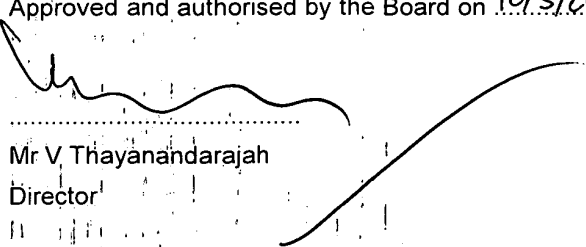
Balance Sheet

30 September 2017

	Note	2017 £
Fixed assets		
Investments	6	2
Current assets		
Debtors	7	857,938
Creditors: Amounts falling due within one year	9	<u>(55,587)</u>
Net current assets		<u>802,351</u>
Total assets less current liabilities		802,353
Creditors: Amounts falling due after more than one year	9	<u>(823,860)</u>
Net liabilities		<u><u>(21,507)</u></u>
Capital and reserves		
Called up share capital		1,000
Profit and loss account		<u>(22,507)</u>
Total equity		<u><u>(21,507)</u></u>

The company made a loss after tax for the financial period of £22,507.

Approved and authorised by the Board on 16/3/2018 and signed on its behalf by:


Mr V. Thayanandarajah
Director

Company Registration Number: 10484787

Octopus Serendip Holdco Limited

Consolidated Statement of Changes in Equity

Period from 17 November 2016 to 30 September 2017

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
Loss for the period	-	-	(686,211)	(686,211)
Other comprehensive income	-	127,085	-	127,085
Total comprehensive income	-	127,085	(686,211)	(559,126)
New share capital subscribed	1,000	-	-	1,000
Transfers	-	(3,935)	3,935	-
At 30 September 2017	1,000	123,150	(682,276)	(558,126)

Octopus Serendip Holdco Limited

Statement of Changes in Equity

Period from 17 November 2016 to 30 September 2017

	Share capital £	Profit and loss account £	Total £
Loss for the period	-	(22,507)	(22,507)
Total comprehensive income	-	(22,507)	(22,507)
New share capital subscribed	1,000	-	1,000
At 30 September 2017	1,000	(22,507)	(21,507)

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office and principal place of business is:

6th Floor
33 Holborn
London
EC1N 2HT
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 22/03/18 was Duncan Leslie, who signed for and on behalf of PKF Francis Clark.

Summary of disclosure exemptions for parent company

FRS 102 grants a qualifying entity exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements as the company is deemed to be a qualifying entity:

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows on the basis that it is a qualifying entity and its cash flows are included in the consolidated financial statements of the group. The company is also taking exemption from disclosure of key management personnel compensation and exemption from disclosure of related party transactions entered into between the company and other members of the Octopus Serendip group.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2017.

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cash flows include the results and cash flows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Going concern

The financial statements have been prepared on a going concern basis.

The directors believe, after careful consideration of the financial forecasts, sales projections and with the support of the parent company and the directors, the company has sufficient working capital to continue to trade for the foreseeable future.

For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result from any change in the company's circumstances such that the going concern basis would no longer be appropriate.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities.

Income from residents is recognised, as earned, through the provision of contracted services.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

Asset class	Depreciation method and rate
Freehold buildings	2% straight line
Furniture, fittings and equipment	20-33% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Licences	20% straight line

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Dividends on equity securities are recognised in income when receivable.

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Loan notes and other loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for loan notes and other loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Loan notes and other loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff costs

The average number of persons employed by the group (including directors) during the period, analysed by category was as follows:

Nursing staff

2017

No.

16

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

4 Intangible assets

Group

	Licences £	Total £
Cost or valuation		
Additions acquired separately	10,493	10,493
At 30 September 2017	10,493	10,493
Amortisation		
Amortisation charge	1,289	1,289
At 30 September 2017	1,289	1,289
Carrying amount		
At 30 September 2017	9,204	9,204

5 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
Revaluations	136,500	-	136,500
Additions	4,318,500	252,891	4,571,391
At 30 September 2017	4,455,000	252,891	4,707,891
Depreciation			
Charge for the	38,416	24,329	62,745
At 30 September 2017	38,416	24,329	62,745
Carrying amount			
At 30 September 2017	4,416,584	228,562	4,645,146

Included within the net book value of land and buildings above is £4,416,584 in respect of freehold land and buildings.

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

Revaluation

The fair value of the group's freehold land and building was revalued on 19 September 2016 by an independent valuer. The basis of this valuation was value in existing use. Had this class of asset been measured on a historical cost basis, the carrying amount would have been £4,284,019.

6 Investments

Company

	2017 £
Investments in subsidiaries	<u>2</u>
Subsidiaries	£
Cost or valuation	
Additions	<u>2</u>
Provision	
Carrying amount	
At 30 September 2017	<u><u>2</u></u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2017
Subsidiary undertakings			
Octopus Serendip Midco Limited	6th Floor 33 Holborn London EC1N 2HT United Kingdom England and Wales	Ordinary shares	100%

The principal activity of Octopus Serendip Midco Limited is that of a holding company.

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

7 Debtors

	Note	Group 2017 £	Company 2017 £
Trade debtors		9,707	-
Amounts due from group undertakings	13	-	833,822
Other debtors		196,245	1,000
Prepayments		160,101	23,116
Accrued income		7,671	-
		<u>373,724</u>	<u>857,938</u>
Less non-current portion		<u>(600)</u>	<u>(834,422)</u>
		<u>373,124</u>	<u>23,516</u>

Details of non-current trade and other debtors

Group

£600 of other debtors is classified as non current.

Company

£833,822 of amounts due from group companies is classified as non current.

£600 of other debtors is classified as non current.

8 Cash and cash equivalents

	Group 2017 £	Company 2017 £
Cash on hand	546	-
Cash at bank	<u>70,497</u>	<u>-</u>
	<u>71,043</u>	<u>-</u>

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

9 Creditors

		Group 30 September 2017 £	Company 30 September 2017 £
	Note		
Due within one year			
Trade creditors		67,663	-
Social security and other taxes		13,081	-
Other creditors		2,281	-
Accrued expenses		332,736	55,587
		<u>415,761</u>	<u>55,587</u>
Due after one year			
Loans and borrowings	10	5,170,000	808,000
Other creditors		36,167	15,860
		<u>5,206,167</u>	<u>823,860</u>

10 Loans and borrowings

	Group 2017 £	Company 2017 £
Non-current loans and borrowings		
Other loans	4,362,000	-
Loan notes	808,000	808,000
	<u>5,170,000</u>	<u>808,000</u>

Group

Other borrowings

The other loan with a carrying amount of £4,362,000 is denominated in pound sterling with a nominal interest rate of 8.5%+LIBOR. The final instalment is due on 14 February 2022.

The other loan is secured by a charge on the freehold property owned by a subsidiary company, Kingsley Healthcare (Bournemouth Property) Limited.

Group and Company

Other borrowings

Loan notes with a carrying amount of £808,000 is denominated in pound sterling with a nominal interest rate of 10%. There is no set repayment date for the loan notes.

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

11 Share capital

Allotted, called up and fully paid shares

	30 September 2017	
	No.	£
Ordinary A shares of £1 each	600	600
Ordinary B shares of £1 each	400	400
	<u>1,000</u>	<u>1,000</u>

New shares allotted

During the period 600 Ordinary A shares having an aggregate nominal value of £600 were allotted for an aggregate consideration of £600.

During the period 400 Ordinary B shares having an aggregate nominal value of £400 were allotted for an aggregate consideration of £400.

12 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £1,850,000 relating to the purchase of a plot of land in which a future care home will be built.

13 Related party transactions

Group

The group has taken advantage of the exemption provided by FRS102 to not disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Summary of transactions with parent and entities under common control

During the year the group entered into various transactions with the parent and entities under common control. Transactions entered into, and trading balances outstanding at the year end, are as shown below. Outstanding balances with entities are unsecured, interest free and cash settled.

Loans to related parties

	Parent
2017	£
Advanced	297,645
Repaid	<u>(297,045)</u>
At end of period	<u>600</u>

Octopus Serendip Holdco Limited

Notes to the Financial Statements

Period from 17 November 2016 to 30 September 2017

Loans from related parties

	Entities under common control £
2017	
Advanced	140,933
Repaid	(177,159)
At end of period	<u>(36,226)</u>

Terms of loans from related parties

The loans have a 366 day notice period for repayment. There is no interest charged on these balances and the amounts are presented in other creditors falling due after more than one year and other debtors receivable after more than one year.

Company

The company has taken advantage of the exemption provided by FRS102 to not disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Summary of transactions with parent

During the year the company entered into various transactions with the parent entity. Transactions entered into, and trading balances outstanding at the year end, are as shown below. Outstanding balances with entities are unsecured, interest free and cash settled.

Loans to related parties

	Parent £
2017	
Advanced	25,460
Repaid	(24,860)
At end of period	<u>600</u>

Terms of loans to related parties

The loans have a 366 day notice period for repayment. There is no interest charged on these balances and the amounts are presented in other debtors receivable after more than one year.

14 Parent and ultimate parent undertaking

The most senior parent entity producing publicly available financial statements is Octopus Serendip Holdco Limited.