

## Hentop 311 Limited

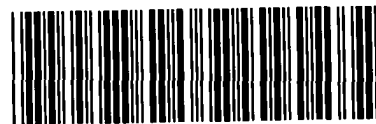
Directors' Report and Financial Statements

Year Ended

31 May 2018

Company Number 10668559

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# Hentop 311 Limited

## Company Information

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<b>Directors</b>	T Betts I Rickwood A Brandon (alternative for I Rickwood) M Kingston
<b>Company secretary</b>	C F Moharm
<b>Registered number</b>	10668559
<b>Registered office</b>	55 Baker Street London W1U 7EU
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Bankers</b>	Barclays Bank Plc Pall Mall Corporate Group 50 Pall Mall London SW1A 1QA

# Hentop 311 Limited

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# Hentop 311 Limited

## Directors' Report For the Year Ended 31 May 2018

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The directors present their report and the financial statements for the year ended 31 May 2018.

### Principal activity

The principal activity is that of property trading.

### Result for the year

The result for the year is shown on page 6.

### Directors

The directors who served during the year were:

T Betts  
I Rickwood  
A Brandon (alternative for I Rickwood)  
M Kingston

### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 7 December 2018 and signed on its behalf.



C F Moharm  
Secretary

# **Hentop 311 Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 May 2018**

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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 profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Hentop 311 Limited

## Independent Auditor's Report to the Members of Hentop 311 Limited

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### Opinion

We have audited the financial statements of Hentop 311 Limited ("the company") for the year ended 31 May 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 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 opinion

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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Hentop 311 Limited

## Independent Auditor's Report to the Members of Hentop 311 Limited (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# Hentop 311 Limited

## Independent Auditor's Report to the Members of Hentop 311 Limited (continued)

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### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

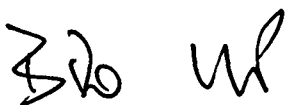
### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Levy** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 07 December 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Hentop 311 Limited

## Statement of Comprehensive Income For the Year Ended 31 May 2018

	Note	Year ended 31 May 2018 £	Period ended 31 May 2017 £
Turnover		136,047	65,101
Cost of sales		(126,128)	-
<b>Gross profit</b>		<b>9,919</b>	<b>65,101</b>
Administrative expenses		(11,082)	(1,545)
Stock - impairment provision		(2,806,212)	-
<b>Operating (loss)/profit</b>	5	<b>(2,807,375)</b>	<b>63,556</b>
Interest payable and similar expenses	7	(1,972,685)	(135,763)
<b>Loss before tax</b>		<b>(4,780,060)</b>	<b>(72,207)</b>
Tax on loss	8	-	-
<b>Loss and total comprehensive loss for the financial year/period</b>		<b>(4,780,060)</b>	<b>(72,207)</b>

All the activities of the company are from continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

**Hentop 311 Limited**  
Registered number: 10668559

**Statement of Financial Position**  
**As at 31 May 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Current assets</b>					
Stocks	9	12,142,450		13,998,407	
Debtors	10	42,540		65,101	
		<u>12,184,990</u>		<u>14,063,508</u>	
Creditors: amounts falling due within one year	11	(17,037,256)		(6,359,968)	
<b>Net current (liabilities)/assets</b>			(4,852,266)		7,703,540
Creditors: amounts falling due after more than one year	12		-		(7,775,746)
<b>Net liabilities</b>			<u>(4,852,266)</u>		<u>(72,206)</u>
<b>Capital and reserves</b>					
Called up share capital	13		1		1
Profit and loss account	14		(4,852,267)		(72,207)
<b>Members deficit</b>			<u>(4,852,266)</u>		<u>(72,206)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 December 2018.

  
**T Betts**  
Director

The notes on pages 9 to 15 form part of these financial statements.

# Hentop 311 Limited

## Statement of Changes in Equity For the Year Ended 31 May 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2017	1	(72,207)	(72,206)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(4,780,060)	(4,780,060)
<b>Total comprehensive loss for the year</b>	-	(4,780,060)	(4,780,060)
<b>At 31 May 2018</b>	<b>1</b>	<b>(4,852,267)</b>	<b>(4,852,266)</b>

## Statement of Changes in Equity For the Period Ended 31 May 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 14 March 2017	-	-	-
<b>Comprehensive loss for the period</b>			
Loss for the period	-	(72,207)	(72,207)
<b>Total comprehensive loss for the period</b>	-	(72,207)	(72,207)
Shares issued during the period	1	-	1
<b>At 31 May 2017</b>	<b>1</b>	<b>(72,207)</b>	<b>(72,206)</b>

The notes on pages 9 to 15 form part of these financial statements.

# Hentop 311 Limited

## Notes to the Financial Statements For the Year Ended 31 May 2018

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### 1. General information

Hentop 311 Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

In preparing the financial statements, the directors are required to make an assessment of the company's ability to continue as a going concern. The immediate parent undertaking has confirmed that it is not its current intention to call for repayment of the balances owed to it unless the company has sufficient funds to be able to make such repayments and still be able to meet its obligations and liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing these financial statements.

#### 2.3 Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for net rental income and related income receivable less value added tax.

#### 2.4 Operating leases: the company as lessor

Rental income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

#### 2.5 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# Hentop 311 Limited

## Notes to the Financial Statements For the Year Ended 31 May 2018

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### 2. Accounting policies (continued)

#### 2.6 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.7 Stocks

Development properties are valued at the lower of cost and net realisable value.

#### 2.8 Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### 2.9 Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

# Hentop 311 Limited

## Notes to the Financial Statements For the Year Ended 31 May 2018

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### 2. Accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial liabilities that are not classified as financial instruments are recorded at transaction cost. All changes to transaction cost are recognised in the statement of comprehensive income.

##### Financial assets

Financial assets are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the statement of comprehensive income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) requires the use of certain critical accounting estimates and judgements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on directors' best knowledge of the amount, event or actions, actual results may differ from those estimates. The following is intended to provide an understanding of the policies that the directors consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements.

#### Recoverability of debtors

The recoverability of debtors is assessed based on factors specific to each individual debtor.

#### Net realisable value of stock

Determining whether the value of the Company's trading property should be impaired requires estimations of the property's net realisable value. The net realisable value calculation requires the entity to estimate the future cash flows expected to arise from the property, specifically the estimated selling price and anticipated selling costs adjusted for expected net rental cash flows. In undertaking these estimates, the directors make reference to market evidence of transactions for similar properties.

# Hentop 311 Limited

## Notes to the Financial Statements For the Year Ended 31 May 2018

### 4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 31 May 2018 £	Period ended 31 May 2017 £
Rental income	136,047	65,101

### 5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Year ended 31 May 2018 £	Period ended 31 May 2017 £
Stock - impairment provision	2,806,212	-

### 6. Employees

There were no persons employed by the company in the year (2017 - Nil) and no director received any remuneration (2017 - £Nil).

### 7. Interest payable and similar charges

	Year ended 31 May 2018 £	Period ended 31 May 2017 £
Interest charged by parent company	1,296,823	70,941
Interest charged by fellow subsidiary	675,862	64,822
	1,972,685	135,763

# Hentop 311 Limited

## Notes to the Financial Statements For the Year Ended 31 May 2018

### 8. Taxation

	Year ended 31 May 2018 £	Period ended 31 May 2017 £
Current tax on losses for the year/period	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>

### 9. Stocks

	2018 £	2017 £
Development property	<b>12,142,450</b>	13,998,407

Stocks comprising properties are valued at the lower of cost and net realisable value.

### 10. Debtors

	2018 £	2017 £
Prepayments and accrued income	<b>42,540</b>	65,101

All amounts fall due for payment within one year.

### 11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	<b>62,904</b>	22,383
Amounts owed to parent company	<b>9,115,423</b>	6,181,268
Loan owed to fellow subsidiary (Note 12)	<b>7,836,053</b>	-
Accruals and deferred income	<b>22,876</b>	156,317
	<b>17,037,256</b>	6,359,968

Amounts owed to the parent company bear interest at 19% (2017 - 16.29%) and are repayable on demand.



# Hentop 311 Limited

## Notes to the Financial Statements For the Year Ended 31 May 2018

### 12. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Loan owed to fellow subsidiary	-	7,775,746

During the prior period a fellow subsidiary of the ultimate parent provided a loan of £7,710,924 to the company. The loan is repayable on 27 April 2020, bears interest at 8.75% and is secured by a fixed charge over the company's stock of development properties.

One of the loan covenants was in breach at the year end and therefore the loan has been classified as due within one year. This event of default was waived by the lender subsequent to the year end.

### 13. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	1	1

### 14. Reserves

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

### 15. Related party transactions

During the year interest of £1,972,685 (2017 - £135,763) was charged by group companies.

At the year end an amount of £9,115,423 (2017 - £6,181,268) was due to the parent company and £7,836,053 (2017 - £7,775,746) was due to a fellow subsidiary.

# Hentop 311 Limited

## Notes to the Financial Statements For the Year Ended 31 May 2018

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### 16. Controlling party

The largest group in which the results of the company are consolidated is that headed by Topland Group Holdings Limited, a company incorporated in the British Virgin Islands.

The immediate parent company is Topland Henley Healthcare Investments Limited, a company incorporated in England and Wales.

Topland (No. 15) Limited is the most senior parent whose consolidated financial statements may be obtained from Companies House.

The ultimate parent company and controlling party is Topland Group Holdings International Limited, a company incorporated in the British Virgin Islands.