

Registration number: 11220975

HLWCH 900 Limited

Annual Report and Consolidated Financial Statements
for the Period from 22 February 2018 to 30 September 2018



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HLWCH 900 Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14 to 28

HLWCH 900 Limited

Company Information

Directors	M N Bullas S C Bullas
Registered office	Suite 4 164-170 Queens Road Sheffield South Yorkshire S2 4DH
Auditors	Hawsons Chartered Accountants Statutory Auditor Pegasus House 463a Glossop Road Sheffield South Yorkshire S10 2QD

HLWCH 900 Limited

Strategic Report

for the Period from 22 February 2018 to 30 September 2018

The directors present their strategic report for the period from 22 February 2018 to 30 September 2018.

Fair review of the business

The Group commenced trading upon the acquisition of the subsidiary undertakings on 27 March 2018. The acquisition comprised two operational care homes along with a completed home which was just beginning to acquire residents, plus two companies that were to be created to develop sites for new care homes. The directors are pleased with the financial performance of the Group for the period under review and they are confident of raising occupancy rates and improving performance in future.

The Group is still in the early stages of development, but the key performance indicators of turnover, operating profit and occupancy levels are in line with expectations.

Principal risks and uncertainties

The ongoing principal risks and uncertainties to the continued performance of the Group are reputational, with their effect on prospective clients, the registering body and the local authorities.

Increases in costs such as the minimum wage, auto enrolment and utilities etc against a background of local authorities controlling fee levels may impact upon the ongoing performance of the group.

The directors prepare budget forecasts and these are reviewed as far as possible to manage such costs that are outside of the group's control.

Approved by the Board on 23 July 2019 and signed on its behalf by:


.....
M N Bullas
Director

HLWCH 900 Limited

Directors' Report

for the Period from 22 February 2018 to 30 September 2018

The directors present their report and the audited consolidated financial statements for the period from 22 February 2018 to 30 September 2018.

Incorporation

The company was incorporated on 22 February 2018 and commenced trading on 27 March 2018 upon acquisition of the subsidiary companies.

Directors of the group

The directors who held office during the period were as follows:

M N Bullas (appointed 22 February 2018)

S C Bullas (appointed 27 March 2018)

Principal activity

The principal activity of the company is that of a holding company. On 27 March 2018, the company acquired the whole of the issued ordinary share capital of Louth Care Limited, Ripon Care Limited, Mablethorpe Care Limited, Waltham Care Limited and Stourport on Severn Care Holdings Limited. The principal activity of these companies is the development and operation of residential care homes.

Results and dividends

The results for the period of operation are included in the consolidated financial statements.

The directors do not recommend the payment of a final dividend.

Disclosure of information to the auditor

Each director of the company who held office at the date of the approval of this Annual Report, as set out above, confirms that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hawsons Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 23 May 2019 and signed on its behalf by:



M N Bullas
Director

HLWCH 900 Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 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 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 and 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 and the group'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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

HLWCH 900 Limited

Independent Auditor's Report

to the Members of HLWCH 900 Limited

Opinion

We have audited the financial statements of HLWCH 900 Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 22 February 2018 to 30 September 2018, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Balance Sheet, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the 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 group's and the parent company's affairs as at 30 September 2018 and of the group's profit for the period 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 group 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 group's or the parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

HLWCH 900 Limited

Independent Auditor's Report

to the Members of HLWCH 900 Limited (continued)

Opinion on other matter 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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 group's and the parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HLWCH 900 Limited

Independent Auditor's Report

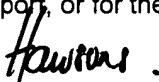
to the Members of HLWCH 900 Limited (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



.....
Scott Sanderson (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
South Yorkshire
S10 2QD

Date: 25/09/2019

HLWCH 900 Limited

Consolidated Statement of Comprehensive Income

for the Period from 22 February 2018 to 30 September 2018

		27 March 2018 to 30 September 2018 £
	Note	
Turnover	2	2,992,867
Cost of sales		<u>(111,338)</u>
Gross profit		2,881,529
Administrative expenses		<u>(2,453,560)</u>
Operating profit	3	427,969
Interest payable and similar charges	5	<u>(175,132)</u>
Profit before tax		252,837
Taxation	6	<u>(97,973)</u>
Profit for the financial period		<u>154,864</u>
Total comprehensive income for the financial period		<u><u>154,864</u></u>
Profit attributable to:		
Owners of the company		<u>154,864</u>
Total comprehensive income attributable to:		
Owners of the company		<u><u>154,864</u></u>

The above results were derived from continuing operations.

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Parent Company is not presented as part of these Financial Statements.

HLWCH 900 Limited

(Registration number: 11220975)

Consolidated Balance Sheet as at 30 September 2018

	Note	2018 £
Fixed assets		
Tangible assets	7	19,364,178
Current assets		
Debtors	10	2,935,820
Cash at bank and in hand		<u>2,325,427</u>
		5,261,247
Creditors: Amounts falling due within one year	11	<u>(8,804,631)</u>
Net current liabilities		<u>(3,543,384)</u>
Total assets less current liabilities		15,820,794
Creditors: Amounts falling due after more than one year	11	(11,675,000)
Provisions for liabilities	13	<u>(84,087)</u>
Net assets		<u><u>4,061,707</u></u>
Capital and reserves		
Called up share capital	15	27
Merger reserve		3,906,816
Profit and loss account		<u>154,864</u>
Total equity		<u><u>4,061,707</u></u>

These financial statements were approved and authorised for issue by the Board on 23rd 2019 and signed on its behalf by:



 M N Bullas
 Director

The notes on pages 14 to 28 form an integral part of these financial statements.

HLWCH 900 Limited

(Registration number: 11220975)

Balance Sheet as at 30 September 2018

	Note	2018 £
Fixed assets		
Investments	8	<u>36</u>
		<u>36</u>
Current assets		
Cash at bank and in hand		22
Creditors: Amounts falling due within one year	11	<u>(161,410)</u>
Net current liabilities		<u>(161,388)</u>
Net liabilities		<u>(161,352)</u>
Capital and reserves		
Called up share capital	15	27
Profit and loss account		<u>(161,379)</u>
Total equity		<u>(161,352)</u>

The company made a loss after tax for the financial period of £161,379.

These financial statements were approved and authorised for issue by the Board on 23 July 2018 and signed on its behalf by:


.....
M N Bullas

Director

HLWCH 900 Limited

Consolidated Statement of Changes in Equity

for the Period from 22 February 2018 to 30 September 2018

Equity attributable to the parent company

	Share capital £	Merger reserve £	Profit and loss account £	Total £
Profit for the period	-	-	154,864	154,864
Total comprehensive income	-	-	154,864	154,864
Share capital issued	27	-	-	27
Merger adjustment on acquisitions	-	3,906,816	-	3,906,816
At 30 September 2018	<u>27</u>	<u>3,906,816</u>	<u>154,864</u>	<u>4,061,707</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

HLWCH 900 Limited

Statement of Changes in Equity

for the Period from 22 February 2018 to 30 September 2018

	Share capital £	Profit and loss account £	Total £
Loss for the period	-	(161,379)	(161,379)
Total comprehensive income	-	(161,379)	(161,379)
Share capital issued	27	-	27
At 30 September 2018	27	(161,379)	(161,352)

HLWCH 900 Limited

Consolidated Statement of Cash Flows

for the Period from 22 February 2018 to 30 September 2018

27 March
2018 to 30
September
2018
£

Cash flows from operating activities

Profit for the period	154,864
Adjustments to cash flows from non-cash items	
Depreciation and amortisation	241,279
Finance costs	175,132
Income tax expense	97,973
	<u>669,248</u>
Adjustments to cash flow from non-cash items	
Increase in trade debtors	(79,825)
Decrease in trade creditors	<u>(724,395)</u>
Cash generated from operations	(134,972)
Income taxes paid	<u>(8,896)</u>
Net cash flow from operating activities	<u>(143,868)</u>

Cash flows from investing activities

Acquisitions of tangible assets	(27,920)
Assets acquired on a acquisition of subsidiaries	139,118
Cash acquired on acquisition of subsidiaries	<u>2,583,229</u>
Net cash flows from investing activities	<u>2,694,427</u>

Cash flows from financing activities

Interest paid	(175,132)
Repayment of bank borrowing	<u>(50,000)</u>
Net cash flows from financing activities	<u>(225,132)</u>
Net increase in cash and cash equivalents	2,325,427
Cash and cash equivalents at 22 February	-
Cash and cash equivalents at 30 September	<u><u>2,325,427</u></u>

The notes on pages 14 to 28 form an integral part of these financial statements.

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018

1 Accounting policies

Statutory information

HLWCH 900 Limited is a private company, limited by shares, domiciled in England and Wales, company number 11220975. The registered office is at Suite 4, 164-170 Queens Road, Sheffield, S2 4DH.

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'. There were no material departures from that standard.

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. The presentation currency is United Kingdom pounds sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2018.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of rebates and discounts. Revenue is recognised as receivable to cover the period of services provided.

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

1 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred 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 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 group operates and generates taxable income.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and laws enacted at the balance sheet date.

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 freehold land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and property	2% straight line
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance
Computer equipment	33% reducing balance

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.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

1 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the statement of comprehensive income.

2 Revenue

The group's turnover for the period was derived from continuing operations of the principal activities and was wholly achieved within the United Kingdom.

3 Operating profit

Arrived at after charging/(crediting):

	27 March to 30 September 2018 £
Depreciation expense	241,279
Operating lease expense	14,269
Auditor's remuneration - the audit of the group's and the subsidiary companies' financial statements	<u>12,000</u>

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

4 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	27 March to 30 September 2018 £
Wages and salaries	1,524,869
Social security costs	95,721
Pension costs, defined contribution scheme	12,106
	<u>1,632,696</u>

The directors received no remuneration from the group for services provided during the period.

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

	2018 No.
Administration, support and care workers	<u>179</u>

5 Interest payable and similar expenses

	27 March to 30 September 2018 £
Interest on bank borrowings	<u>175,132</u>

6 Taxation

Tax charged/(credited) in the income statement:

	27 March to 30 September 2018 £
Current taxation	
UK corporation tax	107,783
Deferred taxation	
Arising from origination and reversal of timing differences	<u>(9,810)</u>
	<u>97,973</u>

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

6 Taxation (continued)

Factors affecting tax charge for the year

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

	2018 £
Profit before tax	252,837
Corporation tax at standard rate	48,039
Effect of expense not deductible in determining taxable profit	306
Unrecognised tax losses	30,825
Tax increase from effect of capital allowances and depreciation	18,803
	<u>97,973</u>

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2018	
On accelerated capital allowances	<u>84,087</u>

Factors that may affect future tax charges

UK Corporation tax is currently charged at a rate of 19% and this will reduce to 17% from 1 April 2020 as enacted under the 2016 Finance Act.

Deferred tax has been provided at 17% being the rate at which timing differences are expected to reverse.

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

7 Tangible assets

Group

	Freehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation				
Additions	-	27,693	227	27,920
Acquired through business combinations	20,075,406	764,929	1,779	20,842,114
At 30 September 2018	20,075,406	792,622	2,006	20,870,034
Depreciation				
Charge for the period	199,298	41,875	106	241,279
Acquired through business combinations	970,993	292,883	701	1,264,577
At 30 September 2018	1,170,291	334,758	807	1,505,856
Carrying amount				
At 30 September 2018	18,905,115	457,864	1,199	19,364,178

8 Investments

Company

	2018
	£
Investments in subsidiaries	36
Subsidiaries	£
Cost or valuation	
Additions	36
At 30 September 2018	36
Carrying amount	
At 30 September 2018	36

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

8 Investments (continued)

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	Country of incorporation	Holding	Proportion of voting rights and shares held 2018
Subsidiary undertakings			
Louth Care Limited	England and Wales	Ordinary	100%
Ripon Care Limited	England and Wales	Ordinary	100%
Mablethorpe Care Limited	England and Wales	Ordinary	100%
Waltham Care Limited	England and Wales	Ordinary	100%
Stourport on Severn Care Holdings Limited	England and Wales	Ordinary	100%
Stourport on Severn Care Limited*	England and Wales	Ordinary	100%

*held indirectly, 100% subsidiary of Stourport on Severn Care Holdings Limited.

The registered office address for all subsidiary undertakings is Suite 4, 164 - 170 Queens Road, Sheffield, South Yorkshire, S2 4DH.

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

9 Acquisition of subsidiary undertakings

On 27 March 2018 HLWCH 900 Limited acquired 100% of the issued ordinary share capital of Louth Care Limited for consideration of 1,900 Ordinary shares of £0.01 each (later re-classified as Ordinary A shares of £0.01 each) in a share for share exchange.

Louth Care Limited contributed turnover of £1,246,750 and a profit after tax of £116,942 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2018 £
Assets and liabilities acquired	
Financial assets	7,956,588
Tangible assets	6,376,675
Financial liabilities	<u>(11,665,348)</u>
Total identifiable assets	<u>2,667,915</u>
Satisfied by:	
Share for share exchange	<u>19</u>
Cash flow analysis:	
Cash consideration	-
Less: cash and cash equivalent balances acquired	<u>(1,841,039)</u>
Net cash (inflow) arising on acquisition	<u>(1,841,039)</u>

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

9 Acquisition of subsidiary undertakings (continued)

On 27 March 2018 HLWCH 900 Limited acquired 100% of the issued ordinary share capital of Ripon Care Limited from Louth Care Limited. The shares were acquired via a dividend in specie of £10.

Ripon Care Limited contributed turnover of £1,728,996 and profit after tax of £587,593 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2018 £
Assets and liabilities acquired	
Financial assets	1,196,273
Tangible assets	6,401,069
Financial liabilities	<u>(7,016,424)</u>
Total identifiable assets	<u><u>580,918</u></u>
Satisfied by:	
Dividend in specie	<u><u>10</u></u>
Cash flow analysis:	
Cash consideration	-
Less: cash and cash equivalent balances acquired	<u>(360,200)</u>
Net cash (inflow) arising on acquisition	<u><u>(360,200)</u></u>

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

9 Acquisition of subsidiary undertakings (continued)

On 27 March 2018 HLWCH 900 Limited acquired 100% of the issued ordinary share capital of Stourport on Severn Care Holdings Limited for consideration of 700 Ordinary B shares of £0.01 each in a share for share exchange.

Stourport on Severn Care Holdings Limited comprises Stourport on Severn Care Holdings Limited and the wholly owned subsidiary undertaking, Stourport on Severn Care Limited. These companies contributed consolidated turnover of £17,121 and a loss after tax of £387,425 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2018 £
Assets and liabilities acquired	
Financial assets	1,311,307
Tangible assets	6,799,793
Financial liabilities	<u>(7,452,234)</u>
Total identifiable assets	<u>658,866</u>
Satisfied by:	
Share for share exchange	<u>7</u>
Cash flow analysis:	
Cash consideration	-
Less: cash and cash equivalent balances acquired	<u>(381,990)</u>
Net cash (inflow) arising on acquisition	<u>(381,990)</u>

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

9 Acquisition of subsidiary undertakings (continued)

On 27 March 2018 HLWCH 900 Limited acquired 100% of the issued ordinary share capital of Mablethorpe Care Limited for consideration of 1 Ordinary C share of £0.01 each in a share for share exchange.

Mablethorpe Care Limited contributed turnover of £nil and a loss after tax of £(428) to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2018 £
Assets and liabilities acquired	
Financial assets	9,797
Financial liabilities	<u>(10,225)</u>
Total identifiable assets	<u><u>(428)</u></u>
Satisfied by:	
Share for share exchange	<u><u>-</u></u>
Cash flow analysis:	
Cash consideration	-
Less: cash and cash equivalent balances acquired	<u>-</u>
Net cash (inflow) arising on acquisition	<u><u>-</u></u>

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

9 Acquisition of subsidiary undertakings (continued)

On 27 March 2018 HLWCH 900 Limited acquired 100% of the issued ordinary share capital of Waltham Care Limited for consideration of 1 Ordinary D share of £0.01 each in a share for share exchange.

Waltham Care Limited contributed turnover of £nil and a loss after tax of £(429) to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2018 £
Assets and liabilities acquired	
Financial assets	10,121
Financial liabilities	<u>(10,550)</u>
Total identifiable assets	<u><u>(429)</u></u>
Satisfied by:	
Share for share exchange	<u><u>-</u></u>
Cash flow analysis:	
Cash consideration	-
Less: cash and cash equivalent balances acquired	<u>-</u>
Net cash (inflow) arising on acquisition	<u><u>-</u></u>

10 Debtors

	Group 2018 £	Company 2018 £
Trade debtors	286,047	-
Amounts owed by related undertakings	2,532,054	-
Other debtors	49,857	-
Prepayments and accrued income	<u>67,862</u>	-
	<u><u>2,935,820</u></u>	<u><u>-</u></u>

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

11 Creditors

	Group 2018 £	Company 2018 £
Due within one year		
Loans and borrowings	275,000	-
Trade creditors	705,098	-
Amounts owed to group undertakings	-	139,143
Amounts owed to related undertakings	165,339	-
Social security and other taxes	76,561	-
Corporation tax	480,170	-
Director's loan accounts	6,504,228	49
Other payables	10,654	-
Accruals and deferred income	587,581	22,218
	<u>8,804,631</u>	<u>161,410</u>
Due after one year		
Loans and borrowings	<u>11,675,000</u>	<u>-</u>

12 Loans and borrowings

	Group 2018 £	Company 2018 £
Current loans and borrowings		
Bank borrowings	<u>275,000</u>	<u>-</u>

	Group 2018 £	Company 2018 £
Non-current loans and borrowings		
Bank borrowings	<u>11,675,000</u>	<u>-</u>

Group

Bank borrowings are secured by fixed and floating charges over the assets of the group and by an unlimited guarantee covering all of the companies in the group. The loans are repayable by instalments and are wholly due within 5 years.

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

13 Deferred tax and other provisions

Group

	Deferred tax £
Increase through business combinations	93,897
Credit to the profit and loss account	<u>(9,810)</u>
At 30 September 2018	<u>84,087</u>

14 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £12,106.

Contributions totalling £5,423 were payable to the scheme at the end of the period and are included within creditors due within one year.

15 Share capital

Allotted, called up and fully paid shares

	No.	2018 £
Ordinary A shares of £0.01 each	2,000	20.00
Ordinary B shares of £0.01 each	700	7.00
Ordinary C shares of £0.01 each	1	0.01
Ordinary D shares of £0.01 each	<u>1</u>	<u>0.01</u>
	<u>2,702</u>	<u>27</u>

On the 22 February 2018 the company issued 1 Ordinary share of £1 nominal value.

On the 27 March 2018 the 1 Ordinary share was divided into 100 Ordinary shares of £0.01 each. On the same date a new issue of 1900 Ordinary shares of £0.01 each was made in exchange for the shares in Louth Care Limited. The shares were subsequently re-classified as Ordinary A shares.

On the 27 March 2018 an issue of 700 new Ordinary B shares of £0.01 each was made in exchange for the shares in Stourport on Severn Holdings Limited.

On the 27 March 2018 an issue of 1 new Ordinary C share of £0.01 was made in exchange for the shares in Mablethorpe Care Limited.

On the 27 March 2018 an issue of 1 new Ordinary D share of £0.01 was made in exchange for the shares in Waltham Care Limited.

HLWCH 900 Limited

Notes to the Financial Statements for the Period from 22 February 2018 to 30 September 2018 (continued)

16 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2018 £
Not later than one year	51,447
Later than one year and not later than five years	136,911
Later than five years	<u>9,600</u>
	<u>197,958</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £14,269.

17 Related party transactions

Group

During the period the directors generated outstanding loan balances owed by the group amounting to £6,504,228 at the balance sheet date on which no interest has been charged. The loans are intended to be short term and are repayable on demand.

Net amounts owed by/(to) related undertakings included within debtors and creditors, comprising trading balances and intercompany loan balances due within one year are:

Ontrack Builders Limited - £451,456
BCD Care Limited - £1,202,125
London Clapham Investments and Developments Limited - £112,263
Newark Care (Notts) Limited - (£9,389)

The balances have arisen from arm's length transactions and in the normal course of business.

The company has taken advantage of the exemptions in FRS 102 and has not disclosed details of transactions with other members of the group. Amounts owed by and to group undertakings are due on demand and do not attract interest on the balance outstanding.

18 Control

The ultimate controlling party is Mr. M N Bullas, a director of the company.