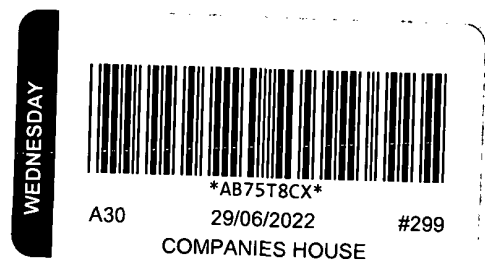


Registration number: 11220975

HLWCH 900 Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 September 2021



HLWCH 900 Limited

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HLWCH 900 Limited

Company Information

Director	M 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 Year Ended 30 September 2021

The director presents his strategic report for the year ended 30 September 2021.

Principal activity

The principal activity of the company is that of a holding company. The principal activity of the subsidiary companies is the development, operation and rental of residential care homes.

The group no longer trades its care facility. On 11 December 2020 the subsidiary company operating the care facility entered into an institutionally acceptable 30 year lease with a long established not for profit care organisation, therefore becoming a property investment business from that date. That still remains the case at the date of the signing of these accounts.

Fair review of the business

The director considers that the results for the year were satisfactory.

The group business intention is to continue to invest into the healthcare sector by way of purchase of land sites and the development of purpose-built stock.

Going concern and COVID 19

The director believes that it remains appropriate to prepare the group's financial statements on a going concern basis. COVID 19 continues to have an impact on the whole of the care industry.

Key performance indicators

Given the straightforward nature of the business, the director is of the opinion that analysis using key performance indicators are not necessary for the reader of the accounts to gain an understanding of the development, performance, or position of the business.

Principal risks and uncertainties

The key business risks and uncertainties affecting to the continued performance of the business include the business's reputation with prospective clients, the registering and Local Authorities control of the fee levels.

Approved by the director on 28 June 2022 and signed on its behalf by:



.....
M Bullas
Director

HLWCH 900 Limited

Director's Report

for the Year Ended 30 September 2021

The director presents his report and the audited consolidated financial statements for the year ended 30 September 2021.

Directors of the group

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

M Bullas

S C Bullas (resigned 10 December 2020)

Results and dividends

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

The director does not recommend the payment of a final dividend.

Director's liabilities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information to the auditor

The 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 he 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
- he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

The auditors, Hawsons Chartered Accountants, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the director on 28 June 2022 and signed on its behalf by:



.....
M Bullas
Director

HLWCH 900 Limited

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 year ended 30 September 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 group's and the parent company's affairs as at 30 September 2021 and of the group's profit 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 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

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 director is responsible for the other information contained within the annual report. 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.

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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's 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 Director's 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 the director

As explained more fully in the Statement of Director's Responsibilities set out on page 4, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

HLWCH 900 Limited

Independent Auditor's Report

to the Members of HLWCH 900 Limited (continued)

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006 and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the company to obtain an understanding of the legal and regulatory framework applicable to the company and how the company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. 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.



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

28 June 2022

HLWCH 900 Limited
Consolidated Profit and Loss Account
for the Year Ended 30 September 2021

	Note	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	2	399,416	512,651	912,067	-	2,797,538	2,797,538
Cost of sales		-	(24,463)	(24,463)	-	(133,563)	(133,563)
Gross profit		399,416	488,188	887,604	-	2,663,975	2,663,975
Administrative expenses		(65,578)	(740,196)	(805,774)	(39,429)	(2,081,832)	(2,121,261)
Other operating income	3	-	38,149	38,149	-	71,067	71,067
Operating profit/(loss)	4	333,838	(213,859)	119,979	(39,429)	653,210	613,781
Gain on financial assets at fair value through profit and loss account		3,922,324	-	3,922,324	-	-	-
Other interest receivable and similar income		-	-	-	3,127	-	3,127
Interest payable and similar expenses		(118,561)	(13,739)	(132,300)	-	(95,494)	(95,494)
Profit/(loss) before tax		4,137,601	(227,598)	3,910,003	(36,302)	557,716	521,414
Tax on profit	7	(34,199)	-	(34,199)	-	(126,351)	(126,351)
Profit/(loss) for the financial year		<u>4,103,402</u>	<u>(227,598)</u>	<u>3,875,804</u>	<u>(36,302)</u>	<u>431,365</u>	<u>395,063</u>
Profit/(loss) attributable to:							
Owners of the company		<u>4,103,402</u>	<u>(227,598)</u>	<u>3,875,804</u>	<u>(36,302)</u>	<u>431,365</u>	<u>395,063</u>

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 15 to 27 form an integral part of these financial statements.


HLWCH 900 Limited

(Registration number: 11220975)

Consolidated Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	895,991	6,206,914
Investment property	9	9,883,289	-
		<u>10,779,280</u>	<u>6,206,914</u>
Current assets			
Debtors	11	3,516,048	3,693,986
Cash at bank and in hand		<u>2,444,550</u>	<u>3,188,823</u>
		5,960,598	6,882,809
Creditors: Amounts falling due within one year	12	<u>(938,393)</u>	<u>(965,106)</u>
Net current assets		<u>5,022,205</u>	<u>5,917,703</u>
Total assets less current liabilities		15,801,485	12,124,617
Creditors: Amounts falling due after more than one year	12	<u>(3,073,987)</u>	<u>(3,242,423)</u>
Provisions for liabilities	14	<u>(22,000)</u>	<u>(15,500)</u>
Net assets		<u>12,705,498</u>	<u>8,866,694</u>
Capital and reserves			
Called up share capital	16	27	27
Revaluation reserve		3,922,324	-
Merger reserve		2,667,036	2,667,036
Profit and loss account		<u>6,116,111</u>	<u>6,199,631</u>
Total equity		<u>12,705,498</u>	<u>8,866,694</u>

These financial statements were approved and authorised for issue by the director on 28 June 2022.



 M Bullas
 Director

HLWCH 900 Limited

(Registration number: 11220975)

Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	10	1,786,500	1,786,500
Current assets			
Debtors	11	2,425,445	2,232,883
Cash at bank and in hand		<u>1,365,158</u>	<u>1,632,449</u>
		3,790,603	3,865,332
Creditors: Amounts falling due within one year	12	<u>(29,952)</u>	<u>(35,381)</u>
Net current assets		<u>3,760,651</u>	<u>3,829,951</u>
Net assets		<u>5,547,151</u>	<u>5,616,451</u>
Capital and reserves			
Called up share capital	16	27	27
Profit and loss account		<u>5,547,124</u>	<u>5,616,424</u>
Total equity		<u>5,547,151</u>	<u>5,616,451</u>

The company made a loss after tax for the financial year of £32,300 (2020 - loss of £21,295).

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.

These financial statements were approved and authorised for issue by the director on 28 June 2022.



M Bullas

Director

HLWCH 900 Limited

Consolidated Statement of Changes in Equity

for the Year Ended 30 September 2021

Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Merger reserve £	Profit and loss account £	Total £
At 1 October 2020	27	-	2,667,036	6,199,631	8,866,694
Total comprehensive income	-	-	-	3,875,804	3,875,804
Dividends	-	-	-	(37,000)	(37,000)
Transfers	-	3,922,324	-	(3,922,324)	-
At 30 September 2021	<u>27</u>	<u>3,922,324</u>	<u>2,667,036</u>	<u>6,116,111</u>	<u>12,705,498</u>

	Share capital £	Merger reserve £	Profit and loss account £	Total £
At 1 October 2019	27	2,667,036	5,804,568	8,471,631
Total comprehensive income	-	-	395,063	395,063
At 30 September 2020	<u>27</u>	<u>2,667,036</u>	<u>6,199,631</u>	<u>8,866,694</u>

The notes on pages 15 to 27 form an integral part of these financial statements.

HLWCH 900 Limited

Statement of Changes in Equity

for the Year Ended 30 September 2021

	Share capital £	Profit and loss account £	Total £
At 1 October 2020	27	5,616,424	5,616,451
Total comprehensive income	-	(32,300)	(32,300)
Dividends	-	(37,000)	(37,000)
At 30 September 2021	<u>27</u>	<u>5,547,124</u>	<u>5,547,151</u>

	Share capital £	Profit and loss account £	Total £
At 1 October 2019	27	5,637,719	5,637,746
Total comprehensive income	-	(21,295)	(21,295)
At 30 September 2020	<u>27</u>	<u>5,616,424</u>	<u>5,616,451</u>

HLWCH 900 Limited

Consolidated Statement of Cash Flows for the Year Ended 30 September 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the year	3,875,804	395,063
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	43,343	156,017
Changes in fair value of investment property	(3,922,324)	-
Finance costs	132,300	95,494
Interest received	-	(3,127)
Income tax expense	34,199	126,351
	<u>163,322</u>	<u>769,798</u>
Adjustments to cash flow from non-cash items		
Decrease in debtors	140,938	1,232,084
(Decrease)/increase in creditors	<u>(67,207)</u>	<u>233,012</u>
Cash generated from operations	237,053	2,234,894
Income taxes paid	<u>(51,818)</u>	<u>(87,265)</u>
Net cash flow from operating activities	<u>185,235</u>	<u>2,147,629</u>
Cash flows from investing activities		
Interest received	-	3,127
Acquisitions of tangible assets	(635,096)	(118,465)
Acquisition of investment properties	<u>(58,289)</u>	<u>-</u>
Net cash flows from investing activities	<u>(693,385)</u>	<u>(115,338)</u>
Cash flows from financing activities		
Interest paid	(109,796)	(95,494)
Proceeds from bank borrowing draw downs	3,368,750	-
Repayment of bank borrowing	<u>(3,495,077)</u>	<u>(87,500)</u>
Net cash flows from financing activities	<u>(236,123)</u>	<u>(182,994)</u>
Net (decrease)/increase in cash and cash equivalents	(744,273)	1,849,297
Cash and cash equivalents at 1 October	<u>3,188,823</u>	<u>1,339,526</u>
Cash and cash equivalents at 30 September	<u><u>2,444,550</u></u>	<u><u>3,188,823</u></u>

HLWCH 900 Limited

Consolidated Statement of Cash Flows

for the Year Ended 30 September 2021 (continued)

Analysis of changes in net debt

	At 1 October 2020	Cash flows	Non-cash movements	At 30 September 2021
	£	£	£	£
Cash and cash equivalents				
Cash at bank and in hand	3,188,823	(744,273)	-	2,444,550
	<u>3,188,823</u>	<u>(744,273)</u>	<u>-</u>	<u>2,444,550</u>
Borrowings				
Debt due within one year	(126,327)	126,327	(168,436)	(168,436)
Debt due after one year	(3,242,423)	-	168,436	(3,073,987)
	<u>(3,368,750)</u>	<u>126,327</u>	<u>-</u>	<u>(3,242,423)</u>
Total net funds/(debt)	<u>(179,927)</u>	<u>(617,946)</u>	<u>-</u>	<u>(797,873)</u>

The notes on pages 15 to 27 form an integral part of these financial statements.

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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, South Yorkshire, 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, which is the functional currency of the company.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2021.

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 derived from care and nursing operations 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.

Turnover derived from the rental of investment properties comprises the fair value of the consideration received or receivable, net of value added tax, from the provision of rental services to customers. Rental income is recognised on an accruals basis.

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

1 Accounting policies (continued)

Going concern

After due consideration of all relevant factors, including the COVID-19 pandemic, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the annual report and accounts.

Government grants

Grants that relate to the financing of projects to expand the operations of the business are amortised over the expected useful economic lives of the assets or projects concerned. Grants relating to the revenue expenditure are credited to income where receivable.

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

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

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

1 Accounting policies (continued)

Investment property

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

Investment properties are subsequently measured annually at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account for the period and accumulated in the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the period and retained in the accumulated reserve.

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.

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.

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

2 Revenue

The group's turnover for the year was wholly achieved within the United Kingdom.

The analysis of the group's revenue for the year from operations is as follows:

	2021 £	2020 £
Provision of residential, dementia and nursing care	512,651	2,797,538
Rental income from investment property	399,416	-
	<u>912,067</u>	<u>2,797,538</u>

3 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Government grants - infection control funding	31,469	71,067
Miscellaneous other operating income	6,680	-
	<u>38,149</u>	<u>71,067</u>

4 Operating profit

Arrived at after charging/(crediting):

	2021 £	2020 £
Depreciation expense	43,343	156,017
Operating lease expense - plant and machinery	31,914	42,053
Auditors' remuneration	<u>9,500</u>	<u>7,500</u>

5 Staff costs

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

	2021 £	2020 £
Wages and salaries	248,874	1,292,923
Social security costs	22,536	79,356
Pension costs, defined contribution scheme	<u>5,103</u>	<u>19,350</u>
	<u>276,513</u>	<u>1,391,629</u>

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

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

5 Staff costs (continued)

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

	2021 No.	2020 No.
Administration, support and care workers	19	81

6 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank borrowings	132,300	95,494

7 Taxation

Tax charged/(credited) in the income statement:

	2021 £	2020 £
Current taxation		
UK corporation tax	24,000	129,663
UK corporation tax adjustment to prior periods	3,699	(3,312)
	27,699	126,351
Deferred taxation		
Arising from origination and reversal of timing differences	1,599	-
Arising from changes in tax rates and laws	4,901	-
Total deferred taxation	6,500	-
	34,199	126,351

Factors affecting tax charge for the year

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - higher than) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	3,910,003	521,414
Corporation tax at standard rate	742,901	99,069
Fair value adjustments not taxable	(745,242)	-
Expenses not deductible in determining taxable profit	21,608	4,340
UK deferred tax expense relating to changes in tax rates or laws	4,901	-
Adjustment for prior periods	3,699	(3,312)
Effect of capital allowances and depreciation	6,332	26,254
	34,199	126,351

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

7 Taxation (continued)

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2021	
On accelerated capital allowances	<u>22,000</u>
	Liability £
2020	
On accelerated capital allowances	<u>15,500</u>

Factors that may affect future tax charges

UK corporation tax is currently charged at a rate of 19%. The 2021 Finance Act included an announcement that corporation tax rates are expected to rise to 25% from 1 April 2023.

Consequently, the current rate has been applied in the measurements of the income tax assets and liabilities as at 30 September 2021. However, deferred tax has been provided at 25%, being the rate at which timing differences are expected to reverse.

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

8 Tangible assets

Group

	Freehold land and buildings £	Properties under construction £	Fixtures and fittings £	Computer equipment £	Plant and machinery £	Total £
Cost or valuation						
At 1 October 2020	6,908,450	186,685	186,335	15,680	842	7,297,992
Additions	-	635,096	-	-	-	635,096
Transfers (to)/from investment property	(6,908,450)	-	-	-	-	(6,908,450)
At 30 September 2021	-	821,781	186,335	15,680	842	1,024,638
Depreciation						
At 1 October 2020	976,989	-	104,834	8,773	482	1,091,078
Charge for the year	28,785	-	12,225	2,279	54	43,343
Transfers (to)/from investment property	(1,005,774)	-	-	-	-	(1,005,774)
At 30 September 2021	-	-	117,059	11,052	536	128,647
Carrying amount						
At 30 September 2021	-	821,781	69,276	4,628	306	895,991
At 30 September 2020	5,931,461	186,685	81,501	6,907	360	6,206,914

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

9 Investment properties

Group

	2021 £
Additions	58,289
Transfers to and from owner-occupied property	5,902,676
Fair value adjustments	<u>3,922,324</u>
At 30 September	<u>9,883,289</u>

A valuation of the investment property was carried out by an independent valuer - Mark Tyler MRICS of Knight Frank LLP - on 26 November 2020. The property was valued at £9,825,000 with the benefit of existing lettings.

10 Investments

Company

	2021 £	2020 £
Investments in subsidiaries	<u>1,786,500</u>	<u>1,786,500</u>

Subsidiaries

Cost or valuation

At 1 October 2020	<u>1,786,500</u>
At 30 September 2021	<u>1,786,500</u>

Carrying amount

At 30 September 2021	<u>1,786,500</u>
At 30 September 2020	<u>1,786,500</u>

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

10 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	
			2021	2020
Subsidiary undertakings				
Louth Care Limited	England and Wales	Ordinary	100%	100%
Mablethorpe Care Limited	England and Wales	Ordinary	100%	100%
Waltham Care Limited	England and Wales	Ordinary	100%	100%

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

The principal activity of Louth Care Limited at the beginning of the reporting period was the provision of residential, dementia and nursing care for the elderly. However, from 11 December 2020 the principal activity of that company changed to the rental of investment properties. The principal activity of Mablethorpe Care Limited was the planning and development of a care home facility. Waltham Care Limited did not trade during the period under review.

11 Debtors

	2021 £	Group 2020 £	2021 £	Company 2020 £
Trade debtors	6,500	67,924	-	-
Amounts owed by group undertakings	-	-	1,345,895	1,195,896
Amounts owed by related undertakings	3,264,097	3,597,731	1,000,000	1,000,000
Other debtors	38,260	7,491	30,769	-
Directors' loan accounts	187,622	-	31,008	36,987
Prepayments and accrued income	19,569	20,840	17,773	-
	<u>3,516,048</u>	<u>3,693,986</u>	<u>2,425,445</u>	<u>2,232,883</u>

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

12 Creditors

	2021 £	Group 2020 £	2021 £	Company 2020 £
Due within one year				
Loans and borrowings	168,436	126,327	-	-
Trade creditors	49,755	100,448	18,829	17,496
Amounts owed to group undertakings	-	-	5,475	8,345
Amounts owed to related undertakings	56,007	-	-	-
Social security and other taxes	237,314	178,807	-	-
Corporation tax	158,680	182,799	-	-
Director's loan accounts	-	93,672	-	-
Other payables	14,904	5,569	-	-
Accruals and deferred income	253,297	277,484	5,648	9,540
	<u>938,393</u>	<u>965,106</u>	<u>29,952</u>	<u>35,381</u>
Due after one year				
Loans and borrowings	<u>3,073,987</u>	<u>3,242,423</u>	<u>-</u>	<u>-</u>

13 Loans and borrowings

	2021 £	Group 2020 £	2021 £	Company 2020 £
Current loans and borrowings				
Bank borrowings	<u>168,436</u>	<u>126,327</u>	<u>-</u>	<u>-</u>
Non-current loans and borrowings				
Bank borrowings	<u>3,073,987</u>	<u>3,242,423</u>	<u>-</u>	<u>-</u>

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

13 Loans and borrowings (continued)

Group

The bank loan is secured by way of debenture over the assets of a subsidiary company and by an unlimited guarantee from other undertakings in the group, including a legal mortgage in respect of the property owned by the group.

The original loan was repaid in full in December 2020 and the group was re-financed at the same date by an equivalent loan repayable by instalments over 36 months at an interest rate of 3.75% per annum over base. The re-financed loan is secured by a first legal charge over the land and buildings owned by the group.

14 Deferred tax and other provisions

Group

	Deferred tax £
At 1 October 2020	15,500
Additional provisions	6,500
At 30 September 2021	<u>22,000</u>

15 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £5,103 (2020 - £19,350).

Contributions totalling £Nil (2020 - £3,752) were payable to the scheme at the end of the year and are included in creditors.

16 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary A shares of £0.01 each	2,000	20.00	2,000	20.00
Ordinary B shares of £0.01 each	700	7.00	700	7.00
Ordinary C shares of £0.01 each	1	0.01	1	0.01
Ordinary D shares of £0.01 each	1	0.01	1	0.01
	<u>2,702</u>	<u>27</u>	<u>2,702</u>	<u>27</u>

All classes of shares rank pari passu in all respects.

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

17 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	4,145	42,775
Later than one year and not later than five years	-	49,727
	<u>4,145</u>	<u>92,502</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £31,914 (2020 - £42,053).

18 Dividends

Interim dividends paid

	2021 £	2020 £
Interim dividend of £18.50 (2020 - £Nil) per each Ordinary A share	<u>37,000</u>	<u>-</u>

19 Related party transactions

Group

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

BCD Care Limited - £nil (2020 - £335,000)

London Clapham Investments and Developments Limited - £3,264,097 (2020 - £3,260,449)

Development Contractors Humbs Limited - £nil (2020 - £2,282)

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

Development Contractors Humbs Limited - £56,007 (2020 - £nil)

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.

HLWCH 900 Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

19 Related party transactions (continued)

Transactions with directors

	At 1 October 2020 £	Advances to director £	Repayments by director £	Other payments made to company by director £	At 30 September 2021 £
2021					
Director's loan account	(93,672)	335,944	(17,650)	(37,000)	187,622

20 Control

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