

Towerview Healthcare Developments Limited

Directors' Report and Financial Statements

Year Ended

31 December 2022

Company Number 12207829



Towerview Healthcare Developments Limited

Contents

	Page
Company Information	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Notes to the Financial Statements	11 - 14

Towerview Healthcare Developments Limited

Company Information

Directors	J D Weight D M B Jolly
Registered number	12207829
Registered office	C/O Bridge, Burton & Trent Court Ashby Road Burton-On-Trent England DE15 0LB
Independent auditor	BDO LLP Two Snowhill Birmingham B4 6GA
Bankers	Clydesdale Bank PLC 30 St. Vincent Place Glasgow Scotland G1 2HL

Towerview Healthcare Developments Limited

Directors' Report For the Year Ended 31 December 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is to act as a project manager for the design and build of additional facilities for other Group companies.

Towerview Healthcare Developments Limited is part of the Towerview Care group of companies which includes Dale Topco Ltd, operating as Bridge, Burton and Trent Court, Tributary Ltd, operating as Asquith Hall, Deciduous Ltd, operating as Pennine Lodge, Inlet Ltd operating as Loxley Court (from March 2020), St Augustine Ltd, operating as Smithy Bridge Court (which traded from July 2021) and Ravine Ltd, operating as Belle Vue Court (from March 2021).

Directors

The Directors who served during the year were:

J D Weight
D M B Jolly

Going concern

In considering the preparation of the financial statements, the Directors have reviewed their trading and cash flow forecasts for a period of 12 months from the date on which the financial statements were approved. This reflects the expected commercial performance of the Company and across the other Towerview Care group companies as resources are shared across the group as a whole. The Directors have also considered the impact of all reasonably foreseeable downside outcomes, including lower occupancy levels, lower fee rates and available mitigation scenarios.

Although the financial statements show a net current liability position for the current and previous periods, Obotritia Capital KGaA, has confirmed it will continue to support the Company, the Towerview Care Group and other subsidiaries of TV Bidco Limited for a period of at least 12 months from the date of the financial statements. Since 31 December 2022, shareholders have provided £3.15m of funding to all subsidiaries of TV Bidco by way of a working capital loan.

Having regard to the potential impact of all reasonably foreseeable events and circumstances alongside the committed parent support, the Directors have formed an expectation that the Company and the wider Towerview Care group has adequate resources to be able to continue in operation, meet its liabilities as they fall due, and operate within its available cash resources and facilities over the period of assessment. As such the financial statements continue to be prepared on a going concern basis.

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for all of the Directors of Towerview Healthcare Developments Limited.

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.

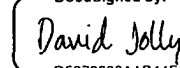
Towerview Healthcare Developments Limited

Directors' Report (continued) For the Year Ended 31 December 2022

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 and signed on its behalf by:

DocuSigned by:

D5379880AAB44FA...
D M B Jolly
Director

Date: 3 July 2023

Towerview Healthcare Developments Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2022

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; and
- 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.

Towerview Healthcare Developments Limited

Independent Auditor's Report to the Members of Towerview Healthcare Developments Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

We have audited the financial statements of Towerview Healthcare Developments Limited ("the Company") for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the notes to the financial statements, including a summary of the 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).

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 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.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 financial statements are authorised for issue.

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

Towerview Healthcare Developments Limited

Independent Auditor's Report to the Members of Towerview Healthcare Developments Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements, 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.

Other Companies Act 2006 reporting

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.

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 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.

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.

Towerview Healthcare Developments Limited

Independent Auditor's Report to the Members of Towerview Healthcare Developments Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, UK GAAP, tax legislation, Health and Safety regulations and Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 and the Bribery Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- review of minutes of Directors' board meetings throughout the year; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We also 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 posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. We addressed this risk through testing of journals, assessing and challenging the significant accounting estimates made and evaluating whether there was any evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further 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.


A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.

Towerview Healthcare Developments Limited

Independent Auditor's Report to the Members of Towerview Healthcare Developments Limited (continued)

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.

DocuSigned by:

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Paul Fenner (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

Date: 03 July 2023

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

Towerview Healthcare Developments Limited

Statement of Comprehensive Income For the Year Ended 31 December 2022

	2022 £	2021 £
Turnover	-	843,000
Cost of sales	-	(691,525)
Gross profit	-	151,475
Administrative expenses	(16,902)	(153,010)
Operating loss	(16,902)	(1,535)
Interest payable and similar expenses	(4,017)	(1,616)
Loss before tax	(20,919)	(3,151)
Tax on loss	-	2,727
Loss for the financial year	(20,919)	(424)

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 11 to 14 form part of these financial statements.

Towerview Healthcare Developments Limited

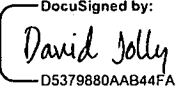
Registered number: 12207829

**Statement of Financial Position
As at 31 December 2022**

	Note	2022 £	2022 £	2021 £	2021 £
Current assets					
Debtors: amounts falling due within one year	5	295,310		265,310	
Creditors: amounts falling due within one year	6	(301,631)		(250,712)	
Net current (liabilities)/assets			(6,321)		14,598
Net (liabilities)/assets			(6,321)		14,598
Capital and reserves					
Called up share capital			1		1
Profit and loss account			(6,322)		14,597
			(6,321)		14,598

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 by:

DocuSigned by:

 DS379880AAB44FA...
D M B Jolly
 Director

Date: 3 July 2023

The notes on pages 11 to 14 form part of these financial statements.

Towerview Healthcare Developments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. General information

Towerview Healthcare Developments 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 C/O Bridge, Burton & Trent Court, Ashby Road, Burton-On-Trent, England, DE15 0LB. The nature of the Company's operations and its principal activity is to act as a project manager for the design and build of additional facilities for other Group companies.

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 FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in Pounds Sterling (£), which is the functional currency of the Company, and are rounded to the nearest whole pound.

The following principal accounting policies have been consistently applied:

2.2 Going concern

Having regard to the potential impact of all reasonably foreseeable events and circumstances, the Directors have formed an expectation that the Company and the wider Towerview Care group has adequate resources to be able to continue in operation, meet its liabilities as they fall due and operate within its available cash resources and facilities over the period of assessment. Although the financial statements show a net current liability position for the current and previous periods, Obotritia Capital KGaA, has confirmed it will continue to support the company for a period of at least 12 months from the date of the financial statements. As such the financial statements continue to be prepared on a going concern basis.

Wages, utility costs and other price inflations have been factored into the forecasts of the Company and other Group companies and the Directors consider that there are no other indicators to suggest that the Company is not a going concern.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises the fair value of fee income receivable for the year in respect of services that have been provided in the relevant year.

2.4 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.

Towerview Healthcare Developments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in profit or loss 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 reporting 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Towerview Healthcare Developments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.8 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

In preparing these financial statements, the Directors do not consider there to have been any instances of estimation uncertainty, nor any instances of judgement in the application of the Company's accounting policies.

4. Employees

The Company has no employees other than the Directors (2021 -2) who did not receive any remuneration (2021 - £nil).

5. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	292,583	262,583
Tax recoverable	2,727	2,727
	<u>295,310</u>	<u>265,310</u>

Amounts owed by group undertakings comprise of recharges arising from operational activities, which are payable on demand.

Towerview Healthcare Developments Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

6. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	97,449	65,853
Amounts owed to group undertakings	150,836	145,063
Other creditors	23,220	23,220
Accruals and deferred income	30,126	16,576
	301,631	250,712

Amounts owed to group undertakings comprise of recharges arising from operational activities, which are payable on demand.

The overdraft facility is secured by fixed and floating charges over all assets of the Company including the freehold property.

7. Other financial commitments

Cross guarantees are provided as security on loan and overdraft facilities held by other members of the group. The aggregate amount secured at the Statement of Financial Position date was £72.8m (2021 - £64.2m). The debt is not repayable until 2028.

8. Related party transactions

The Company has taken advantage of the disclosure exemptions in preparing these financial statements, as permitted by FRS 102, which includes the requirements of Section 33 Related Party Disclosures not to disclose transactions between wholly owned members of the Group.

9. Controlling party

The Company's share capital is owned by Towerview Healthcare Group Limited.

Towerview Healthcare Group Limited is ultimately controlled by Obotritia Capital KGaA a Company incorporated in Germany. This ultimate parent undertaking is both the smallest and largest group for which consolidated accounts are prepared.

Obotritia Capital KGaA
August-Bebel-Str. 68
14482 Potsdam

The Directors do not consider there to be one ultimate controlling party of the group due to the shareholding structure.