

Registered number: 03196457

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



BAGINSKY COHEN
CHARTERED ACCOUNTANTS

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | B. C. FREEMAN A. CHIANG |
| Company secretary | A.J. BURGESS |
| Registered number | 03196457 |
| Registered office | 930 HIGH ROAD NORTH FINCHLEY LONDON N12 9RT |
| Independent auditors | BAGINSKY COHEN CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS 930 HIGH ROAD LONDON N12 9RT |
| Bankers | NATIONAL WESTMINSTER BANK PLC 1ST FLOOR, RAPID HOUSE 40 OXFORD ROAD HIGH WYCOMBE BUCKINGHAMSHIRE HP11 2EE |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

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EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments 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.

Principal activity

The principal activity of the Company is property trading, development and rental.

Results and dividends

The profit for the year, after taxation, amounted to £56,052 (2014 - £36,331).

The directors do not recommend the payment of a dividend (2014 - £nil).

Directors

The directors who served during the year were:

B. C. FREEMAN
A. CHIANG

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

Auditors

Under section 487(2) of the Companies Act 2006, Baginsky Cohen will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29 September 2016 and signed on its behalf.



A. CHIANG
Director

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

We have audited the financial statements of European Healthcare Group Developments Limited for the year ended 31 December 2015, set out on pages 5 to 15. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2015 and of its profit or 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our 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.

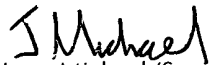
EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Jerry Michael (Senior statutory auditor)

for and on behalf of

BAGINSKY COHEN

CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS

930 HIGH ROAD

LONDON

N12 9RT

29 September 2016

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 £ | 2014 £ |
|-------------------------------|------|----------------------|----------------------|
| Turnover | 3 | 199,035 | 199,723 |
| Cost of sales | | (15,696) | (18,897) |
| Gross profit | | <u>183,339</u> | <u>180,826</u> |
| Administrative expenses | | (90,231) | (101,688) |
| Operating profit | 4 | <u>93,108</u> | <u>79,138</u> |
| Interest payable and expenses | 6 | (37,056) | (34,236) |
| Profit before tax | | <u>56,052</u> | <u>44,902</u> |
| Tax on profit | 7 | - | (8,571) |
| Profit for the year | | <u><u>56,052</u></u> | <u><u>36,331</u></u> |

There were no other comprehensive income for 2015 (2014:£NIL).

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

BALANCE SHEET
AS AT 31 DECEMBER 2015

| | Note | £ | 2015 £ | £ | 2014 £ |
|---|------|----------------|-----------------------|----------------|-----------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 1,857,324 | | 1,891,622 |
| | | | <u>1,857,324</u> | | <u>1,891,622</u> |
| Current assets | | | | | |
| Stocks and work in progress | 9 | 36,424 | | 24,095 | |
| Debtors | 10 | 110,709 | | 76,173 | |
| Cash at bank and in hand | 11 | 206,577 | | 159,703 | |
| | | <u>353,710</u> | | <u>259,971</u> | |
| Creditors: amounts falling due within one year | 12 | (23,312) | | (43,781) | |
| Net current assets | | | <u>330,398</u> | | <u>216,190</u> |
| Total assets less current liabilities | | | <u>2,187,722</u> | | <u>2,107,812</u> |
| Creditors: amounts falling due after more than one year | 13 | | (1,749,251) | | (1,725,393) |
| Net assets | | | <u><u>438,471</u></u> | | <u><u>382,419</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 15 | | 1 | | 1 |
| Profit And Loss Account | 16 | | 438,470 | | 382,418 |
| | | | <u><u>438,471</u></u> | | <u><u>382,419</u></u> |

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2016.



A. CHIANG
Director

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

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|---------------------|---------------------------------|---------------------------------|-------------------|
| At 1 January 2015 | 1 | 382,418 | 382,419 |
| Profit for the year | - | 56,052 | 56,052 |
| At 31 December 2015 | <u>1</u> | <u>438,470</u> | <u>438,471</u> |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Called up share capital | Profit and loss account | Total equity |
|----------------------------|----------------------------|----------------------------|----------------|
| | £ | £ | £ |
| At 1 January 2014 | 1 | 346,087 | 346,088 |
| Profit for the year | - | 36,331 | 36,331 |
| At 31 December 2014 | 1 | 382,418 | 382,419 |

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

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|----------------------------------|---------|
| Freehold buildings | - 2% |
| Fixtures, fittings and equipment | - 5-25% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.4 Stocks and work in progress

Land and buildings held for development or resale are classified as stock and valued at the lower of cost and net realisable value. Cost comprises the purchase price together with any associated costs. Work in progress is valued at the lower of cost and net realisable value.

1.5 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.6 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

1.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

1.8 Finance costs

Finance costs are charged to the profit and loss account 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.

1.9 Taxation

Tax is recognised in the profit and loss account, except that a change 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Turnover

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

| | 2015 £ | 2014 £ |
|-----------------|-----------|-----------|
| Rent receivable | 199,035 | 199,723 |

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets | 40,388 | 40,817 |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 3,780 | 3,780 |

During the year, no director received any emoluments (2014 - £NIL).

5. Auditors' remuneration

| | 2015 £ | 2014 £ |
|---|------------|------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts | 3,780 | 3,780 |
| Fees payable to the Company's auditor and its associates in respect of: | | |
| Other services relating to taxation | 600 | 600 |
| All other services | 373 | 353 |
| | <u>973</u> | <u>953</u> |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

6. Interest payable and similar charges

| | 2015 £ | 2014 £ |
|------------------------|---------------|---------------|
| Group interest payable | 37,056 | 34,153 |
| Other interest payable | - | 83 |
| | <u>37,056</u> | <u>34,236</u> |

7. Taxation

| | 2015 £ | 2014 £ |
|-------------------------------------|-----------|-----------|
| Corporation tax | | |
| Current tax on profits for the year | - | 8,571 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

| | 2015 £ | 2014 £ |
|--|---------------|---------------|
| Profit on ordinary activities before tax | <u>56,052</u> | <u>44,902</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%) | 11,210 | 8,980 |
| Effects of: | | |
| Depreciation for year in excess of capital allowances | 6,456 | 7,487 |
| Group relief | (17,666) | (7,896) |
| Total tax charge for the year | <u>-</u> | <u>8,571</u> |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

8. Tangible fixed assets

| | Freehold buildings £ | Fixtures, fittings and equipment £ | Total £ |
|-----------------------------|----------------------------|---|------------|
| Cost or valuation | | | |
| At 1 January 2015 | 2,003,015 | 45,354 | 2,048,369 |
| Additions | - | 6,090 | 6,090 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2015 | 2,003,015 | 51,444 | 2,054,459 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 January 2015 | 132,930 | 23,817 | 156,747 |
| Charge owned for the period | 36,561 | 3,827 | 40,388 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2015 | 169,491 | 27,644 | 197,135 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 December 2015 | 1,833,524 | 23,800 | 1,857,324 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2014 | 1,870,085 | 21,537 | 1,891,622 |
| | <hr/> | <hr/> | <hr/> |

9. Stocks and work in progress

| | 2015 £ | 2014 £ |
|------------------------------------|-----------|-----------|
| Refurbishment and development work | 36,424 | 24,095 |
| | <hr/> | <hr/> |

10. Debtors

| | 2015 £ | 2014 £ |
|-------------------------------------|-----------|-----------|
| Due after more than one year | | |
| Amounts owed by group undertakings | 102,956 | 70,701 |
| Due within one year | | |
| Trade debtors | 2,687 | - |
| Prepayments and accrued income | 5,066 | 5,472 |
| | <hr/> | <hr/> |
| | 110,709 | 76,173 |
| | <hr/> | <hr/> |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

11. Cash and cash equivalents

| | 2015 £ | 2014 £ |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 206,577 | 159,703 |

12. Creditors: Amounts falling due within one year

| | 2015 £ | 2014 £ |
|------------------------------|-----------|-----------|
| Trade creditors | 2,660 | 2,496 |
| Corporation tax | - | 8,571 |
| Other creditors | 3,000 | 2,909 |
| Accruals and deferred income | 17,652 | 29,805 |
| | 23,312 | 43,781 |

13. Creditors: Amounts falling due after more than one year

| | 2015 £ | 2014 £ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 1,749,251 | 1,725,393 |

14. Financial instruments

| | 2015 £ | 2014 £ |
|---|-------------|-------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 206,577 | 159,703 |
| Financial assets that are debt instruments measured at amortised cost | 105,643 | 70,701 |
| | 312,220 | 230,404 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (1,772,564) | (1,760,603) |

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise amounts owed by group undertakings and trade debtors.

Financial liabilities measured at amortised cost comprise creditors with the exception of corporation tax.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

15. Share capital

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

16. Reserves

Profit & loss account

This includes all current and prior period retained profit and losses.

17. Contingent assets/liabilities

The Group's bank has a cross corporate guarantee between European Healthcare Group PLC and all its subsidiary undertakings. The directors of European Healthcare Group PLC are of the opinion that the Group will be able to operate within agreed facilities.

There were no contingent assets or contingent liabilities at 31 December 2015 or 31 December 2014.

18. Other financial commitments

The Company has entered into buyback arrangements with the buyers of long leasehold flats, whereby the Company may be required to buy back the lease at a price calculated in accordance with the terms of the lease.

19. Controlling party

The company's immediate parent company is European Healthcare Group PLC, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Givril Investment SA, a company incorporated in the Republic of Panama.

Copies of the immediate parent company's financial statements can be obtained from that company's registered office.

20. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.