

Registered number: 03196457

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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

CONTENTS

| | Page |
|--|--------|
| Directors' report | 1 - 2 |
| Independent auditors' report | 3 - 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 - 12 |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £36,331 (2013 - £65,987).

The directors do not recommend the payment of a dividend (2013: £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.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014
AUDITORS**

Under Section 487 of the Companies Act 2006, Baginsky Cohen will be deemed to have been reappointed as auditor 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 and signed on its behalf.

A. CHIANG
Director

Date: 29 September 2015

Page 2

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

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

We have audited the financial statements of European Healthcare Group Developments Limited for the year ended 31 December 2014, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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, 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 Auditing Practices Board'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 2014 and of its 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.

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 the financial statements.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

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

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 2015

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

| | Note | 2014 £ | 2013 £ |
|--|------|----------------------|----------------------|
| TURNOVER | 2 | 199,723 | 227,027 |
| Cost of sales | | <u>(18,897)</u> | <u>(12,680)</u> |
| GROSS PROFIT | | 180,826 | 214,347 |
| Administrative expenses | | <u>(101,688)</u> | <u>(103,139)</u> |
| OPERATING PROFIT | 3 | 79,138 | 111,208 |
| Interest payable and similar charges | 6 | <u>(34,236)</u> | <u>(36,650)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 44,902 | 74,558 |
| Tax on profit on ordinary activities | 7 | <u>(8,571)</u> | <u>(8,571)</u> |
| PROFIT FOR THE FINANCIAL YEAR | 14 | <u><u>36,331</u></u> | <u><u>65,987</u></u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED
REGISTERED NUMBER: 03196457

BALANCE SHEET
AS AT 31 DECEMBER 2014

| | Note | 2014 £ | 2013 £ |
|--|------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 1,891,622 | 1,931,523 |
| CURRENT ASSETS | | | |
| Stocks | 9 | 24,095 | 24,095 |
| Debtors | 10 | 76,172 | 52,776 |
| Cash at bank | | <u>159,703</u> | <u>70,967</u> |
| | | 259,970 | 147,838 |
| CREDITORS: amounts falling due within one year | 11 | <u>(43,780)</u> | <u>(46,171)</u> |
| NET CURRENT ASSETS | | <u>216,190</u> | <u>101,667</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,107,812 | 2,033,190 |
| CREDITORS: amounts falling due after more than one year | 12 | <u>(1,725,393)</u> | <u>(1,687,102)</u> |
| NET ASSETS | | <u><u>382,419</u></u> | <u><u>346,088</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 13 | 1 | 1 |
| Profit and loss account | 14 | <u>382,418</u> | <u>346,087</u> |
| SHAREHOLDERS' FUNDS | 15 | <u><u>382,419</u></u> | <u><u>346,088</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2015.

A. CHIANG
Director

The notes on pages 7 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 applicable accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the Group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

The carrying values of tangible fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

2. TURNOVER

Turnover is represented by income from the rental of property, property development and property management.

All turnover arose within the United Kingdom and is stated net of VAT.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 2014 £ | 2013 £ |
|--|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the Company | <u>40,817</u> | <u>44,232</u> |

During the year, no director received any emoluments (2013 - £NIL).

4. AUDITORS' REMUNERATION

| | 2014 £ | 2013 £ |
|--|------------|--------------|
| Fees payable to the Company's auditor 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 | <u>353</u> | <u>1,418</u> |

5. DIRECTORS EMOLUMENTS

The emoluments of the directors were paid by European Healthcare Group PLC, the immediate parent undertaking. The directors were also directors of a number of other fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiary undertakings. Accordingly, the emoluments of the directors are disclosed within the accounts of European Healthcare Group PLC.

6. INTEREST PAYABLE

| | 2014 £ | 2013 £ |
|------------------------|---------------|---------------|
| Group interest payable | 34,153 | 36,650 |
| Other interest payable | 83 | - |
| | <u>34,236</u> | <u>36,650</u> |

7. TAXATION

| | 2014 £ | 2013 £ |
|--|--------------|--------------|
| UK corporation tax charge on profit for the year | <u>8,571</u> | <u>8,571</u> |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

| | 2014 £ | 2013 £ |
|--|-------------------|-------------------|
| Profit on ordinary activities before tax | <u>44,902</u> | <u>74,558</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%) | 8,980 | 14,912 |
| Effects of: | | |
| Depreciation for year in excess of capital allowances | 7,487 | 8,246 |
| Group relief | (7,896) | (14,587) |
| | <u> </u> | <u> </u> |
| Current tax charge for the year (see note above) | <u>8,571</u> | <u>8,571</u> |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. TANGIBLE FIXED ASSETS

| | Freehold buildings £ | Fixtures, fittings and equipment £ | Total £ |
|-----------------------|----------------------------|--|------------------|
| Cost | | | |
| At 1 January 2014 | 2,003,015 | 44,438 | 2,047,453 |
| Additions | - | 916 | 916 |
| At 31 December 2014 | <u>2,003,015</u> | <u>45,354</u> | <u>2,048,369</u> |
| Depreciation | | | |
| At 1 January 2014 | 96,369 | 19,561 | 115,930 |
| Charge for the year | <u>36,561</u> | <u>4,256</u> | <u>40,817</u> |
| At 31 December 2014 | <u>132,930</u> | <u>23,817</u> | <u>156,747</u> |
| Net book value | | | |
| At 31 December 2014 | <u>1,870,085</u> | <u>21,537</u> | <u>1,891,622</u> |
| At 31 December 2013 | <u>1,906,646</u> | <u>24,877</u> | <u>1,931,523</u> |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. STOCKS AND WORK IN PROGRESS

| | 2014 £ | 2013 £ |
|------------------------------------|---------------|---------------|
| Refurbishment and development work | <u>24,095</u> | <u>24,095</u> |

10. DEBTORS

| | 2014 £ | 2013 £ |
|-------------------------------------|---------------|---------------|
| Due after more than one year | | |
| Amounts owed by group undertakings | 70,701 | 42,535 |
| Due within one year | | |
| Trade debtors | - | 2,687 |
| Other debtors | - | 49 |
| Prepayments and accrued income | 5,471 | 7,505 |
| | <u>76,172</u> | <u>52,776</u> |

11. CREDITORS:

Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------|---------------|---------------|
| Trade creditors | 2,496 | 3,312 |
| Corporation tax | 8,571 | 15,391 |
| Other creditors | 2,908 | 5,099 |
| Accruals and deferred income | 29,805 | 22,369 |
| | <u>43,780</u> | <u>46,171</u> |

12. CREDITORS:

Amounts falling due after more than one year

| | 2014 £ | 2013 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | <u>1,725,393</u> | <u>1,687,102</u> |

13. SHARE CAPITAL

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

14. RESERVES

| | Profit and loss account £ |
|-------------------------------|---------------------------------|
| At 1 January 2014 | 346,087 |
| Profit for the financial year | 36,331 |
| | <hr/> |
| At 31 December 2014 | <u>382,418</u> |

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2014 £ | 2013 £ |
|-------------------------------|----------------|----------------|
| Opening shareholders' funds | 346,088 | 280,101 |
| Profit for the financial year | <u>36,331</u> | <u>65,987</u> |
| Closing shareholders' funds | <u>382,419</u> | <u>346,088</u> |

16. CAPITAL COMMITMENTS

The amounts contracted for but not provided in the financial statements amounted to £nil (2013 - £nil).

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 2014 or 31 December 2013.

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. At 31 December 2014, flats with a combined sales value of £305,000 (2013 - £305,000) have been sold under these arrangements.

19. TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

20. ULTIMATE PARENT UNDERTAKING AND 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 R e p u b l i c o f P a n a m a .

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

Page 12

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