

Registered number: 03196457

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

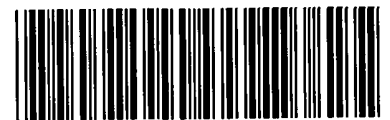
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

BAGINSKY COHEN

CHARTERED ACCOUNTANTS

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EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------|
| Balance sheet | 1 |
| Notes to the financial statements | 2 - 8 |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED
REGISTERED NUMBER: 03196457

BALANCE SHEET
AS AT 31 DECEMBER 2017

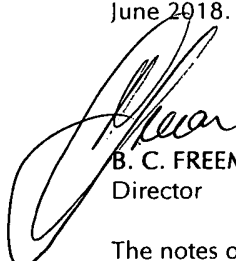
| | Note | 2017 £ | 2017 £ | 2016 £ | 2016 £ |
|---|------|----------------|-----------------------|----------------|-----------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 1,779,121 | | 1,817,095 |
| CURRENT ASSETS | | | | | |
| Stocks and work in progress | 6 | 24,095 | | 24,095 | |
| Debtors | 7 | 139,807 | | 109,020 | |
| Cash and cash equivalents | 8 | 67,964 | | 49,747 | |
| | | <u>231,866</u> | | <u>182,862</u> | |
| Creditors: amounts falling due within one year | 9 | (38,430) | | (30,231) | |
| NET CURRENT ASSETS | | | <u>193,436</u> | | <u>152,631</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,972,557</u> | | <u>1,969,726</u> |
| Creditors: amounts falling due after more than one year | 10 | | (1,403,235) | | (1,509,313) |
| NET ASSETS | | | <u><u>569,322</u></u> | | <u><u>460,413</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 11 | | 1 | | 1 |
| Profit And Loss Account | 12 | | 569,321 | | 460,412 |
| SHAREHOLDERS' FUNDS | | | <u><u>569,322</u></u> | | <u><u>460,413</u></u> |

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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 28 June 2018.


B. C. FREEMAN
Director

The notes on pages 2 to 8 form part of these financial statements.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

1.1 GENERAL INFORMATION

European Healthcare Developments Limited (the "Company") develops, trades and rents property. The Company is a private liability company incorporated in England. The Registered Office is 930 High Road, North Finchley, London N12 9RT.

1.2 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 judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, financial statements have been prepared using the going concern basis of accounting.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. 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 land and buildings | 2% straight line |
| Furniture, fittings and equipment | 5-25% straight line |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (CONTINUED)

1.5 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Any losses arising from impairment are recognised in the profit and loss account in administrative expenses.

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.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest) discounted at a market rate of interest. After initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. The effective interest rate amortisation is included in interest payable in the income statement.

1.6 STOCKS AND WORK IN PROGRESS

Stocks comprise the purchase cost together with any associated cost. Work in progress includes materials, direct labour and expenditure. Stocks and work in progress are valued at the lower of cost and net realisable value.

1.7 IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account.

When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed to the extent that the revised carrying amount is no higher than the carrying value had no impairment been recognised.

Non-financial assets

The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate market related discount rate.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

1.8 TAXATION

Tax on profit and loss for the year comprises current and deferred tax.

Current tax is provided at the amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (CONTINUED)

Deferred tax is provided on all timing differences which arise from the inclusion of income and expenses in tax assessments in different periods from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax.

Timing differences are not provided for between accumulated depreciation and tax allowances for the cost of fixed assets when all conditions for retaining the tax allowances have been met.

Timing differences arising from investment in subsidiary undertakings are not provided for to the extent that it is not probable that they will reverse in the foreseeable future and where the company is able to control the reversal of the timing difference.

Deferred tax is provided 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. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured, on an undiscounted basis, at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse using tax rates and laws enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.9 PROVISIONS

A provision is recognised in the balance sheet when the company has a present, legal or constructive, obligation as a result of a past event, that can reliably be measured and it is probable that the company will be required to settle that obligation. The amount recognised is the best estimate of the amount required to settle the obligation at the balance sheet date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of the parent undertaking, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make payments under the guarantee.

1.10 TURNOVER

Turnover is stated net of value added tax and represents the amounts receivable from the provision of healthcare services, to the extent that there is a right to consideration. It is recorded at the fair value of consideration receivable up to the balance sheet date.

Where payments are received in advance of services provided, the amounts are recorded as deferred income and included in creditors due within one year.

1.11 PENSIONS SCHEME

The company makes payments to a number of defined contribution pension schemes and the pension charges recorded represent the amounts of contributions payable by the company to the funds in respect of the year.

Differences between contributions payable in the year and contributions actually paid are included in creditors due within one year.

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. CRITICAL ACCOUNTING JUDGEMENTS 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 value 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 those 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.

The following are the critical judgements and key sources of estimation that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

2.1 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, refunds and value added tax for the year. Revenue from rental income is measured by reference to the daily charges as provided in the lease agreements.

2.2 Impairment of non-financial assets

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the company estimates recoverable amount of the asset based on the higher of its fair market value less costs to sell and its value in use. The value-in-use calculations require judgement in relation to management's expectations of the future financial performance of the asset. These expectations use the financial projections prepared and updated from time to time and market related discount rates.

2.3 Development expenditure

Development expenditure is capitalised based on management's judgement of when the project is complete, compliant with the relevant regulations and brought into use. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

3. AUDITORS' REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £2500 (2016 - £2500).

4. EMPLOYEES

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5. TANGIBLE FIXED ASSETS

| | Freehold land and buildings £ | Fixtures, fittings and equipment £ | Total £ |
|-------------------------------------|-------------------------------------|--|------------|
| COST OR VALUATION | | | |
| At 1 January 2017 | 2,003,015 | 52,245 | 2,055,260 |
| Additions | - | 3,155 | 3,155 |
| At 31 December 2017 | 2,003,015 | 55,400 | 2,058,415 |
| DEPRECIATION | | | |
| At 1 January 2017 | 206,052 | 32,115 | 238,167 |
| Charge for the year on owned assets | 36,560 | 4,567 | 41,127 |
| At 31 December 2017 | 242,612 | 36,682 | 279,294 |
| NET BOOK VALUE | | | |
| At 31 December 2017 | 1,760,403 | 18,718 | 1,779,121 |
| At 31 December 2016 | 1,796,963 | 20,130 | 1,817,093 |

Freehold land and buildings includes land with a cost of £2,010,000 (2016: £2,010,000) which is not depreciated.

Freehold land and buildings with a carrying cost of £1,760,404 (2016: £1,796,963) have been pledged to secure borrowings of the parent undertaking.

6. STOCK AND WORK IN PROGRESS

| | 2017 £ | 2016 £ |
|------------------|-----------|-----------|
| Work in progress | 24,095 | 24,095 |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. DEBTORS

| | 2017 £ | 2016 £ |
|-------------------------------------|----------------|----------------|
| DUE AFTER MORE THAN ONE YEAR | | |
| Amounts owed by group undertakings | 132,956 | 102,956 |
| DUE WITHIN ONE YEAR | | |
| Trade debtors | 2,817 | - |
| Prepayments and accrued income | 4,034 | 6,064 |
| | <u>139,807</u> | <u>109,020</u> |

8. CASH AND CASH EQUIVALENTS

| | 2017 £ | 2016 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | <u>67,964</u> | <u>49,747</u> |

9. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------|---------------|---------------|
| Trade creditors | 3,793 | 2,432 |
| Other creditors | 5,000 | 3,000 |
| Accruals and deferred income | 29,637 | 24,799 |
| | <u>38,430</u> | <u>30,231</u> |

10. CREDITORS: AMOUNTS FALLING DUE MORE THAN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | <u>1,403,235</u> | <u>1,509,313</u> |

EUROPEAN HEALTHCARE GROUP DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. CALLED UP SHARE CAPITAL

| | 2017 £ | 2016 £ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

12. RESERVES

Profit & loss account

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

13. 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.

14. AUDITORS' INFORMATION

The financial statements for the year ended 31 December 2017 were audited by Baginsky Cohen and signed on their behalf by J Michael (Senior Statutory Auditor). The Audit Report was unqualified with no matters of emphasis or by exception to report on.