

COMPANY REGISTRATION NUMBER: 04032032

HURSTLANE LIMITED
FINANCIAL STATEMENTS
31 March 2023

HURSTLANE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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HURSTLANE LIMITED
STRATEGIC REPORT
YEAR ENDED 31 MARCH 2023

The directors present their strategic report and the financial statements of the group and company for the year ended 31 March 2023.

Principal activities and business review The principal activity of the group and company during the year was that of property development, rental and managing & operating residential nursing homes. The directors are pleased to report a group profit for the financial year, the results for the year are given in the statement of comprehensive income.

Key performance indicators The main financial and non-financial KPIs of the business are occupancy, turnover and cash management. The key performance indicators all performed in accordance with expectations for the year.

Principal risks and uncertainties The principal risks and uncertainties facing the group are: Regulation risk. The group is regulated by the Care Quality Commission, which oversees the standards of care. Fluctuations in property values, which would affect the net asset value.

Use of financial instruments The group does not use financial instruments except for the bank loans used to purchase properties.

Financial risk management objectives and policies The primary financial risk management objective is to ensure sufficient working capital for the group, this is achieved by careful management of cash balances.

Future developments The group is continually looking for opportunities to grow the business.

Companies Act s172 Statement This section serves as our s172 statement and should be read in conjunction with the whole strategic report.s172 of the Companies Act2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the company's employees and other stakeholders including the impact of its activities on the community, the environment and the company's reputation when making decisions. The directors consider that acting in good faith and fairly between stakeholders is most likely to promote the success of the company. Our principle stakeholders are engaged with on a regular basis.

This report was approved by the board of directors on 15 March 2024 and signed on behalf of the board by:

A Sheikh

Director

Registered office:

Castle House

69 -70 Victoria Street

Englefield Green

Surrey

TW20 0QX

HURSTLANE LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements of the group for the year ended 31 March 2023 .

Directors

The directors who served the company during the year were as follows:

A Sheikh

J Sheikh

S Ali

Dividends

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 group and the company and the profit or loss of the group 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; - 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. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 15 March 2024 and signed on behalf of the board by:

A Sheikh

Director

Registered office:

Castle House

69 -70 Victoria Street

Englefield Green

Surrey

TW20 0QX

HURSTLANE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HURSTLANE LIMITED YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Hurstlane Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's or the parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or - the parent company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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. 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: Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company which were contrary to applicable laws and regulations including fraud and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit. Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, review of correspondence with legal advisors, enquiries of management and in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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.

Charles Homan

(Senior Statutory Auditor)

For and on behalf of

UHY Hacker Young (S.E.) Limited

Chartered Accountants & Statutory Auditor

168 Church Road

Hove

East Sussex

BN3 2DL

15 March 2024

HURSTLANE LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED 31 MARCH 2023**

| | | 2023 | 2022 |
|--|-------------|-------------------|--------------|
| | Note | £ | £ |
| Turnover | 4 | 3,696,654 | 3,372,869 |
| Cost of sales | | 285,699 | 217,857 |
| | | ----- | ----- |
| Gross profit | | 3,410,955 | 3,155,012 |
| Administrative expenses | | 3,505,348 | 3,098,697 |
| Other operating income | 5 | 11,309 | 221,253 |
| | | ----- | ----- |
| Operating (loss)/profit | 6 | (83,084) | 277,568 |
| Interest payable and similar expenses | 10 | 135,396 | 82,946 |
| | | ----- | ----- |
| (Loss)/profit before taxation | | (218,480) | 194,622 |
| Tax on (loss)/profit | 11 | 28,540 | 26,730 |
| | | ----- | ----- |
| (Loss)/profit for the financial year | | (247,020) | 167,892 |
| | | ----- | ----- |
| Revaluation of tangible assets | | 1,885,000 | — |
| Tax relating to components of other comprehensive income | | (471,250) | (1,207,639) |
| | | ----- | ----- |
| Other comprehensive income for the year | | 1,413,750 | (1,207,639) |
| | | ----- | ----- |
| Total comprehensive income for the year | | 1,166,730 | (1,039,747) |
| | | ----- | ----- |

All the activities of the group are from continuing operations.

HURSTLANE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2023

| | | | 2023 | 2022 |
|--|------|------------|-------------------|-------------------|
| | Note | | £ | £ |
| Fixed assets | | | | |
| Intangible assets | 12 | | 1 | 1 |
| Tangible assets | 13 | | 31,068,107 | 29,140,697 |
| | | | <u>31,068,108</u> | <u>29,140,698</u> |
| Current assets | | | | |
| Stocks | 15 | 3,939,739 | | 4,561,883 |
| Debtors | 16 | 5,678,830 | | 5,444,151 |
| Cash at bank and in hand | | 136,352 | | 122,817 |
| | | | <u>9,754,921</u> | <u>10,128,851</u> |
| Creditors: amounts falling due within one year | 17 | 10,098,366 | | 9,921,184 |
| | | | <u>(343,445)</u> | <u>207,667</u> |
| Net current (liabilities)/assets | | | | |
| Total assets less current liabilities | | | 30,724,663 | 29,348,365 |
| Creditors: amounts falling due after more than one year | 18 | | 3,680,889 | 3,970,830 |
| Provisions | 19 | | 5,684,221 | 5,184,712 |
| Net assets | | | <u>21,359,553</u> | <u>20,192,823</u> |
| Capital and reserves | | | | |
| Called up share capital | 23 | | 1 | 1 |
| Revaluation reserve | 24 | | 17,832,964 | 16,419,214 |
| Profit and loss account | 24 | | 3,526,588 | 3,773,608 |
| Shareholders funds | | | <u>21,359,553</u> | <u>20,192,823</u> |

These financial statements were approved by the board of directors and authorised for issue on 15 March 2024 , and are signed on behalf of the board by:

A Sheikh

Director

Company registration number: 04032032

HURSTLANE LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

31 March 2023

| | | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Tangible assets | 13 | 30,938,340 | 29,053,000 |
| Investments | 14 | 150,000 | 150,000 |
| | | <u>31,088,340</u> | <u>29,203,000</u> |
| Current assets | | | |
| Stocks | 15 | 3,939,739 | 4,561,883 |
| Debtors | 16 | 3,429,584 | 3,523,865 |
| Cash at bank and in hand | | 31,691 | 67,703 |
| | | <u>7,401,014</u> | <u>8,153,451</u> |
| Creditors: amounts falling due within one year | 17 | 8,879,971 | 9,358,656 |
| | | <u>1,478,957</u> | <u>1,205,205</u> |
| Net current liabilities | | | |
| | | <u>1,478,957</u> | <u>1,205,205</u> |
| Total assets less current liabilities | | 29,609,383 | 27,997,795 |
| Creditors: amounts falling due after more than one year | 18 | 3,680,889 | 3,970,830 |
| Provisions | 19 | 5,652,606 | 5,168,789 |
| | | <u>20,275,888</u> | <u>18,858,176</u> |
| Net assets | | | |
| | | <u>20,275,888</u> | <u>18,858,176</u> |
| Capital and reserves | | | |
| Called up share capital | 23 | 1 | 1 |
| Revaluation reserve | 24 | 17,832,964 | 16,419,214 |
| Profit and loss account | 24 | 2,442,923 | 2,438,961 |
| | | <u>20,275,888</u> | <u>18,858,176</u> |
| Shareholders funds | | | |
| | | <u>20,275,888</u> | <u>18,858,176</u> |

The profit for the financial year of the parent company was £ 3,962 (2022: £ 38,279).

These financial statements were approved by the board of directors and authorised for issue on 15 March 2024 , and are signed on behalf of the board by:

A Sheikh

Director

Company registration number: 04032032

HURSTLANE LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31 MARCH 2023**

| | | Called up share capital | Revaluation reserve | Profit and loss account | Total |
|---|-------------|----------------------------|------------------------|----------------------------|-------------------|
| | Note | £ | £ | £ | £ |
| At 1 April 2021 | | 1 | 17,626,853 | 3,605,716 | 21,232,570 |
| Profit for the year | | | | 167,892 | 167,892 |
| Other comprehensive income for the year: | | | | | |
| Tax relating to components of other comprehensive income | 11 | — | (1,207,639) | — | (1,207,639) |
| Total comprehensive income for the year | | | (1,207,639) | 167,892 | (1,039,747) |
| At 31 March 2022 | | 1 | 16,419,214 | 3,773,608 | 20,192,823 |
| Loss for the year | | | | (247,020) | (247,020) |
| Other comprehensive income for the year: | | | | | |
| Revaluation of tangible assets | 13 | — | 1,885,000 | — | 1,885,000 |
| Tax relating to components of other comprehensive income | 11 | — | (471,250) | — | (471,250) |
| Total comprehensive income for the year | | | 1,413,750 | (247,020) | 1,166,730 |
| At 31 March 2023 | | 1 | 17,832,964 | 3,526,588 | 21,359,553 |

HURSTLANE LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2023

| | | Called up share capital | Revaluation reserve | Profit and loss account | Total |
|---|-------------|----------------------------|------------------------|----------------------------|-------------------|
| | Note | £ | £ | £ | £ |
| At 1 April 2021 | | 1 | 17,626,853 | 2,400,682 | 20,027,536 |
| Profit for the year | | | | 38,279 | 38,279 |
| Other comprehensive income for the year: | | | | | |
| Tax relating to components of other comprehensive income | 11 | — | (1,207,639) | — | (1,207,639) |
| Total comprehensive income for the year | | | (1,207,639) | 38,279 | (1,169,360) |
| At 31 March 2022 | | 1 | 16,419,214 | 2,438,961 | 18,858,176 |
| Profit for the year | | | | 3,962 | 3,962 |
| Other comprehensive income for the year: | | | | | |
| Revaluation of tangible assets | 13 | — | 1,885,000 | — | 1,885,000 |
| Tax relating to components of other comprehensive income | 11 | — | (471,250) | — | (471,250) |
| Total comprehensive income for the year | | | 1,413,750 | 3,962 | 1,417,712 |
| At 31 March 2023 | | 1 | 17,832,964 | 2,442,923 | 20,275,888 |

HURSTLANE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2023

| | 2023 | 2022 |
|---|----------------|------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| (Loss)/profit for the financial year | (247,020) | 167,892 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible assets | 20,588 | 20,320 |
| Government grant income | — | (124,419) |
| Interest payable and similar expenses | 135,396 | 82,946 |
| Tax on profit | 28,540 | 26,730 |
| Accrued expenses/(income) | 6,191 | (21,537) |
| <i>Changes in:</i> | | |
| Stocks | 622,144 | 608,000 |
| Trade and other debtors | (234,679) | (246,022) |
| Trade and other creditors | 293,287 | (423,542) |
| Cash generated from operations | 624,447 | 90,368 |
| Interest paid | (135,396) | (82,946) |
| Tax (paid)/received | (104,577) | 2,277 |
| Net cash from operating activities | 384,474 | 9,699 |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (62,998) | (5,596) |
| Net cash used in investing activities | (62,998) | (5,596) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | (307,941) | (226,200) |
| Government grant income | — | 124,419 |
| Net cash used in financing activities | (307,941) | (101,781) |
| Net increase/(decrease) in cash and cash equivalents | 13,535 | (97,678) |
| Cash and cash equivalents at beginning of year | 122,817 | 220,495 |
| Cash and cash equivalents at end of year | 136,352 | 122,817 |

HURSTLANE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Castle House, 69 -70 Victoria Street, Englefield Green, Surrey, TW20 0QX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. For this purpose, the directors have considered the adequacy of the company's cash resources covering the period 12 months ahead of the approval of these financial statements. The directors have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing these financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Hurstlane Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: No cash flow statement has been presented for the company.

Consolidation

The financial statements consolidate the financial statements of Hurstlane Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Property valuations Properties are valued annually at fair value by the directors. Fair value is ascertained through review of a number of factors to include market knowledge and market yields. There is an inevitable degree of judgement involved and value can only ultimately be reliably tested in the market itself.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Nursing home income is recognised as accommodation is provided to residents, income from the sale of properties and development houses is recognised when there is an unconditional contract for the sale of a property and property rental income is recognised as accommodation is provided to tenants.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss. The company does not depreciate its freehold properties and although this policy is in accordance with FRS 102, it is a departure from the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount in respect of this which might otherwise have been shown cannot be separately identified or quantified.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|-----------------------|---|----------------------|
| Fixtures and fittings | - | 15% reducing balance |
| Motor vehicles | - | 2% reducing balance |

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Rendering of services | 2,795,329 | 3,032,431 |
| Rental income | 901,325 | 340,438 |
| | <u>3,696,654</u> | <u>3,372,869</u> |

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

| | 2023 | 2022 |
|-------------------------|---------------|----------------|
| | £ | £ |
| Government grant income | — | 124,419 |
| Other operating income | 11,309 | 96,834 |
| | <u>11,309</u> | <u>221,253</u> |

6. Operating profit

Operating profit or loss is stated after charging:

| | 2023 | 2022 |
|---------------------------------|---------------|----------------|
| | £ | £ |
| Depreciation of tangible assets | 20,588 | 20,320 |
| Impairment of trade debtors | — | 82,288 |
| | <u>20,588</u> | <u>102,608</u> |

7. Auditor's remuneration

| | 2023 | 2022 |
|--|--------------|--------------|
| | £ | £ |
| Fees payable for the audit of the financial statements | 9,845 | 9,465 |
| | <u>9,845</u> | <u>9,465</u> |

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

| | 2023 | 2022 |
|----------------------|-----------|-----------|
| | No. | No. |
| Administrative staff | 73 | 65 |
| | <u>73</u> | <u>65</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,288,227 | 2,140,498 |
| Social security costs | 188,270 | 193,267 |
| Other pension costs | 37,405 | 34,136 |
| | <u>2,513,902</u> | <u>2,367,901</u> |

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

| | 2023 | 2022 |
|--------------|---------|--------|
| | £ | £ |
| Remuneration | 100,540 | 99,729 |

10. Interest payable and similar expenses

| | 2023 | 2022 |
|--|---------|--------|
| | £ | £ |
| Interest on banks loans and overdrafts | 134,491 | 80,667 |
| Interest payable - other | 905 | 2,279 |
| | 135,396 | 82,946 |

11. Tax on profit

Major components of tax expense

| | 2023 | 2022 |
|--|---------------|---------------|
| | £ | £ |
| Current tax: | | |
| UK current tax income | 281 | 16,173 |
| Deferred tax: | | |
| Origination and reversal of timing differences | 28,259 | 10,557 |
| Tax on profit | 28,540 | 26,730 |

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £ 471,250 (2022: £ 1,207,639).

Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19 % (2022: 19 %).

| | 2023 | 2022 |
|--|---------------|---------------|
| | £ | £ |
| (Loss)/profit on ordinary activities before taxation | (218,480) | 194,622 |
| (Loss)/profit on ordinary activities by rate of tax | (41,511) | 36,978 |
| Effect of expenses not deductible for tax purposes | 508 | 115 |
| Effect of capital allowances and depreciation | (21,437) | (10,633) |
| Unused tax losses | 6,185 | 3,760 |
| Deferred tax | 28,259 | 10,557 |
| Other adjustments | 56,536 | (14,047) |
| Tax on profit | 28,540 | 26,730 |

The deferred tax recognised in other comprehensive income or equity includes a provision of £nil (2022: £1,207,639) in respect of the future change in the rate of corporation tax from 19% to 25%.

12. Intangible assets

| Group | Goodwill |
|--|-----------------|
| | £ |
| Cost | |
| At 1 April 2022 and 31 March 2023 | 149,900 |
| | ----- |
| Amortisation | |
| At 1 April 2022 and 31 March 2023 | 149,899 |
| | ----- |
| Carrying amount | |
| At 1 April 2022 and 31 March 2023 | 1 |
| | ----- |
| At 31 March 2022 | 1 |
| | ----- |

The company has no intangible assets.

The goodwill arose on the acquisition of Bridge House Holdings Limited.

13. Tangible assets

| Group | Freehold property | Fixtures and fittings | Motor vehicles | Total |
|----------------------------|------------------------------|----------------------------------|-----------------------|-------------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 April 2022 | 29,050,000 | 435,899 | 30,400 | 29,516,299 |
| Additions | — | 62,998 | — | 62,998 |
| Revaluations | 1,885,000 | — | — | 1,885,000 |
| | ----- | ----- | ----- | ----- |
| At 31 March 2023 | 30,935,000 | 498,897 | 30,400 | 31,464,297 |
| | ----- | ----- | ----- | ----- |
| Depreciation | | | | |
| At 1 April 2022 | — | 359,339 | 16,263 | 375,602 |
| Charge for the year | — | 16,804 | 3,784 | 20,588 |
| | ----- | ----- | ----- | ----- |
| At 31 March 2023 | — | 376,143 | 20,047 | 396,190 |
| | ----- | ----- | ----- | ----- |
| Carrying amount | | | | |
| At 31 March 2023 | 30,935,000 | 122,754 | 10,353 | 31,068,107 |
| | ----- | ----- | ----- | ----- |
| At 31 March 2022 | 29,050,000 | 76,560 | 14,137 | 29,140,697 |
| | ----- | ----- | ----- | ----- |

| Company | Freehold property £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|--------------------------|------------------------------------|--|-----------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 April 2022 | 29,050,000 | 85,859 | 4,000 | 29,139,859 |
| Additions | — | 1,608 | — | 1,608 |
| Revaluations | 1,885,000 | — | — | 1,885,000 |
| At 31 March 2023 | 30,935,000 | 87,467 | 4,000 | 31,026,467 |
| Depreciation | | | | |
| At 1 April 2022 | — | 85,859 | 1,000 | 86,859 |
| Charge for the year | — | 268 | 1,000 | 1,268 |
| At 31 March 2023 | — | 86,127 | 2,000 | 88,127 |
| Carrying amount | | | | |
| At 31 March 2023 | 30,935,000 | 1,340 | 2,000 | 30,938,340 |
| At 31 March 2022 | 29,050,000 | — | 3,000 | 29,053,000 |

In the opinion of the directors, the carrying value of the property as at 31 March 2023, which is based on the directors' valuation, is not significantly different from the open market fair value of the property.

Tangible assets held at valuation

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

| Group and company | Freehold property £ |
|--------------------------|------------------------------------|
| At 31 March 2023 | |
| Aggregate cost | 7,598,958 |
| Aggregate depreciation | — |
| Carrying value | 7,598,958 |
| At 31 March 2022 | |
| Aggregate cost | 7,598,958 |
| Aggregate depreciation | — |
| Carrying value | 7,598,958 |

14. Investments

The group has no investments.

| Company | Shares in group undertakings £ |
|-----------------------------------|-----------------------------------|
| Cost | |
| At 1 April 2022 and 31 March 2023 | 150,000 |
| Impairment | |
| At 1 April 2022 and 31 March 2023 | — |
| Carrying amount | |
| At 1 April 2022 and 31 March 2023 | 150,000 |
| At 31 March 2022 | 150,000 |

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

| | Class of share | Percentage of shares held |
|--------------------------------|----------------|---------------------------|
| Subsidiary undertakings | | |
| Bridge House Holdings Limited | Ordinary | 100 |

15. Stocks

| | Group | | Company | |
|----------------------------|--------------|-----------|----------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Property development costs | 3,939,739 | 4,561,883 | 3,939,739 | 4,561,883 |

16. Debtors

| | Group | | Company | |
|------------------------------------|--------------|-----------|----------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade debtors | 289,905 | 189,732 | 17,921 | 21,177 |
| Amounts owed by group undertakings | — | — | 3,411,663 | 3,502,688 |
| Prepayments and accrued income | 34,700 | 26,274 | — | — |
| Amounts due from related parties | 5,354,225 | 5,228,145 | — | — |
| | 5,678,830 | 5,444,151 | 3,429,584 | 3,523,865 |

17. Creditors: amounts falling due within one year

| | Group | | Company | |
|---------------------------------|--------------|-----------|----------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 217,000 | 235,000 | 217,000 | 235,000 |
| Trade creditors | 1,019,078 | 340,120 | 106,581 | 104,634 |
| Accruals and deferred income | 11,466 | 5,275 | 810 | 259 |
| Corporation tax | 42,317 | 146,613 | 25,260 | 62,314 |
| Social security and other taxes | 66,207 | 84,559 | — | — |
| Amounts owed to related parties | 8,459,743 | 8,884,432 | 8,459,743 | 8,884,432 |
| Other creditors | 282,555 | 225,185 | 70,577 | 72,017 |
| | 10,098,366 | 9,921,184 | 8,879,971 | 9,358,656 |

18. Creditors: amounts falling due after more than one year

| | Group | | Company | |
|---------------------------|------------------|-------------|------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 3,680,889 | 3,970,830 | 3,680,889 | 3,970,830 |

The bank loans are secured by a debenture over the assets of the company and by cross guarantees given by related party companies.

19. Provisions

| Group | Deferred tax (note 20) £ |
|-------------------------|---|
| At 1 April 2022 | 5,184,712 |
| Additions | 499,509 |
| At 31 March 2023 | 5,684,221 |
| Company | Deferred tax (note 20) £ |
| At 1 April 2022 | 5,168,789 |
| Additions | 483,817 |
| At 31 March 2023 | 5,652,606 |

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

| | Group | | Company | |
|----------------------------------|------------------|-------------|------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Included in provisions (note 19) | 5,684,221 | 5,184,712 | 5,652,606 | 5,168,789 |

The deferred tax account consists of the tax effect of timing differences in respect of:

| | Group | | Company | |
|--------------------------------|------------------|-------------|------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Accelerated capital allowances | 190,426 | 152,885 | 158,811 | 136,962 |
| Revaluation of tangible assets | 5,503,077 | 5,031,827 | 5,503,077 | 5,031,827 |
| Unused tax losses | (9,282) | — | (9,282) | — |
| | 5,684,221 | 5,184,712 | 5,652,606 | 5,168,789 |

21. Employee benefits**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 37,405 (2022: £ 34,136).

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

| | Group | | Company | |
|---|--------------|-------------|----------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Recognised in other operating income: | | | | |
| Government grants recognised directly in income | — | 124,419 | — | — |
| | --- | ----- | --- | --- |

23. Called up share capital

Issued, called up and fully paid

| | 2023 | | 2022 | |
|-----------------------------|-------------|----------|-------------|----------|
| | No. | £ | No. | £ |
| Ordinary shares of £ 1 each | 1 | 1 | 1 | 1 |
| | --- | --- | --- | --- |

24. Reserves

Revaluation reserve (non-distributable) - The revaluation reserve is used to record changes in the fair value of own use operational properties, net of deferred tax provisions on revaluation gains. Fair value movements are recognised in other comprehensive income. Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Analysis of changes in net debt

| | At 1 Apr 2022 | Cash flows | At 31 Mar |
|--------------------------|----------------------|-------------------|---------------------|
| | | | 2023 |
| | £ | £ | £ |
| Cash at bank and in hand | 122,817 | 13,535 | 136,352 |
| Debt due within one year | (235,000) | 18,000 | (217,000) |
| Debt due after one year | (3,970,830) | 289,941 | (3,680,889) |
| | ----- | ----- | ----- |
| | (4,083,013) | 321,476 | (3,761,537) |
| | ----- | ----- | ----- |

26. Contingencies

The group has given inter-company guarantees in respect of the bank borrowings of other companies amounting to £17,533,932 as at 31 March 2023 (2022: £19,167,225).

HURSTLANE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2023

27. Related party transactions

Group

At 31 March 2023, debtors included amounts due from related parties amounting to £5,354,225 (2022: £5,228,165) in relation to loans to companies under the common control of the directors. These related party loans are interest free, unsecured and have no fixed terms of repayment. At 31 March 2023, creditors include loans from companies under the common control of the directors to the value of £8,459,743 (2022: £8,884,432). These related party loans are interest free, are unsecured and have no fixed terms of repayment.

Company

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group. At 31 March 2023, creditors include loans from companies under the common control of the directors to the value of £8,459,743 (2022: £8,884,432). These related party loans are interest free, unsecured and have no fixed terms of repayment. The company has given guarantees in respect of the bank borrowings of companies under the control of the directors amounting to £17,533,932 as at 31 March 2023 (2022: £19,167,225).

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