

Company Registration No. 06447535 (England and Wales)

**BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**PAGES FOR FILING WITH REGISTRAR**

# **BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED**

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# BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Non-current assets</b>					
Intangible assets	3	256,500		513,000	
Property, plant and equipment	4	4,530,000		4,475,000	
		<u>4,786,500</u>		<u>4,988,000</u>	
<b>Current assets</b>					
Inventories		385		341	
Trade and other receivables falling due after more than one year	5	58,700		68,800	
Trade and other receivables falling due within one year	5	1,616,403		1,969,724	
Cash and cash equivalents		66,589		39,942	
		<u>1,742,077</u>		<u>2,078,807</u>	
<b>Current liabilities</b>	6	(329,256)		(376,837)	
<b>Net current assets</b>		<u>1,412,821</u>		<u>1,701,970</u>	
<b>Total assets less current liabilities</b>		<u>6,199,321</u>		<u>6,689,970</u>	
<b>Non-current liabilities</b>	7	-		(578,321)	
<b>Provisions for liabilities</b>		(68,300)		(54,000)	
<b>Net assets</b>		<u>6,131,021</u>		<u>6,057,649</u>	
<b>Equity</b>					
Called up share capital	8	1		1	
Revaluation reserve		983,079		959,680	
Retained earnings		5,147,941		5,097,968	
<b>Total equity</b>		<u>6,131,021</u>		<u>6,057,649</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

## **BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED**

### **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 31 DECEMBER 2018***

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The financial statements were approved by the board of directors and authorised for issue on 31 October 2019 and are signed on its behalf by:

Mr A S Shookhye  
**Director**

**Company Registration No. 06447535**

# BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Birchgrove Healthcare (Sussex) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 13 Oathall Road, Haywards Heath, West Sussex, RH16 3EG.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, is shown net of VAT and on an accruals basis.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life. In a previous period the directors elected to shorten the remaining useful economic life of goodwill to five years from 1 January 2015.

#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Held at fair value
Plant and equipment	15% diminishing balance
Fixtures and fittings	15% diminishing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

# **BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

**(Continued)**

Revaluations are made with sufficient regularity to ensure that the carrying amount in the financial statements does not differ materially from that which would be determined using the fair value at the end of the reporting period.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

#### **1.6 Impairment of non-current assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.7 Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### **1.8 Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with banks.

#### **1.9 Financial assets and liabilities**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from related parties.

# BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

Debt instruments like loans and other accounts receivable and payable are initially measured at the transaction price (including transaction costs) and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 58 (2017 - 43).

# BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	1,800,000
<b>Amortisation and impairment</b>	
At 1 January 2018	1,287,000
Amortisation charged for the year	256,500
At 31 December 2018	1,543,500
<b>Carrying amount</b>	
At 31 December 2018	256,500
At 31 December 2017	513,000

### 4 Property, plant and equipment

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	4,299,117	87,049	236,363	4,622,529
Additions	33,083	9,264	12,547	54,894
Revaluation	28,299	-	-	28,299
At 31 December 2018	4,360,499	96,313	248,910	4,705,722
<b>Depreciation and impairment</b>				
At 1 January 2018	-	32,108	115,421	147,529
Depreciation charged in the year	-	9,246	18,947	28,193
At 31 December 2018	-	41,354	134,368	175,722
<b>Carrying amount</b>				
At 31 December 2018	4,360,499	54,959	114,542	4,530,000
At 31 December 2017	4,299,117	54,941	120,942	4,475,000

Property, plant and equipment with a carrying amount of £4,530,000 were revalued at August 2019 by Savills Plc, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The valuation was made on the basis of existing use as a fully-equipped operational trading entity.

The directors have based their valuation of property, plant and equipment at the year end on the valuation report of August 2019 after taking into account the additions and depreciation that have occurred since this date.

# BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Property, plant and equipment

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	3,355,520	3,322,437
Accumulated depreciation	-	-
Carrying value	3,355,520	3,322,437

At the year end, deferred tax relating to the property revaluation of £21,900 (2017 - £17,000) is included within Provisions for Liabilities on the face of the Statement of Financial Position.

There is a debenture over all assets of the company held by the group's bankers and legal charges held over the buildings. There is a letter of subordination held over the buildings.

### 5 Trade and other receivables

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade receivables	38,316	54,968
Amounts owed by group undertakings	1,507,745	1,873,463
Other receivables	70,342	41,293
	1,616,403	1,969,724

	2018 £	2017 £
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	58,700	68,800
<b>Total debtors</b>	1,675,103	2,038,524

### 6 Current liabilities

	2018 £	2017 £
Trade payables	68,305	93,159
Amounts owed to group undertakings	62,195	66,739
Taxation and social security	18,447	12,196
Other payables	180,309	204,743
	329,256	376,837

# BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 7 Non-current liabilities

	2018 £	2017 £
Other payables	-	578,321

### 8 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 2 ordinary shares of 50p each	1	1

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Robin Evans BA FCA CTA.  
The auditor was MHA Carpenter Box.

### 10 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	3,150	3,150
Between two and five years	2,625	5,775
	5,775	8,925

### 11 Related party transactions

At the year end a balance of £nil (2017 - £578,321) was owed to Middleton Grove Healthcare (Southern) Limited, a company under the common control of the directors, which is included in non-current liabilities. Recharges were made to this company during the year of £nil (2017 - £8,570).

## **BIRCHGROVE HEALTHCARE (SUSSEX) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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#### **12 Parent company**

The immediate and ultimate parent company is Ashton Healthcare Group Limited, a company controlled by A S and M B Shookhye.

Ashton Healthcare Group Limited prepares consolidated financial statements and copies can be obtained from Companies House. The registered office of Ashton Healthcare Group Limited is 13 Oathall Road, Haywards Heath, West Sussex, RH16 3EG.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.