

SPV4 Limited

Unaudited Financial Statements

Year Ended

30 June 2021

Company Number 08868873



SPV4 Limited

Chartered accountants' report to the board of directors on the unaudited financial statements of SPV4 Limited for the year ended 30 June 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of SPV4 Limited for the year ended 30 June 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that SPV4 Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of SPV4 Limited. You consider that SPV4 Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of SPV4 Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

This report is made solely to the board of directors of SPV4 Limited, as a body, in accordance with the terms of our engagement letter dated 22 March 2019. Our work has been undertaken solely to prepare for your approval the accounts of SPV4 Limited and state those matters that we have agreed to state to the board of directors of SPV4 Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than SPV4 Limited and its board of directors as a body for our work or for this report.

DocuSigned by:

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BDO LLP
Chartered Accountants
Edinburgh
United Kingdom

31 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SPV4 Limited
Registered number:08868873

Balance sheet
As at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	176,112	80,409
		<u>176,112</u>	<u>80,409</u>
Current assets			
Debtors: amounts falling due within one year	6	877,739	57,882
Cash at bank and in hand	7	407,110	285,064
		<u>1,284,849</u>	<u>342,946</u>
Creditors: amounts falling due within one year	8	(1,954,332)	(871,636)
Net current liabilities		<u>(669,483)</u>	<u>(528,690)</u>
Total assets less current liabilities		<u>(493,371)</u>	<u>(448,281)</u>
Creditors: amounts falling due after more than one year	9	(250,000)	-
Net liabilities		<u><u>(743,371)</u></u>	<u><u>(448,281)</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		(743,471)	(448,381)
		<u><u>(743,371)</u></u>	<u><u>(448,281)</u></u>

SPV4 Limited
Registered number:08868873

Balance sheet (continued)
As at 30 June 2021

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

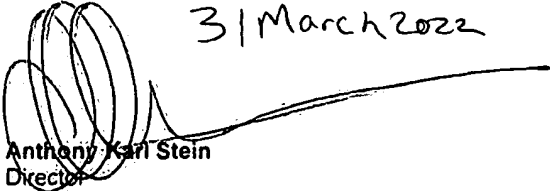
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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


31 March 2022
Anthony Karl Stein
Director

The notes on pages 4 to 10 form part of these financial statements.

SPV4 Limited

Notes to the financial statements For the year ended 30 June 2021

1. General information

SPV4 Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is in the directors' report.

2. Accounting policies

2.1 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 following principal accounting policies have been applied:

2.2 Going concern

The company loss for the year was £295,090 (2020 - £105,674). The company had net current liabilities of £669,483 (2020 - £528,690) and net liabilities of £743,371 (2020 - £448,281). The company is dependent on the support of debenture holders and certain related parties. The directors have satisfied themselves that this financial support will continue for the foreseeable future. The company has managed to continue trading despite the ongoing difficulties associated with Covid-19 but have undertaken all necessary measures for the care home to continue to operate. The financial statements are therefore prepared on the going concern basis. The financial statements do not include any adjustment that would result if creditor support was withdrawn.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

SPV4 Limited

Notes to the financial statements For the year ended 30 June 2021

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.5 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.6 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.7 Tangible fixed assets

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

SPV4 Limited

Notes to the financial statements For the year ended 30 June 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

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

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

Depreciation is provided on the following basis:

Plant and machinery	-	25%
Office equipment	-	25%

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

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

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured,

SPV4 Limited

Notes to the financial statements For the year ended 30 June 2021

2. Accounting policies (continued)

2.11 Financial instruments (continued)

initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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

In preparing these financial statements, the directors have had to make the following judgments:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 9)

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trade debtors

Determining whether there are indicators of impairment of the company's trade receivables. Factors taken into consideration in reaching such a decision include the age of outstanding balances and correspondence with the debtors themselves.

4. Employees

The average monthly number of employees, including directors, during the year was 205 (2020 - 107).

SPV4 Limited

Notes to the financial statements For the year ended 30 June 2021

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 July 2020	20,580	142,076	162,656
Additions	10,412	138,632	149,044
At 30 June 2021	30,992	280,708	311,700
Depreciation			
At 1 July 2020	11,286	70,961	82,247
Charge for the year on owned assets	5,568	47,773	53,341
At 30 June 2021	16,854	118,734	135,588
Net book value			
At 30 June 2021	14,138	161,974	176,112
At 30 June 2020	9,294	71,115	80,409

SPV4 Limited

Notes to the financial statements For the year ended 30 June 2021

6. Debtors

	2021 £	2020 £
Trade debtors	810,756	54,298
Amounts owed by group undertakings	3,577	-
Other debtors	96	-
Prepayments and accrued income	63,310	3,584
	<u>877,739</u>	<u>57,882</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	407,110	285,064
	<u>407,110</u>	<u>285,064</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Debenture loans	409,587	414,908
Trade creditors	207,406	18,486
Other taxation and social security	102,385	97,336
Other creditors	515,294	123,974
Accruals and deferred income	719,660	216,932
	<u>1,954,332</u>	<u>871,636</u>

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

	2021 £	2020 £
Debentures loans	250,000	-
	<u>250,000</u>	<u>-</u>

The loan is secured by a fixed charge over the assets of the company by Bruchmen No. 2 Limited.

SPV4 Limited

Notes to the financial statements For the year ended 30 June 2021

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £59,858 (2020 - £26,725). Contributions totaling £12,862 (2020 - £13,487) were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

The company has taken advantage of Section 1A of FRS 102 whereby only material transactions which are not under the normal market conditions need to be disclosed.

Included within trade creditors is an amount totalling £12,730 (2020 - £683) due to Healthcare Management Solutions Limited, a company related through common directorship.

During the year management fees totalling £348,465 (2020 - £84,000) were paid to Healthcare Management Solutions Limited.

13. Controlling party

The controlling party of the company is Anthony Karl Stein, a director and majority shareholder of the company.