

Hentop 305 Limited

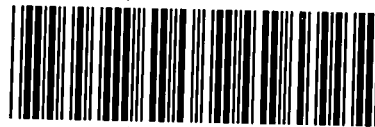
Directors' Report and Financial Statements

Year Ended

31 May 2018

Company Number 09358015

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COMPANIES HOUSE

Hentop 305 Limited

Company Information

Directors	T Betts I Rickwood A Brandon (alternative for I Rickwood) M Kingston
Company secretary	C F Moharm
Registered number	09358015
Registered office	55 Baker Street London W1U 7EU
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank Plc Pall Mall Corporate Group 50 Pall Mall London SW1A 1QA

Hentop 305 Limited

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Hentop 305 Limited

Directors' report For the year ended 31 May 2018

The directors present their report and the financial statements for the year ended 31 May 2018.

Principal activity

The principal activity is that of property investment.

During the year and post year end the company sold all of its properties. The directors continue to seek new opportunities.

Result for the year

The result for the year is shown on page 6.

Directors

The directors who served during the year were:

T Betts
I Rickwood
A Brandon (alternative for I Rickwood)
M Kingston

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 7 December 2018 and signed on its behalf.



CF Moharm
Secretary

Hentop 305 Limited

Directors' responsibilities statement For the year ended 31 May 2018

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

Hentop 305 Limited

Independent Auditor's Report to the Members of Hentop 305 Limited

Opinion

We have audited the financial statements of Hentop 305 Limited ("the company") for the year ended 31 May 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 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 company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Hentop 305 Limited

Independent Auditor's Report to the Members of Hentop 305 Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Hentop 305 Limited

Independent Auditor's Report to the Members of Hentop 305 Limited (continued)

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 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 company or to cease operations, or have no realistic alternative but to do so.

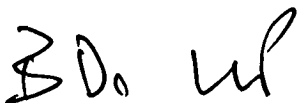
Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 07 December 2018

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

Hentop 305 Limited

Statement of comprehensive income For the year ended 31 May 2018

	Note	2018 £	2017 £
Turnover		63,646	797,166
Cost of sales		(83,361)	(111,402)
Gross (loss)/profit		(19,715)	685,764
Administrative expenses		(54,609)	(5,173)
Investment property fair value adjustment		(586,511)	3,455,505
(Loss)/gain on disposal of investment property		(2,321,254)	8,859,493
Operating (loss)/profit	4	(2,982,089)	12,995,589
Interest receivable and similar income	6	1,950,253	233,019
Interest payable and similar expenses	7	-	(855)
(Loss)/profit before tax		(1,031,836)	13,227,753
Tax on (loss)/profit	8	617,670	(498,787)
(Loss)/profit and total comprehensive loss for the financial year		(414,166)	12,728,966

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

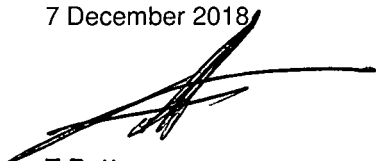
Hentop 305 Limited
Registered number: 09358015

Statement of financial position
As at 31 May 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investment property	9		428,714		11,150,934
Current assets					
Debtors: amounts falling due within one year	10	25,403,600		15,907,680	
Creditors: amounts falling due within one year	11	(229,400)		(423,864)	
Net current assets			25,174,200		15,483,816
Total assets less current liabilities			25,602,914		26,634,750
Provisions for liabilities					
Deferred tax	12		-		(617,670)
Net assets			25,602,914		26,017,080
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account	14		25,602,913		26,017,079
Total equity			25,602,914		26,017,080

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 were approved and authorised for issue by the board and were signed on its behalf on 7 December 2018.


T Betts
Director

The notes on pages 9 to 16 form part of these financial statements.

Hentop 305 Limited

Statement of changes in equity For the year ended 31 May 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2017	1	26,017,079	26,017,080
Comprehensive loss for the year			
Loss for the year	-	(414,166)	(414,166)
Total comprehensive loss for the year	-	(414,166)	(414,166)
At 31 May 2018	1	25,602,913	25,602,914

Statement of changes in equity For the year ended 31 May 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2016	1	13,288,113	13,288,114
Comprehensive income for the year			
Profit for the year	-	12,728,966	12,728,966
Total comprehensive income for the year	-	12,728,966	12,728,966
At 31 May 2017	1	26,017,079	26,017,080

The notes on pages 9 to 16 form part of these financial statements.

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

1. General information

Hentop 305 Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out 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 preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for net rental income and related income receivable less value added tax.

2.3 Operating leases: the company as lessor

Rental income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.4 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.5 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 Provisions for liabilities

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.

2.8 Lessor incentives

Lessor incentives include rent free periods and other incentives given to lessees on entering into lease agreements.

Lessor incentives to new tenants to occupy the company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are then charged to the statement of comprehensive income evenly over the period to the lease end date. Where lessor incentives relate to investment properties the properties are carried at open market value less the amount of the unamortised incentive.

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

2. Accounting policies (continued)

2.9 Investment property

Investment properties are stated at fair value, using the principles set out in notes 3 and 10.

The directors revalue the investment property annually to fair value with the aggregate surplus or deficit being recognised in profit or loss. Acquisitions and disposals are recognised on the unconditional exchange of contracts for sale/purchase.

It is anticipated that external valuations will be carried out periodically.

2.10 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.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial liabilities that are not classified as financial instruments are recorded at transaction cost. All changes to transaction cost are recognised in the statement of comprehensive income.

Financial assets

Financial assets are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the statement of comprehensive income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

3. Judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) requires the use of certain critical accounting estimates and judgements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on directors' best knowledge of the amount, event or actions, actual results may differ from those estimates. The following is intended to provide an understanding of the policies that the directors' consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements.

Recoverability of debtors

The recoverability of debtors is assessed based on factors specific to each individual debtor.

Investment property valuation

Investment property is revalued annually to fair value using an income capitalisation technique. The valuation is prepared by the directors, based upon assumptions including future rental value, anticipated property costs, future development costs and the appropriate discount rate. Reference is also made to market evidence of transaction prices for similar properties. More information is provided in the investment property note (note 9).

4. Operating (loss)/profit

The operating (loss)/profit is stated after (charging)/crediting:

	2018 £	2017 £
(Loss)/gain on disposal of investment property	<u>(2,321,254)</u>	<u>8,859,493</u>

5. Employees

There were no persons employed by the company in the year (2017 - Nil) and no director received any emoluments (2017 - £Nil).

6. Interest receivable and similar income

	2018 £	2017 £
Interest due from group undertakings	<u>1,950,253</u>	<u>233,019</u>

7. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	<u>-</u>	<u>855</u>

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

8. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on (losses)/profits for the year	-	180,826
Adjustments in respect of previous periods	-	44,256
Total current tax	-	225,082
Deferred tax		
Origination and reversal of timing differences	(617,670)	273,705
Total deferred tax	(617,670)	273,705
Taxation on (loss)/profit on ordinary activities	(617,670)	498,787

9. Investment property

	Freehold land and buildings £
Valuation	
At 1 June 2017	11,150,934
Additions at cost	298,003
Disposals	(10,433,712)
Revaluations	(586,511)
At 31 May 2018	428,714

The directors carried out an internal valuation of the property as at 31 May 2018 using an income capitalisation technique, whereby contracted and market rental values are capitalised with a market capitalisation rate. The resulting valuations are cross-checked against the equivalent yields and the fair market values derived from comparable recent market transactions on arm's length terms. The directors anticipate having the investment property periodically valued by an external independent valuer.

The historical cost of the properties is £544,012 (2017 - £7,353,400).

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

10. Debtors

	2018 £	2017 £
Trade debtors	9,493	89,079
Amounts owed by parent company	24,479,948	15,757,479
Prepayments and accrued income	30,365	54,826
Other debtors	883,794	6,296
	<u>25,403,600</u>	<u>15,907,680</u>

All amounts fall due for payment within one year. Amounts owed by parent company earn interest at 10% (2017 - 10%) and are repayable on demand.

11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	27,571	74,704
Accruals and deferred income	21,003	167,304
Corporation tax creditor	180,826	180,826
Other creditors	-	1,030
	<u>229,400</u>	<u>423,864</u>

12. Deferred taxation

	2018 £
At 1 June 2017	(617,670)
Charged to profit or loss	617,670
At 31 May 2018	<u><u>-</u></u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Revaluations of investment properties	-	617,670

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

14. Reserves

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Commitments under operating leases

At 31 May 2018 the company had future minimum lease payments receivable under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than one year	60,337	43,107
Later than one year and not later than five years	241,348	229,904
Later than five years	1,078,627	1,112,385
	1,380,312	1,385,396

16. Related party transactions

During the year interest of £1,950,253 was charged to the parent company (2017 - £233,019).

At the year end an amount of £24,479,948 was receivable from the parent company (2017 - £15,757,479).

17. Post statement of financial position events

Post year end the company sold its last remaining property for £442,800. The directors continue to seek new opportunities.

Hentop 305 Limited

Notes to the financial statements For the year ended 31 May 2018

18. Controlling party

The largest group in which the results of the company are consolidated is that headed by Topland Group Holdings Limited, a company incorporated in the British Virgin Islands.

The immediate parent company is Topland Henley Healthcare Investments Limited, a company incorporated in England and Wales.

Topland (No. 15) Limited is the most senior parent whose consolidated financial statements may be obtained from Companies House.

The ultimate parent company and controlling party is Topland Group Holdings International Limited, a company incorporated in the British Virgin Islands.