

HENTOP 311 LIMITED
Financial statements
31 May 2019

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HENTOP 311 LIMITED

Financial statements

Year ended 31 May 2019

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HENTOP 311 LIMITED

Officers and professional advisers

The board of directors	M S Kingston T R Betts I Rickwood A J Brandon (alternative for I Rickwood)
Company secretary	C F Moharm
Registered office	55 Baker Street London United Kingdom W1U 7EU
Auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank Plc Pall Mall Corporate Group 50 Pall Mall London SW1A 1QA

HENTOP 311 LIMITED

Directors' report

Year ended 31 May 2019

The directors present their report and the financial statements of the company for the year ended 31 May 2019.

Principal activities

The entity is a private company, limited by shares and incorporated in England and Wales. The principal activity is that of property trading. The result for the year is shown on page 7.

Directors

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

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

Directors' responsibilities statement

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 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; and
- 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 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 company's auditor is aware of that information.

The company has dispensed with the obligation to appoint auditors annually. BDO LLP have expressed their willingness to continue in this office.

HENTOP 311 LIMITED

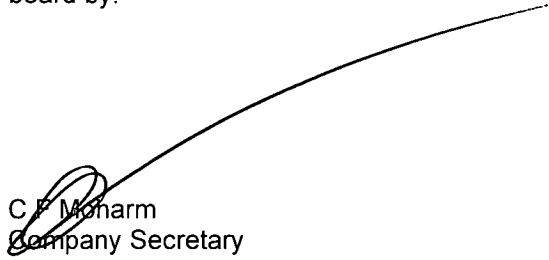
Directors' report *(continued)*

Year ended 31 May 2019

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 22 November 2019 and signed on behalf of the board by:



C. F. Moharm
Company Secretary

HENTOP 311 LIMITED

Independent auditor's report to the members of Hentop 311 Limited

Year ended 31 May 2019

Opinion

We have audited the financial statements of Hentop 311 Limited ("the company") for the year ended 31 May 2019 which comprise the statement of comprehensive income, statement of financial position, 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 2019 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.

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.

HENTOP 311 LIMITED

Independent auditor's report to the members of Hentop 311 Limited *(continued)*

Year ended 31 May 2019

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.

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.

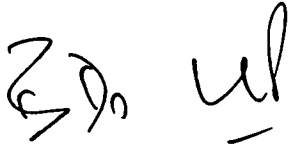
HENTOP 311 LIMITED

Independent auditor's report to the members of Hentop 311 Limited *(continued)*

Year ended 31 May 2019

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
55 Baker Street
London
W1U 7EU

22 November 2019

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

HENTOP 311 LIMITED

Statement of comprehensive income

Year ended 31 May 2019

	Note	2019 £	2018 £
Turnover	4	47,103	136,047
Cost of sales		<u>(76,999)</u>	<u>(126,128)</u>
Gross (loss)/profit		(29,896)	9,919
Administrative expenses		(11,684)	(11,082)
Stock - impairment provision		<u>(1,083,137)</u>	<u>(2,806,212)</u>
Operating loss		(1,124,717)	(2,807,375)
Interest payable and similar charges	7	<u>(674,706)</u>	<u>(1,972,685)</u>
Loss on ordinary activities before taxation		(1,799,423)	(4,780,060)
Tax on loss on ordinary activities		<u>—</u>	<u>—</u>
Loss for the financial year and total comprehensive income		<u>(1,799,423)</u>	<u>(4,780,060)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

HENTOP 311 LIMITED

Statement of financial position

As at 31 May 2019

	Note	2019 £	2018 £
Current assets			
Stocks	8	11,112,832	12,142,450
Debtors	9	41,093	42,540
		<u>11,153,925</u>	<u>12,184,990</u>
Creditors: amounts falling due within one year	10	<u>(17,805,614)</u>	<u>(17,037,256)</u>
Net current liabilities		<u>(6,651,689)</u>	<u>(4,852,266)</u>
Total assets less current liabilities		<u>(6,651,689)</u>	<u>(4,852,266)</u>
Net liabilities		<u>(6,651,689)</u>	<u>(4,852,266)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	<u>(6,651,690)</u>	<u>(4,852,267)</u>
Members deficit		<u>(6,651,689)</u>	<u>(4,852,266)</u>

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

These financial statements were approved by the board of directors and authorised for issue on 22 November 2019, and are signed on behalf of the board by:



T R Betts
Director

Company registration number: 10668559

The notes on pages 10 to 13 form part of these financial statements.

HENTOP 311 LIMITED

Statement of changes in equity

Year ended 31 May 2019

	Called up share capital £	Profit and loss account £	Total £
At 1 June 2017	1	(72,207)	(72,206)
Loss for the year	–	(4,780,060)	(4,780,060)
Total comprehensive income for the year	–	(4,780,060)	(4,780,060)
At 31 May 2018	1	(4,852,267)	(4,852,266)
Loss for the year	–	(1,799,423)	(1,799,423)
Total comprehensive income for the year	–	(1,799,423)	(1,799,423)
At 31 May 2019	1	(6,651,690)	(6,651,689)

The notes on pages 10 to 13 form part of these financial statements.

HENTOP 311 LIMITED

Notes to the financial statements

Year ended 31 May 2019

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102 Section 1A, Small Entities.

2. Accounting policies

Basis of preparation

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 accounting policies (see note 3).

The following principal accounting policies have been applied:

Going concern

In preparing the financial statements, the directors are required to make an assessment of the company's ability to continue as a going concern. A parent company has confirmed that it is not its current intention to call for repayment of the balance owed to it for at least 12 months from the date of approval of these financial statements unless the company has sufficient funds to be able to make repayments. For this reason, the directors continue to adopt the going concern basis in preparing these financial statements.

Disclosure exemptions

These financial statements have been prepared in accordance with FRS 102, Section 1A, Small Entities. As such, advantage has been taken of the following disclosure exemptions available under FRS 102, Section 1A.

No statement of cash flow has been presented.

Revenue recognition

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

HENTOP 311 LIMITED

Notes to the financial statements *(continued)*

Year ended 31 May 2019

2. Accounting policies *(continued)*

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 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 or 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 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.

Stocks

Development properties are valued at the lower of cost and net realisable value.

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 of the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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.

Net realisable value of stock

Determining whether the value of the company's trading property should be impaired requires estimations of the property's net realisable value. The net realisable value calculation requires the entity to estimate the future cash flows expected to arise from the property, specifically the estimated selling price and anticipated selling costs adjusted for expected net rental cash flows. In undertaking these estimates, the directors make reference to market evidence of transactions for similar properties

HENTOP 311 LIMITED

Notes to the financial statements (continued)

Year ended 31 May 2019

4. Turnover

Turnover arises from:

	2019 £	2018 £
Rental income	<u>47,103</u>	<u>136,047</u>

5. Particulars of employees

There were no persons employed by the company in the year (2018: nil).

6. Directors

No director received any emoluments during the year (2018: £nil).

7. Interest payable and similar charges

	2019 £	2018 £
Interest charged by parent company	–	1,296,823
Loan interest charged by fellow subsidiary	<u>674,706</u>	<u>675,862</u>
	<u>674,706</u>	<u>1,972,685</u>

8. Stocks

	2019 £	2018 £
Development property	<u>11,112,832</u>	<u>12,142,450</u>

Stocks comprising properties are valued at the lower of cost and net realisable value.

9. Debtors

	2019 £	2018 £
Trade debtors	25,260	–
Prepayments and accrued income	<u>15,833</u>	<u>42,540</u>
	<u>41,093</u>	<u>42,540</u>

All amounts fall due for payment within one year.

10. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	16,906	62,904
Accruals and deferred income	26,019	22,876
Amounts due to parent company	9,926,634	9,115,423
Loan due to fellow subsidiary	<u>7,836,055</u>	<u>7,836,053</u>
	<u>17,805,614</u>	<u>17,037,256</u>

Amounts due to parent company bear no interest (2018: 19%) and are repayable in demand.

The loan to a fellow subsidiary is repayable on 27 April 2020, bears interest at 8.75% and is secured by a fixed charge over the company's stock of development properties. One of the loan covenants was in breach in the prior year and therefore the loan was classified as due within one year. This event of default was waived by the lender.

HENTOP 311 LIMITED

Notes to the financial statements *(continued)*

Year ended 31 May 2019

11. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12. Reserves

Profit and loss account - This reserve represents cumulative profits or losses net of dividends paid and other adjustments including capital contributions.

13. Related party transactions

During the year interest of £674,706 (2018: £1,972,685) was charged by group companies.

At the year end, an amount of £9,926,634 (2018: £9,115,423) was due to the parent company and an amount of £7,836,055 (2018: £7,836,053) was due to a fellow subsidiary.

14. Parent, ultimate parent and 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 smallest group in which they are consolidated is that headed by Topland (No. 15) Limited, a company incorporated in England and Wales.

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 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.