Registered number
02888621

Interhaze Limited

Report and Accounts

31 December 2012

Interhaze Limited

Registered number: 02888621

Directors' Report

The directors present their report and accounts for the year ended 31 December 2012.

Principal activities

The principal activity of the company is that of Care Homes operators for the elderly.

Review of the business

The directors are satisfied with the results for the year and the state of affairs at the balance sheet date and are optimistic about the company's future.

Principal Risks and Uncertainties.
During the year the company has continued to execute strategies to optimise opportunities and minimise exposure to principal risks and uncertainties.
There is a potential risk of loss as a result of government's plans for deficit reduction and Local Aurthorities need to cut down on benefit payments. The company manages these potential risks by diversifying into specialist areas where cuts in benefits are not so severe thus mitigating potential loss.

Future developments

The directors aim to to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the prospects in the near future are reasonably bright.

Results and Dividends

The profit for the year , after taxation, amounted to £456,764. The directors have paid interim dividends totalling £600,000(£300,000 per ordinary share) during the year and do not recommend a final ordinary dividend for the year, which leaves £143,236 to be offset against reserves.

Events since the balance sheet date

No material events have occurred since the balance sheet date which would have a bearing on the accounts at the year end.

Directors

The following persons served as directors during the year:

Ravindra H Patel

Harshika R Patel

Directors' responsibilities

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board on 6 September 2013 and signed on its behalf.

Harshika R Patel
Director

Interhaze Limited

Independent auditors' report

to the shareholders of Interhaze Limited

We have audited the accounts of Interhaze Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the accounts

In our opinion the accounts:

give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.

Gajendraprasad Mohanlal Vyas
(Senior Statutory Auditor)
for and on behalf of
G M Vyas
Statutory Auditor,Chartered Certified Accountants
7 September 2013

235 Salmon Street
Kingsbury
LONDON
NW9 8ND

Interhaze Limited

Profit and Loss Account

for the year ended 31 December 2012

	Notes	2012	2011
		£	£
Turnover	2	6,015,122	6,482,895
Cost of sales		(514,139)	(538,723)
Gross profit		5,500,983	5,944,172
Administrative expenses		(4,834,694)	(4,806,756)
Operating profit	3	666,289	1,137,416
Interest receivable		-	10
Interest payable	6	(28,799)	(30,042)
Profit on ordinary activities before taxation		637,490	1,107,384
Tax on profit on ordinary activities	7	(180,726)	(302,962)
Profit for the financial year		456,764	804,422

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

Interhaze Limited

Balance Sheet

as at 31 December 2012

	Notes		2012		2011
			£		£
Fixed assets					
Intangible assets	8		1		1
Tangible assets	9		4,871,924		4,983,825
			4,871,925		4,983,826
Current assets					
Debtors	10	2,311		52,677	
Cash at bank and in hand		1,284		-	
		3,595		52,677	
Creditors: amounts falling due within one year	11	(2,017,306)		(1,770,792)	
Net current liabilities			(2,013,711)		(1,718,115)
Total assets less current liabilities			2,858,214		3,265,711
Creditors: amounts falling due after more than one year	12		(1,231,282)		(1,495,543)
Net assets			1,626,932		1,770,168
Capital and reserves					
Called up share capital	14		2		2
Profit and loss account	15		1,626,930		1,770,166
Shareholders' funds	17		1,626,932		1,770,168

Ravindra H Patel

Director

Approved by the board on 6 September 2013

Interhaze Limited

Cash Flow Statement

for the year ended 31 December 2012

	Notes	2012	2011
		£	£
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		666,289	1,137,416
Depreciation and amortisation		191,208	195,162
Decrease/(increase) in debtors		50,366	(25,870)
Increase in creditors		486,548	390,586
Net cash inflow from operating activities		1,394,411	1,697,294
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,394,411	1,697,294
Returns on investments and servicing of finance	18	(28,799)	(30,032)
Taxation		(310,186)	(261,890)
Capital expenditure	18	(79,307)	(78,693)
		976,119	1,326,679
Equity dividends paid		(600,000)	(640,000)
		376,119	686,679
Financing	18	(281,369)	134,424
Increase in cash		94,750	821,103
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		94,750	821,103
Decrease/(increase) in debt and lease financing		281,369	(134,424)
Change in net debt	19	376,119	686,679
Net debt at 1 January		(1,932,044)	(2,618,723)
Net debt at 31 December		(1,555,925)	(1,932,044)

Interhaze Limited

Notes to the Accounts

for the year ended 31 December 2012

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Leasehold land and buildings	over the lease term
Plant and machinery	25% reducing balance

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

2 Analysis of turnover

	2012	2011
	£	£
By activity:		
Care Homes for the elderly	6,015,122	6,482,895
By geographical market:		
UK	6,015,122	6,482,895

3 Operating profit

	2012	2011
	£	£
This is stated after charging:		

Depreciation of owned fixed assets	191,208	195,162
Auditors' remuneration for audit services	6,000	5,500
Auditors' remuneration for other services	2,950	2,750

4 **Directors' emoluments**	**2012**	**2011**
	£	**£**
Emoluments	16,040	14,000

5 **Staff costs**	**2012**	**2011**
	£	**£**
Wages and salaries	3,320,508	3,467,208
Social security costs	216,918	236,009
	3,537,426	3,703,217

Average number of employees during the year	**Number**	**Number**
Administration, nursing and general	285	295

6 **Interest payable**	**2012**	**2011**
	£	**£**
Bank loans and overdrafts	28,799	30,042

7 **Taxation**	**2012**	**2011**
	£	**£**
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	180,726	310,191
Adjustments in respect of previous periods	-	(7,229)
	180,726	302,962
Tax on profit on ordinary activities	180,726	302,962

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2012	2011
	£	£
Profit on ordinary activities before tax	637,490	1,107,384
Standard rate of corporation tax in the UK	25%	27%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	159,373	298,994
Effects of:		
Expenses not deductible for tax purposes	(79,499)	-
Capital allowances for period in excess of depreciation	100,852	11,197
Adjustments to tax charge in respect of previous periods	-	(7,229)
Current tax charge for period	180,726	302,962

8 Intangible fixed assets

	£
Goodwill:	
Cost	
At 1 January 2012	172,525
At 31 December 2012	172,525
Amortisation	
At 1 January 2012	172,524
At 31 December 2012	172,524
Net book value	
At 31 December 2012	1
At 31 December 2011	1

9 Tangible fixed assets

	Land and buildings	Motor Vehicles Plant and machinery	Total

	£	£	£
Cost			
At 1 January 2012	5,366,750	968,115	6,334,865
Additions	-	79,307	79,307
At 31 December 2012	5,366,750	1,047,422	6,414,172
Depreciation			
At 1 January 2012	668,526	682,514	1,351,040
Charge for the year	99,962	91,246	191,208
At 31 December 2012	768,488	773,760	1,542,248
Net book value			
At 31 December 2012	4,598,262	273,662	4,871,924
At 31 December 2011	4,698,224	285,601	4,983,825

10 Debtors

	2012	2011
	£	£
Prepayments and accrued income	2,311	52,677

11 Creditors: amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	325,927	436,501
Trade creditors	144,479	17,978
Corporation tax	180,731	310,191
Other creditors	1,163,198	804,126
Accruals and deferred income	202,971	201,996
	2,017,306	1,770,792

12 Creditors: amounts falling due after one year

	2012	2011
	£	£
Bank loans	1,231,282	1,495,543

13 Loans

	2012	2011
	£	£
Loans not wholly repayable within five years:		
Bank loan repayable by instalments over 15 years	1,512,652	1,794,021
Analysis of maturity of debt:		
Within one year or on demand	281,370	298,478

Between one and two years	281,370	298,478
Between two and five years	844,110	895,434
After five years	105,802	301,631
	1,512,652	1,794,021

The bank loan is secured by fixed charges on freehold properties and by a debenture on all the assets of the company. Interest is payable at variable rates determined by the prevailing base rate.

14 Share capital

	Nominal value	2012 Number	2012 £	2011 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	2	2	2

15 Profit and loss account

	2012 £
At 1 January 2012	1,770,166
Profit for the financial year	456,764
Dividends	(600,000)
At 31 December 2012	1,626,930

16 Dividends

	2012 £	2011 £
Dividends for which the company became liable during the year:		
Dividends paid	600,000	640,000

17 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
At 1 January	1,770,168	1,605,746
Profit for the financial year	456,764	804,422
Dividends	(600,000)	(640,000)
At 31 December	1,626,932	1,770,168

18 Gross cash flows

	2012 £	2011 £

Returns on investments and servicing of finance		
Interest received	-	10
Interest paid	(28,799)	(30,042)
	(28,799)	(30,032)
Capital expenditure		
Payments to acquire tangible fixed assets	(79,307)	(78,693)
Financing		
New loans raised	-	400,000
Loan repayments	(281,369)	(265,576)
	(281,369)	134,424

19 Analysis of changes in net debt

	At 1 Jan 2012	Cash flows	Non-cash changes	At 31 Dec 2012
	£	£	£	£
Cash at bank and in hand	-	1,284		1,284
Overdrafts	(138,023)	93,466		(44,557)
		94,750		
Debt due within 1 year	(298,478)	298,478	(281,370)	(281,370)
Debt due after 1 year	(1,495,543)	(17,109)	281,370	(1,231,282)
		281,369		
Total	(1,932,044)	376,119	-	(1,555,925)

20 Related party transactions

	2012	2011
	£	£

Mr R H Patel and Mrs H R Patel

One of the properties from which the company operates is owned by Mr R H Patel and Mrs H R Patel to whom rent of £80,000 was paid during the year. Other Creditors (Note 11) includes Directors' Loan Account balance of £1,163,198(2011-£804,126).

21 Ultimate controlling party

The company is controlled by Mr R H Patel and Mrs H R Patel, the directors, who between them own the entire share capital of the company.

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.