Registered number
02888621

Interhaze Limited

Report and Financial Statements

31 December 2016

Interhaze Limited

Registered number: 02888621

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2016.

Principal activities

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

Future developments

The directors aim 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.

Dividends

The profit for the year after taxation amounted to £25,472 (2015 £557,023). The directors have decided not to pay a dividend for the year (2015 £Nil per ordinary share) and do not recommend a final dividend for the year, which leaves £25,472 to be added to 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 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 (Financial Reporting Standard 102 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 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 financial statements;
- 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.

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.

Employment of disabled persons

The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities and having regard to the fact that those employees may be required to assist elderly residents of the company's care homes and their suitabilities and abilites to do so.

This report was approved by the board on 7 August 2017 and signed on its behalf.

Harshika R Patel

Director

Interhaze Limited

Strategic Report

The directors present their strategic report and accounts for the year ended 31 December 2016. The revenue for the year is as shown in Note 2 of the accounts. There has been a considerable improvement in the company's performance during the year compared to last year.

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 Authorities need to cut down on benefit payments. The company manages these potential risks by diversifying into specialist areas where cuts are not so severe thus mitigating potential loss.

Financial key performance indicators

Revenue £8,061,331 (2015 £6,615,118)
Profit before tax £60,845 (2015 £718,309)
Net assets £2,256,784 (2015 £2,231,312)

This report was approved by the board on 7 August 2017 and signed on its behalf.

Harshika R Patel
Director

Interhaze Limited

Independent auditors' report

to the members of Interhaze Limited

We have audited the financial statements of Interhaze Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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/auditscopeukprivate

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 2016 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 and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
Accountants and Statutory Auditors
8 August 2017

235 Salmon Street
Kingsbury
LONDON

NW9 8ND

Interhaze Limited

Income Statement

for the year ended 31 December 2016

	Notes	2016	2015
		£	£
Turnover	2	8,061,331	6,615,118
Cost of sales		(486,239)	(472,445)
Gross profit		7,575,092	6,142,673
Administrative expenses		(7,447,431)	(5,352,692)
Operating profit	3	127,661	789,981
Loss on sale of fixed assets		(2,843)	-
Interest receivable		11	5
Interest payable	6	(63,984)	(71,677)
Profit on ordinary activities before taxation		60,845	718,309
Tax on profit on ordinary activities	7	(35,373)	(161,286)
Profit for the financial year		25,472	557,023

Interhaze Limited

Statement of Financial Position

as at 31 December 2016

	Notes		2016		2015
			£		£
Fixed assets					
Intangible assets	8		1		1
Tangible assets	9		5,191,056		5,344,453
			5,191,057		5,344,454
Current assets					
Debtors	10	231,610		132,464	
Cash at bank and in hand		1,202,476		410,688	
		1,434,086		543,152	
Creditors: amounts falling due within one year	11	(1,804,617)		(2,226,221)	
Net current liabilities			(370,531)		(1,683,069)
Total assets less current liabilities			4,820,526		3,661,385
Creditors: amounts falling due after more than one year	12		(1,263,742)		(1,430,073)
Provisions for liabilities					
Other provisions	14		(1,300,000)		-
Net assets			2,256,784		2,231,312
Capital and reserves					
Called up share capital	15		100,000		2
Profit and loss account	16		2,156,784		2,231,310
Total equity			2,256,784		2,231,312

Ravindra H Patel

Director

Approved by the board on 7 August 2017

Interhaze Limited

Statement of Changes in Equity

for the year ended 31 December 2016

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2015	2	-	-	1,674,287	1,674,289
Profit for the financial year				557,023	557,023
At 31 December 2015	2	-	-	2,231,310	2,231,312
At 1 January 2016	2	-	-	2,231,310	2,231,312
Profit for the financial year				25,472	25,472
Shares issued	99,998	-		(99,998)	-
At 31 December 2016	100,000	-	-	2,156,784	2,256,784

Interhaze Limited

Statement of Cash Flows

for the year ended 31 December 2016

	Notes	2016	2015
		£	£
Operating activities			
Profit for the financial year		25,472	557,023
Adjustments for:			
Loss on sale of fixed assets		2,843	-
Interest receivable		(11)	(5)
Interest payable		63,984	71,677
Tax on profit on ordinary activities		35,373	161,286
Depreciation		221,388	245,569
Increase in debtors		(99,146)	(130,195)
Increase/(decrease) in creditors		1,201,639	(121,427)
		1,451,542	783,928
Interest received		11	5
Interest paid		(63,984)	(71,677)
Corporation tax paid		(161,286)	(117,067)
Cash generated by operating activities		1,226,283	595,189
Investing activities			
Payments to acquire tangible fixed assets		(70,834)	(138,277)
Cash used in investing activities		(70,834)	(138,277)
Financing activities			
Repayment of loans		(363,661)	(356,401)
Cash used in financing activities		(363,661)	(356,401)
Net cash generated			
Cash generated by operating activities		1,226,283	595,189
Cash used in investing activities		(70,834)	(138,277)
Cash used in financing activities		(363,661)	(356,401)
Net cash generated		791,788	100,511
Cash and cash equivalents at 1 January		410,688	310,177
Cash and cash equivalents at 31 December		1,202,476	410,688
Cash and cash equivalents comprise:			
Cash at bank		1,202,476	410,688

Interhaze Limited

Notes to the Accounts

for the year ended 31 December 2016

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. 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
Fixtures, fittings, tools and equipment	25% reducing balance

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing

differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when the company has a present legal or constructive obligation at the reporting date arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation taking into account the risks and uncertainties surrounding the obligation.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 **Analysis of turnover**	**2016**	**2015**
	£	**£**
Care home fees and services	8,061,331	6,615,118
By geographical market:		
UK	8,061,331	6,615,118

3 **Operating profit**	**2016**	**2015**

		£	£
	This is stated after charging:		
	Depreciation of owned fixed assets	221,388	245,569
	Auditors' remuneration for audit services	11,750	9,975
	Key management personnel compensation (including directors' emoluments)	37,500	27,302

4	**Directors' emoluments**	**2016**	**2015**
		£	**£**
	Emoluments	37,500	27,302
	Highest paid director:		
	Emoluments	37,500	18,151

5	**Staff costs**	**2016**	**2015**
		£	**£**
	Wages and salaries	3,939,097	3,653,063
	Social security costs	187,088	223,712
	Employee Compensation Provision	1,300,000	-
	Other pension costs	8,942	5,330
		5,435,127	3,882,105

	Average number of employees during the year	**Number**	**Number**
	Administration, nursing and general care staff	311	292

6	**Interest payable**	**2016**	**2015**
		£	**£**
	Bank loans and overdrafts	63,984	71,677

7	**Taxation**	**2016**	**2015**
		£	**£**
	Analysis of charge in period		
	Current tax:		
	UK corporation tax on profits of the period	35,373	161,286
	Tax on profit on ordinary activities	35,373	161,286

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:

	2016	2015
	£	£
Profit on ordinary activities before tax	60,845	718,309
Standard rate of corporation tax in the UK	20%	21%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	12,169	150,845
Effects of:		
Depreciation for period in excess of capital allowances	23,204	10,873
Marginal small companies relief	-	(432)
Current tax charge for period	35,373	161,286

8 Intangible fixed assets

	£
Goodwill:	
Cost	
At 1 January 2016	172,525
At 31 December 2016	172,525
Amortisation	
At 1 January 2016	172,524
At 31 December 2016	172,524
Carrying amount	
At 31 December 2016	1
At 31 December 2015	1

9 Tangible fixed assets

	Land and buildings	Motor Vehicles, Plant and machinery	Total
	At cost	*At cost*	

	£	£	£
Cost or valuation			
At 1 January 2016	6,131,071	1,378,078	7,509,149
Additions	-	70,834	70,834
Disposals	-	(11,980)	(11,980)
At 31 December 2016	6,131,071	1,436,932	7,568,003
Depreciation			
At 1 January 2016	1,113,692	1,051,004	2,164,696
Charge for the year	122,621	98,767	221,388
On disposals	-	(9,137)	(9,137)
At 31 December 2016	1,236,313	1,140,634	2,376,947
Carrying amount			
At 31 December 2016	4,894,758	296,298	5,191,056
At 31 December 2015	5,017,379	327,074	5,344,453

10 Debtors

	2016	2015
	£	£
Trade debtors	230,725	127,631
Prepayments and accrued income	885	4,833
	231,610	132,464

11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans	159,072	356,402
Trade creditors	304,034	220,527
Corporation tax	35,373	161,286
Other creditors	927,858	1,275,955
Accruals and deferred income	378,280	212,051
	1,804,617	2,226,221

12 Creditors: amounts falling due after one year

	2016	2015
	£	£
Bank loans	1,263,742	1,430,073

13 Loans

	2016	2015
	£	£
Loans not wholly repayable within five years:		
Loan 1 (repayable by instalments over 3 months at variable rates)	68,902	342,393
Loan 2 (repayable by instalments over 10 years at variable rates)	277,384	301,738

Loan 3 (repayable by instalments over 12 years at variable rates)	413,754	442,984
Loan 4 (repayable by instalments over 13 years at 5.76% p.a.)	662,773	699,360
	1,422,813	1,786,475

Analysis of maturity of debt:		
Within one year or on demand	159,072	356,401
Between one and two years	90,170	158,626
Between two and five years	284,009	278,201
After five years	889,563	993,246
	1,422,814	1,786,474

The bank loans are 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 Provisions for liabilities

Employee Compensation Provision

Opening balance	**£**
At 1 January 2016	-
Provision created during the year	1,300,000
Closing balance	
At 31 December 2016	1,300,000

The provision represents the directors' best estimate of the present value of the cost to the Company due to the obligation in the financial period. A formal decision regarding the amount and its form will be taken at some point after the reporting period end.

15 Share capital

	Nominal value	2016 Number	2016 £	2015 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100,000	100,000	2

	Nominal value	Number	Amount £
Shares issued during the period:			
Ordinary shares	£1 each	99,998	99,998

16 Profit and loss account

	2016 £	2015 £
At 1 January	2,231,310	1,674,287
Profit for the financial year	25,472	557,023
Bonus issue of shares on capitalisation of reserves	(99,998)	-

At 31 December	2,156,784	2,231,310

17 Related party transactions

Mr R H Patel and Mrs H R Patel (Directors and shareholders)

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. No dividends were received by the two directors during the year in respect of their shareholdings. Other Creditors (Note 11) includes Directors' Loan Account balance of £927,858(2015-£1,275,955).

18 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.

19 Presentation currency

The financial statements are presented in Sterling.

20 Legal form of entity and country of incorporation

Interhaze Limited is a private company limited by shares and incorporated in England.

21 Principal place of business

The company operates care homes from various locations within the U.K. and its registered office is:

9 Sutton Lodge
Blossomfield Road
Solihull
B91 1NB

22 Reconciliations on adoption of FRS 102

Profit and loss for the year ended 31 December 2015	**£**
Profit under former UK GAAP	557,023
Profit under FRS 102	557,023

Balance sheet at 31 December 2015	**£**
Equity under former UK GAAP	2,231,312

Equity under FRS 102	2,231,312

Balance sheet at 1 January 2015	**£**
Equity under former UK GAAP	1,652,615
Equity under FRS 102	1,652,615

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.