

# Financial Statements

## Morar Properties Limited

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**For the Year Ended 31 March 2016**



**Registered number: SC281176**

**Morar Properties Limited**

## Company Information

|                            |                                                                                                                            |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>Director</b>            | S Lakhani                                                                                                                  |
| <b>Company secretary</b>   | I Lakhani                                                                                                                  |
| <b>Registered number</b>   | SC281176                                                                                                                   |
| <b>Registered office</b>   | C/O DLA Piper Rudnick Gray Cary Scotland LLP<br>Rutland Square<br>Edinburgh<br>EH1 2AA                                     |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>Chartered Accountants & Statutory Auditor<br>80 Compair Crescent<br>Ipswich<br>Suffolk<br>IP2 0EH |

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## **Director's Report**

**For the Year Ended 31 March 2016**

The director presents his report and the financial statements for the year ended 31 March 2016.

### **Director**

The director who served during the year was:

S Lakhani

### **Director's responsibilities statement**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's reports may differ from legislation in other jurisdictions.

### **Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed 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 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.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

**Morar Properties Limited**

## **Director's Report (continued)**

**For the Year Ended 31 March 2016**

### **Auditor**

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

### **Small Companies Note**

In preparing this report, the director 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 *14 December 2016* and signed on its behalf.



**S Lakhani**  
Director



## Independent Auditor's Report to the Members of Morar Properties Limited

We have audited the financial statements of Morar Properties Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Director's responsibilities statement on page 1, the director is 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 financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements.



## Independent Auditor's Report to the Members of Morar Properties Limited (continued)

### **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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.

*Grant Thornton UK LLP*

Ian Thoroughgood (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Ipswich  
Date:

*20 Dec 2016*

# Statement of Comprehensive Income

For the Year Ended 31 March 2016

|                            |                  | 8 months<br>ended |
|----------------------------|------------------|-------------------|
|                            | 31 March<br>2016 | 31 March<br>2015  |
| Note                       | £                | £                 |
| Administrative expenses    | (20,905)         | -                 |
| Operating (loss)/profit    | (20,905)         | -                 |
| (Loss)/profit before tax   | (20,905)         | -                 |
| Tax on (loss)/profit       | -                | -                 |
| (Loss)/profit for the year | (20,905)         | -                 |

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 13 form part of these financial statements.

## Statement of Financial Position

As at 31 March 2016

|                                                | Note | £                  | 2016<br>£        | £                  | 2015<br>£        |
|------------------------------------------------|------|--------------------|------------------|--------------------|------------------|
| <b>Fixed assets</b>                            |      |                    |                  |                    |                  |
| Tangible assets                                | 4    |                    | 3,450,000        |                    | 3,450,000        |
|                                                |      |                    | <u>3,450,000</u> |                    | <u>3,450,000</u> |
| <b>Current assets</b>                          |      |                    |                  |                    |                  |
| Cash at bank and in hand                       | 5    | 5                  |                  | -                  |                  |
|                                                |      | <u>5</u>           |                  | <u>-</u>           |                  |
| Creditors: amounts falling due within one year | 6    | (3,259,571)        |                  | (3,238,661)        |                  |
|                                                |      | <u>(3,259,571)</u> |                  | <u>(3,238,661)</u> |                  |
| <b>Net current liabilities</b>                 |      |                    | (3,259,566)      |                    | (3,238,661)      |
| <b>Total assets less current liabilities</b>   |      |                    | <u>190,434</u>   |                    | <u>211,339</u>   |
| <b>Net assets</b>                              |      |                    | <u>190,434</u>   |                    | <u>211,339</u>   |
| <b>Capital and reserves</b>                    |      |                    |                  |                    |                  |
| Called up share capital                        | 8    |                    | 100              |                    | 100              |
| Revaluation reserve                            | 9    |                    | 349,138          |                    | 349,138          |
| Profit and loss account                        | 9    |                    | (158,804)        |                    | (137,899)        |
|                                                |      |                    | <u>190,434</u>   |                    | <u>211,339</u>   |

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



19 December 2016

**S Lakhani**  
Director

The notes on pages 8 to 13 form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 March 2016

|                                         | Called up<br>share capital | Revaluation<br>reserve | Profit and<br>loss account | Total equity |
|-----------------------------------------|----------------------------|------------------------|----------------------------|--------------|
|                                         | £                          | £                      | £                          | £            |
| At 1 April 2015                         | 100                        | 349,138                | (137,899)                  | 211,339      |
| Comprehensive income for the year       |                            |                        |                            |              |
| Loss for the year                       | -                          | -                      | (20,905)                   | (20,905)     |
| Other comprehensive income for the year | -                          | -                      | -                          | -            |
| Total comprehensive income for the year | -                          | -                      | (20,905)                   | (20,905)     |
| At 31 March 2016                        | 100                        | 349,138                | (158,804)                  | 190,434      |

## Statement of Changes in Equity

For the Year Ended 31 March 2015

|                                           | Called up<br>share capital | Revaluation<br>reserve | Profit and<br>loss account | Total equity |
|-------------------------------------------|----------------------------|------------------------|----------------------------|--------------|
|                                           | £                          | £                      | £                          | £            |
| At 1 August 2014                          | 100                        | 349,138                | (137,899)                  | 211,339      |
| Total comprehensive income for the period | -                          | -                      | -                          | -            |
| At 31 March 2015                          | 100                        | 349,138                | (137,899)                  | 211,339      |

The notes on pages 8 to 13 form part of these financial statements:

# Notes to the Financial Statements

For the Year Ended 31 March 2016

## 1. General information

Morar Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office address is C/O DLA Piper Rudnick Gray Cary, Scotland LLP, Rutland Square, Edinburgh, EH1 2AA.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The information on the impact of first-time adoption of FRS 102 is given in note 12.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 13.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2016.

The company transitioned from previously extant UK GAAP to FRS 102 at 1 August 2014. The last set of financial statements prepared under previous UK GAAP was for the period ended 31 March 2015.

### 2.2 Going concern

These financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the finance from The Holmes Care (Group) Limited which confirmed that it will continue to provide financial support. As a result, the director considers it appropriate for the financial statements to be prepared on the going concern basis.

### 2.3 Statement of cash flows

The company has taken advantage of the exemption under Section 1A of FRS 102 not to prepare a statement of cash flows on the basis that it is a small company.

### 2.4 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives.

Land and buildings represent freehold land, therefore have not been depreciated.

## Notes to the Financial Statements

For the Year Ended 31 March 2016

### 2. Accounting policies (continued)

#### 2.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

#### 2.6 Cash and cash equivalents

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

#### 2.7 Financial instruments

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.8 Creditors

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

#### 2.9 Taxation

Tax is recognised in the Income statement, except that a change 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.

# Notes to the Financial Statements

For the Year Ended 31 March 2016

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts are reported for revenues and expenses during the year.

The company carries its freehold property at valuation, the directors engaged an independent valuation specialist to determine the fair value of the freehold property. Freehold property is valued on an open market value basis in accordance with the requirements of FRS 102.

## 4. Tangible fixed assets

|                          | Freehold<br>property<br>£ |
|--------------------------|---------------------------|
| <b>Cost or valuation</b> |                           |
| At 1 April 2015          | 3,450,000                 |
| At 31 March 2016         | 3,450,000                 |
| At 31 March 2016         | -                         |
| <b>Net book value</b>    |                           |
| At 31 March 2016         | 3,450,000                 |
| At 31 March 2015         | 3,450,000                 |

# Notes to the Financial Statements

For the Year Ended 31 March 2016

## 4. Tangible fixed assets (continued)

Cost or valuation at 31 March 2016 is as follows:

|               | Freehold<br>property<br>£ |
|---------------|---------------------------|
| At cost       | -                         |
| At valuation: |                           |
| Freehold land | 3,450,000                 |
|               | <u>3,450,000</u>          |

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

|                       | 2016<br>£        | 2015<br>£        |
|-----------------------|------------------|------------------|
| Cost                  | 3,100,862        | 3,100,862        |
| <b>Net book value</b> | <u>3,100,862</u> | <u>3,100,862</u> |

The freehold property was revalued in November 2012 by Christie & Co. Chartered Surveyors, on an open market value basis, in accordance with the RICS Appraisal and Valuation Manual.

## 5. Cash and cash equivalents

|                          | 2016<br>£ | 2015<br>£ |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 5         | -         |
|                          | <u>5</u>  | <u>-</u>  |

## 6. Creditors: Amounts falling due within one year

|                                    | 2016<br>£        | 2015<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 3,259,571        | 3,238,661        |
|                                    | <u>3,259,571</u> | <u>3,238,661</u> |

# Notes to the Financial Statements

For the Year Ended 31 March 2016

## 7. Financial instruments

|                                                                       | 2016<br>£          | 2015<br>£          |
|-----------------------------------------------------------------------|--------------------|--------------------|
| <b>Financial assets</b>                                               |                    |                    |
| Financial assets that are debt instruments measured at amortised cost | 5                  | -                  |
|                                                                       | <u>5</u>           | <u>-</u>           |
| <b>Financial liabilities</b>                                          |                    |                    |
| Financial liabilities measured at amortised cost                      | (3,259,571)        | (3,238,661)        |
|                                                                       | <u>(3,259,571)</u> | <u>(3,238,661)</u> |

Financial assets measured at amortised cost comprise cash and cash equivalents.

Financial Liabilities measured at amortised cost comprise amounts owed to group undertakings.

## 8. Share capital

|                                    | 2016<br>£  | 2015<br>£  |
|------------------------------------|------------|------------|
| <b>Shares classified as equity</b> |            |            |
| Allotted, called up and fully paid |            |            |
| 100 Ordinary shares of £1 each     | 100        | 100        |
|                                    | <u>100</u> | <u>100</u> |

Share capital represents the nominal value of shares that have been issued. The shares carry voting rights and an entitlement to dividends.

## 9. Reserves

### Revaluation reserve

This reserve records the surplus arising on the valuation of freehold property.

### Profit and loss account

Includes all current and prior period retained profits and losses.

## 10. Contingent liabilities

The company has guaranteed loans taken out by certain other group companies. The potential liability in respect of this guarantee is £nil (2015 - £23,092,000).

## Notes to the Financial Statements

For the Year Ended 31 March 2016

### 11. Related party transactions

At the year end, the company owed £162,704 (2015: £132,194) to The Holmes Care (Group) Limited. The Holmes Care (Group) Limited is a company controlled by Mr and Mrs Lakhani.

At the year end, the company owed £1,717,508 (2015: £1,717,508) to The Holmes Care Group (GB) Limited. The Holmes Care Group (GB) Limited is a company controlled by Mr and Mrs Lakhani.

At the year end, the company owed £1,263,959 (2015: £1,263,959) to The Holmes Care Limited. The Holmes Care Limited is a company controlled by Mr and Mrs Lakhani.

At the year end, the company owed £125,000 (2015: £125,000) to Central Care Limited. Central Care Limited is a company controlled by Mr and Mrs Lakhani.

### 12. Controlling party

The company's immediate and ultimate holding company until 4 March 2016 was The Holmes (Group) Limited a company incorporated in England and Wales.

On 4 March 2016, the company was acquired by Arcedo Development Group Limited which is now the ultimate parent company.

The ultimate controlling party is Mr and Mrs Lakhani by virtue of their 100% holding in Arcedo Development Group.

### 13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.