COMPANY REGISTRATION NUMBER: SC338501

Baron Healthcare (Dalkeith) Limited

Financial Statements

31 July 2017



ASHMANS
Chartered Accountants & Statutory Auditors
Zone G Salamander Quay West
Park Lane Harefield
Middlesex UB9 6NZ

Baron Healthcare (Dalkeith) Limited

Financial Statements

Year ended 31 July 2017

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Baron Healthcare (Dalkeith) Limited

Directors' Report

Year ended 31 July 2017

The directors present their report and the financial statements of the company for the year ended 31 July 2017.

Directors

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

B B Sodha
B C Sodha

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 judgments 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.

Going concern

The directors have considered the implications of the Insolvency Act 2000 and regard the balance sheet position as temporary only. The directors have ensured that adequate funding will be available throughout the year to meet the company's liabilities when they fall due.

Disclosure of information to 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.

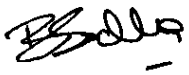
Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

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 25 April 2018 and signed on behalf of the board by:



B C Sodha
Director

Registered office:
7 Sidney Street
Saltcoats
Ayrshire
Scotland KA21 5BD

Baron Healthcare (Dalkeith) Limited

Independent Auditor's Report to the Members of Baron Healthcare (Dalkeith) Limited

Year ended 31 July 2017

Opinion

We have audited the financial statements of Baron Healthcare (Dalkeith) Limited for the year ended 31 July 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, Section 1A (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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



A M Sodha
Senior Statutory Auditor

For and on behalf of Ashmans

Chartered Accountants & Statutory Auditors
Zone G Salamander Quay West
Park Lane Harefield
Middlesex UB9 6NZ

25 April 2018

Baron Healthcare (Dalkeith) Limited

Statement of Comprehensive Income and Retained Earnings

Year ended 31 July 2017

	Note	2017 £	2016 £
Administrative expenses		**3,000**	3,000
Operating loss		**(3,000)**	(3,000)
Loss before taxation		**(3,000)**	(3,000)
Tax on loss		**–**	–
Loss for the financial year and total comprehensive income		**(3,000)**	(3,000)
Retained losses at the start of the year		**(42,195)**	(39,195)
Retained losses at the end of the year		**(45,195)**	(42,195)

All the activities of the company are from continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

Baron Healthcare (Dalkeith) Limited

Statement of Financial Position

31 July 2017

	Note	2017 £	£	2016 £
Fixed assets				
Tangible assets	5		**2,015,329**	1,942,464
Creditors: amounts falling due within one year	6	**2,060,523**		1,984,658
Net current liabilities			**2,060,523**	1,984,658
Total assets less current liabilities			**(45,194)**	(42,194)
Net liabilities			**(45,194)**	(42,194)
Capital and reserves				
Called up share capital	7		**1**	1
Profit and loss account			**(45,195)**	(42,195)
Shareholders deficit			**(45,194)**	(42,194)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' Section 1A.

These financial statements were approved by the board of directors and authorised for issue on 25 April 2018, and are signed on behalf of the board by:

B C Sodha
Director

Company registration number: SC338501

The notes on pages 9 to 13 form part of these financial statements.

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 7 Sidney Street, Saltcoats, Ayrshire, Scotland KA21 5BD.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on historical cost basis.

The financial statements are prepared in pounds sterling, which is the functional currency of the entity.

Revenue recognition

Turnover represents fees receivable on contracts for the provision of residential care. Revenue is recognised on a daily basis as the service is provided.

Going concern

The company is dependent on the financial support from the holding company who have confirmed their continued support. On this basis the directors' consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from withdrawal of the holding company's financial support.

Critical accounting and key sources of estimation

No significant judgements have been made by management in preparing these financial statements.

The directors have made key assumption in determining the carrying amount of balances receivable from group undertaking after giving consideration to past experience of collecting payments and the financial position of the relevant group undertaking. A different assessment of these considerations may result in different values being determined.

Taxation

Taxation expense represents the aggregate amount of current tax recognised in the reporting period

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the profit and loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. **Accounting policies** *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Freehold land is not depreciated.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3. Accounting policies *(continued)*

Financial instruments

The company only enters into financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors, cash and cash equivalents, trade and other payables, and loans and borrowings.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments. These include:

Trade and other debtors
Trade and other debtors are initially recognised at fair value at their nominal amount less impairment losses if due in less than 12 months. Subsequent to initial recognition, trade and other receivables are valued at amortised cost less impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. The cash and cash equivalents are stated at their nominal values, as this approximates to amortised cost.

Other financial liabilities
Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Loans and borrowings
These are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost. Borrowing costs arising on bank borrowings are expensed as incurred within financial expense using the effective interest method.

Trade and other payables
Trade and other payables are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost.

Impairment of financial assets
For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	**2,500**	2,500

5. Tangible assets

	Land and buildings £
Cost	
At 1 August 2016	**1,942,464**
Additions	**72,865**
At 31 July 2017	**2,015,329**
Depreciation	
At 1 August 2016 and 31 July 2017	**-**
Carrying amount	
At 31 July 2017	**2,015,329**
At 31 July 2016	1,942,464

The amount of borrowing costs capitalised during the period was £25,984 (2016 - £23,119) with a capitalisation rate of 2% (2016 - 2%). Included in the cost of tangible fixed assets is £526,614 (2016 - £500,630).

6. Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	**2,052,081**	1,976,780
Other creditors	**8,442**	7,878
	2,060,523	1,984,658

7. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	**1**	**1**	1	1

8. Contingencies

The company is jointly and severally liable, in respect of the cross guarantees provided relating to the bank loan in Handsale Limited.

9. Related party transactions

The company is a wholly owned subsidiary of Handsale Limited.

10. Ethical standards

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

11. Controlling party

The ultimate parent company is Handsale Limited, a company incorporated in England.

The company is under the control of B C Sodha by virtue of his common directorship and through his and his family 100% equity shareholding in the holding company.

Group accounts are prepared for Handsale Limited and are available from the office at -

Zone G, Salamander Quay
Park Lane, Harefield
Middlesex UB9 6NZ