

Hampton (Burlington Court) Limited

Financial Statements

For the year ended

31 December 2019

Financial Statements

Year ended 31 December 2019

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Officers and Professional Advisers

The board of directors

K U S Sehmi
T P S Sehmi
J S Sehmi

Registered office

369 Wellingborough Road
Northampton
NN1 4EU

Auditor

Streets Audit LLP
Chartered accountants & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

Bankers

Yorkshire Bank
133-138 New Street
Birmingham
B2 4JQ

Strategic Report

Year ended 31 December 2019

These financial statements have been prepared for the year ending 31 December 2019. The performance of the Company is largely reliant on the performance of its wholly owned subsidiary, Hampton (Burlington Court Care) Ltd. The care home, Burlington Court Care Home continued to perform extremely well, and increased profitability before exceptional costs. The home remained fully compliant during the year, and retained its status as an "outstanding" care home. The future risks affecting the Company are again a reflection of those that affect Hampton (Burlington Court Care) Ltd. There risks are the inherent risks in operating care homes. The needs of our residents will continue to grow and change. The Company will have to continue to increase resources, to deliver the exceptional person-centred care that our residents require, and this in turn carries an increased financial burden for the company, without any guarantee of additional revenue. The uncertainties surrounding Brexit continue to be a concern for not only the Company, but the industry as a whole. The Company has assessed the potential risks of a change in the labour market following Brexit and are implementing plans to mitigate against the risk, including becoming a Licence Sponsor with the Home Office. Principal risks and uncertainties Risks The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years. Interest rate risk The company finances its operations through a mixture of retained profits, bank borrowings and hire purchase agreements. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities. Liquidity risk The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through loans. Short term flexibility is achieved by overdraft facilities. COVID-19 Since the year end the UK has experienced a pandemic of the coronavirus. The potential effects to the company and its future prospects cannot be fully quantified but the directors remain committed to the protection of the business. This is being regularly reviewed by the directors. In addition the directors are mindful of the significant ongoing support being offered by the Government. Accordingly, the financial statements have been prepared on a going concern basis.

K U S Sehmi

Director

Registered office:

369 Wellingborough Road

Northampton

NN1 4EU

Directors' Report

Year ended 31 December 2019

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

Directors

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

J S Sehmi

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The company has chosen to set out in the strategic report information about the future developments of the company and the financial instruments.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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.

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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.

This report was approved by the board of directors on 27 November 2020 and signed on behalf of the board by:

K U S Sehmi

Director

Registered office:

369 Wellingborough Road

Northampton

NN1 4EU

Independent Auditor's Report to the Member of Hampton (Burlington Court) Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of Hampton (Burlington Court) Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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 (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 December 2019 and of its profit 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.

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report. Use of our report

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has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Day

(Senior Statutory Auditor)

For and on behalf of

Streets Audit LLP

Chartered accountants & statutory auditor

Enterprise House

38 Tyndall Court

Commerce Road

Lynch Wood

Peterborough

Cambridgeshire

PE2 6LR

27 November 2020

Statement of Comprehensive Income

Year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	648,000	648,000
		-----	-----
Gross profit		648,000	648,000
Administrative expenses		200,000	199,263
		-----	-----
Operating profit	5	448,000	448,737
Inter-group loan write off	6	–	7,500,000
Amounts written back to investments		(635,068)	6,292,778
Interest payable and similar expenses	7	205,672	203,527
		-----	-----
Profit before taxation		877,396	1,452,432
Tax on profit	8	81,272	(18,812)
		-----	-----
Profit for the financial year		796,124	1,471,244
		-----	-----
Revaluation of tangible assets		1,400,000	–
		-----	-----
Total comprehensive income for the year		2,196,124	1,471,244
		-----	-----

All the activities of the company are from continuing operations.

Statement of Financial Position

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	11,000,000	9,800,000
Investments	11	3,135,068	2,500,000
		-----	-----
		14,135,068	12,300,000
Current assets			
Debtors	12	402,000	100,000
Cash at bank and in hand		5,872	163,650
		-----	-----
		407,872	263,650
Creditors: amounts falling due within one year	13	2,130,784	2,092,291
		-----	-----
Net current liabilities		1,722,912	1,828,641
		-----	-----
Total assets less current liabilities		12,412,156	10,471,359
Creditors: amounts falling due after more than one year	14	5,730,263	6,072,368
Provisions	15	1,147,396	1,060,618
		-----	-----
Net assets		5,534,497	3,338,373
		-----	-----
Capital and reserves			
Called up share capital	17	100	100
Revaluation reserve	18	3,338,962	1,938,962
Profit and loss account	18	2,195,435	1,399,311
		-----	-----
Shareholder funds		5,534,497	3,338,373
		-----	-----

These financial statements were approved by the board of directors and authorised for issue on 27 November 2020 , and are signed on behalf of the board by:

K U S Sehmi

Director

Company registration number: 10798501

~~Hampton (Burlington Court) Limited~~

Statement of Changes in Equity

Year ended 31 December 2019

	Called up share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
Note				
At 1 January 2018	100	1,938,962	(71,933)	1,867,129
Profit for the year	----	-----	1,471,244	1,471,244
Total comprehensive income for the year	–	–	1,471,244	1,471,244
At 31 December 2018	100	1,938,962	1,399,311	3,338,373
Profit for the year	----	-----	796,124	796,124
Other comprehensive income for the year:				
Revaluation of tangible assets	10	– 1,400,000	–	1,400,000
	----	-----	-----	-----
Total comprehensive income for the year	–	1,400,000	796,124	2,196,124
	----	-----	-----	-----
At 31 December 2019	100	3,338,962	2,195,435	5,534,497
	----	-----	-----	-----

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 369 Wellingborough Road, Northampton, NN1 4EU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, '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 the historical cost basis as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through the statement of comprehensive income. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

Subsequent to the year-end, the UK has experienced a pandemic of the coronavirus. The potential effects to the company and its future prospects cannot be fully quantified but the directors remain committed to the protection of the business. This is being regularly reviewed by the directors. In addition the directors are mindful of the significant ongoing support being offered by the Government. Accordingly the financial statements have been prepared on a going concern basis.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Rochmills (Holdings) Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) Disclosures in respect of each class of share capital have not been presented. (b) No cash flow statement has been presented for the company. (c) Disclosures in respect of financial instruments have not been presented. (d) Disclosures in respect of share-based payments have not been presented. (e) No disclosure has been given for the aggregate remuneration of key management personnel.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as disclosed in the financial statements. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: Property revaluation
The Properties owned have been revalued using the services of a professional valuer. Judgement is made in respect of the condition and longevity of the properties to determine this valuation.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for rental income, stated net of discounts and of Value Added Tax.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 that are expected to apply to the reversal of the timing difference.

Operating leases

Assets leased to third parties under operating leases are included in property, plant and equipment. Rents receivable from operating leases are credited to the Statement of Comprehensive Income in accordance with the terms of the lease.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated 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.

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Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property - 2% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Income from investments is included in the statement of comprehensive income in the accounting period to which it relates.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

The company holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis are as follows: Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at amortised cost. Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Rental income	648,000	648,000
	-----	-----

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	200,000	200,000
	-----	-----

6. Inter-group loan write off

	2019	2018
	£	£
Write off amounts owed from group companies	-	7,500,000
	----	-----

7. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	205,672	203,527
	-----	-----

8. Tax on profit

Major components of tax expense/(income)

	2019	2018
	£	£

Current tax:

UK current tax expense	-	15,188
Adjustments in respect of prior periods	(5,506)	-
	-----	-----
Total current tax	(5,506)	15,188
	-----	-----

Deferred tax:

Origination and reversal of timing differences	86,778	(34,000)
	-----	-----

Tax on profit

	81,272	(18,812)
	-----	-----

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19 % (2018: 19 %).

	2019	2018
	£	£
Profit on ordinary activities before taxation	877,396	1,452,432
	-----	-----
Profit on ordinary activities by rate of tax	132,820	275,962
Adjustment to tax charge in respect of prior periods	(5,506)	-
Effect of expenses not deductible for tax purposes	-	(263,372)
Effect of capital allowances and depreciation	38,000	38,000
Utilisation of tax losses	(84,042)	(69,402)
	-----	-----
Tax on profit	81,272	(18,812)
	-----	-----

9. Other income

During the comparative year the company received a credit from a loan write off as part of a restructure in the group.

	Freehold property £
Cost or valuation	
At 1 January 2019	10,000,000
Revaluations	1,000,000

At 31 December 2019	11,000,000

Depreciation	
At 1 January 2019	200,000
Charge for the year	200,000
Revaluations	(400,000)

At 31 December 2019	–

Carrying amount	
At 31 December 2019	11,000,000

At 31 December 2018	9,800,000

The freehold property was revalued in April 2020 by Colliers International Property Consultants Limited, to market value, and the Directors consider this to be the fair value of the property at the statement of financial position date.

11. Investments

	Shares in group undertakings £
Cost	
At 1 January 2019 and 31 December 2019	8,792,778

Impairment	
At 1 January 2019	6,292,778
Reversal of impairment losses	(635,068)

At 31 December 2019	5,657,710

Carrying amount	
At 31 December 2019	3,135,068

At 31 December 2018	2,500,000

Subsidiaries, associates and other investments

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Hampton (Burlington Court Care) Limited	369 Wellingborough Road Northampton NN1 4EU	Ordinary	100

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	2019	2018
	£	£
Amounts owed by group undertakings	348,000	100,000
Prepayments and accrued income	54,000	–
	-----	-----
	402,000	100,000
	-----	-----

13. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	342,105	342,105
Amounts owed to group undertakings	1,778,997	1,734,998
Social security and other taxes	9,682	15,188
	-----	-----
	2,130,784	2,092,291
	-----	-----

Bank loans and overdrafts are secured against the assets to which they relate. There is also a debenture creating a fixed and floating charge over the assets of the company.

14. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	5,730,263	6,072,368
	-----	-----

Bank loans and overdrafts are secured against the assets to which they relate. There is also a debenture creating a fixed and floating charge over the assets of the company.

15. Provisions

	Deferred tax
	(note 16)
	£
At 1 January 2019	1,060,618
Charge against provision	86,778

At 31 December 2019	1,147,396

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 15)	1,147,396	1,060,618
	-----	-----

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Revaluation of tangible assets	1,147,396	1,060,618
	-----	-----

Included in deferred tax is a provision for unrealised gains on revalued freehold property .

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
	----	----	----	----

18. Reserves

Revaluation reserve - this reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. Profit and loss account - this reserve records retained earnings and accumulated losses.

19. Operating leases

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	648,000	648,000
Later than 1 year and not later than 5 years	2,592,000	2,592,000
Later than 5 years	11,502,000	12,150,000
	-----	-----
	14,742,000	15,390,000
	-----	-----

20. Contingencies

The company has provided cross guarantees for certain other group companies.

21. Related party transactions

Exemption is taken from disclosing group related party transactions as set out in FRS 102.

22. Controlling party

The company is a wholly owned subsidiary of Rochmills (Holdings) Limited, a company registered in England and Wales. Rochmills (Holdings) Limited prepares group consolidated financial statements. The address of the registered office is Burlington House, 369 Wellingborough Road, Northampton, England, NN1 4EU. The ultimate controlling party is J S Sehmi.

