COMPANY REGISTRATION NUMBER 03302909

CRITERION HEALTHCARE PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2018

CRITERION HEALTHCARE PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

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CRITERION HEALTHCARE PLC

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	S Gledhill D Vermeer J Brown R Deeley M Holden
Company secretary	Imagile Secretariat Services Limited
Registered office	Third Floor Broad Quay House Prince Street Bristol BS1 4DJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 144 Morrison Street Edinburgh EH3 8EB

CRITERION HEALTHCARE PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2018

Business review

During the year, the Hospital has operated as normal with no unavailability or service performance deductions. No significant changes to the project or service delivery are currently planned.

Position of the Company at the year end

The Company is performing to the required standards of the contract.

Key performance indicators and management of risk are detailed below.

Principal risks and uncertainties

The principal risks and uncertainties for the Company lie in relation to any unavailability of the Hospital and to that affect there was no unavailability for the year ended 30 April 2018 (2017: nil).

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks, as required under the Companies Act, are set out below and in note 13 to the financial statements.

Key performance indicators

The Company has modelled the anticipated financial outcome of the Project across its full term. The Company monitors actual financial performance against this anticipated performance. As at 30 April 2018, the Company's performance reflects an acceptable variance to this model.

The results for the year are set out in the Statement of Comprehensive Income account on page 12.

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk and liquidity risk.

Credit risk
Although the Health Authority is the sole client of the Company, the Directors are satisfied that the Health Authority will be able to fulfil its obligations under the Project Agreement as it is underwritten by the Government.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's financial obligations, including the repayment of its borrowings which are provided on a long-term basis, have been structured to be met from the income which, under normal operating conditions, will be earned from its long-term concession contract with the Health Authority.

On behalf of the board

....

Director Daniel Vermeer

Dated: 29 August 2018

CRITERION HEALTHCARE PLC

THE DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

Information for auditor

The Directors have confirmed that so far as they are aware, there is no relevant audit information of which the auditor is unaware, and that they have each taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Events after the reporting period

On 3 July 2018, the Company paid an interim dividend of £475,000 to its parent company Criterion Healthcare Holdings Limited.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board

....

Director Daniel Vermeer

Dated 29 August 2018

CRITERION HEALTHCARE PLC

THE DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The Directors have pleasure in presenting their report and the audited financial statements of the Company for the year ended 30 April 2018.

Principal activities and future developments

The principal activity of the Company during the year was that of a private finance initiative concessionaire for the Bishop Auckland Hospital project, under the terms of a concession agreement dated 28 May 1999 between the Company and County Durham and Darlington Acute Hospitals NHS Foundation Trust (the "Trust" formerly known as South Durham Healthcare NHS Trust).

The Company's concession agreement requires it to design, finance, and construct certain new buildings and undertake refurbishment of the Bishop Auckland Hospital ("Hospital") and then maintain and provide certain non-clinical services for the Hospital for a primary concession period of up to sixty years from the completion of the first phase of the works. The Company was required to agree a detailed specification for the Trust which meets the output specification established in the concession agreement with any modifications subsequently agreed. Payments under the concession agreement depend upon both the building meeting the agreed performance needs of the Trust and the services in the Hospital being to the agreed standard. Work commenced on the redevelopment of the Hospital in June 1999. Phase 1 and phase 2 construction completion was achieved in June 2002 with the final phase 3 completion of refurbished buildings and landscaping works certified in November 2002. The Hospital has been fully operational since July 2002.

The concession is due to expire in 2033; the Company intends to continue to comply with its obligations under the PFI agreement until this date.

Directors

The Directors who served the Company during the year and up to the date of this report were as follows:

P McCulloch	resigned 15 December 2017
R Thompson	resigned 15 December 2017
P Sheldrake	resigned 18 June 2018
R Deeley	
M Holden	
S Gledhill	
D Vermeer	appointed 15 December 2017
J Brown	appointed 15 December 2017

The Directors are all shareholder representatives and operate in a non-executive capacity.

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors.

None of the Directors at 30 April 2018 had any interests in the shares of the Company or in the securities of any other Company in the group of which it is a member.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

Profit and loss account

The Company made a pre-tax profit for the financial year of £472,000 (2017: £2,766,000).

Dividends

No dividends have been proposed (2017: £914,000).

Financial instruments

A discussion of the Company's objectives, policies and strategies with regard to derivatives and other financial instruments can be found in note 13 to the financial statements.

Other numerical disclosures in respect of financial instruments are given in notes 8, 9, 10 and 11 to the financial statements.

Corporate governance statement

Financial reporting, risk and internal controls

The Company has outsourced the financial reporting function to the Imagile Group. The Board receives quarterly reports from the Imagile Group which address specific risks to the Company in a Risk Register which contains a summary of all material risks which the Company is exposed to, and are pertinent to the industry in which the Company operates and the Company's customer and sub-contractor environment. The Board also receives quarterly management accounts with explanations of variances from annual budgets and forecasts, which are in turn compared to the financial model, which represents the long term business plan of the Company.

Significant shareholding and special rights

The Company is 100% owned by Criterion Healthcare Holdings Limited. Criterion Healthcare Holdings Limited is owned by HPC BAS Limited (19.99%), HPC Bishop Auckland Hospital Limited (44.01%) and Infrastructure Investments General Partner Limited in its capacity as General Partner for and on behalf of Infrastructure Investments Limited Partnership (36%). All the shareholders in Criterion Healthcare Holdings Limited hold shareholdings as a long term investment.

Director's appointment and replacement, allotment of shares and control provisions

The rules about the appointment and replacement of Directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force at the time. The powers of the Directors are determined by UK legislation and the Memorandum and Articles of Association of the Company in force from time to time.

The Directors have in the past been authorised to issue and allot ordinary shares and such powers have expired. The Company is not party to any significant agreements that would take effect, alter or terminate upon change of control following a takeover bid. The Company also does not have an agreement with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover.

CRITERION HEALTHCARE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The Directors 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.

Registered office:
Third Floor, Broad Quay House
Prince Street, Bristol
BS1 4DJ

Signed on behalf of the directors

Director: Daniel Vermeer

Approved by the directors on 29 August 2018.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRITERION HEALTHCARE PLC

Report on the audit of the financial statements

Opinion

In our opinion, Criterion Healthcare plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 April 2018; the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

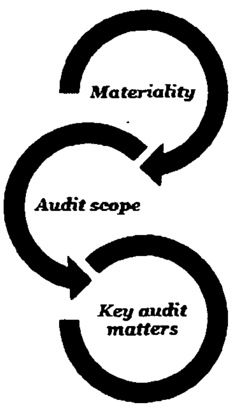
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

Other than those disclosed in note 3 to the financial statements, we have provided no non-audit services to the company in the period from 1 May 2017 to 30 April 2018.

Our audit approach

Overview



- Overall materiality: £68,460 (2017: £92,180), based on 1% of total revenues.
- We conducted an audit on the complete financial information of the company as presented within these financial statements.
- Risk of incorrect recognition of turnover as a result of inappropriate calculation and allocation of the unitary charge.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRITERION HEALTHCARE PLC

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements, including, but not limited to, the Companies Act 2006, the Listing Rules and UK tax legislation. Our tests included, but were not limited to, reviewing legal expenses and consideration of any matters throughout the rest of our audit work which indicated risks of non-compliance. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Risk of incorrect recognition of turnover as a result of inappropriate calculation and allocation of the unitary charge The company is in a service concession arrangement with County Durham and Darlington Acute Hospitals NHS Foundation Trust ("the Trust") for the design, finance and construction of certain new buildings and refurbishment of Bishop Auckland Hospital, and the subsequent ongoing maintenance. The company accounts for the service concession arrangement as a finance debtor with amortisation and finance income recognised each year at a constant rate. The unitary charge payments received from the Trust for the service concession arrangement are allocated to turnover, finance income and the finance debtor amortisation. The allocation to turnover is calculated by applying a margin to the costs incurred in the ongoing maintenance of the asset. This can result in an accrued or deferred position accounted for within a 'unitary charge control account' (UCCA), which is presented within 'Debtors'.	Our audit addressed the risk as follows: - We tested a sample unitary charge payments received from the Trust, agreeing to invoice and evidence of cash receipt and used this to determine an expectation for total value of payments received in the year. We did not note any issues from our testing. - We re-performed the allocation of the unitary payment between turnover, finance debtor amortisation, finance income and the UCCA and checked that the allocated amounts had been recognised consistently in each of the impacted accounts. We found the calculation to be performed accurately and recognised consistently across the impacted accounts. - We also recalculated the revenue recognised by applying the margin to qualifying costs incurred in the year ended 30 April 2018. This was in line with our expectation. - We compare the margin applied in the current year to the margin applied in the prior year. Where there is a material movement in the margin, we understand what has driven this

Key audit matter	***How our audit addressed the key audit matter***
Due to the judgement required to estimate the margin and the significant impact that the allocation of the unitary charge has on key accounts: turnover, finance income, the finance debtor and the UCCA, including those most susceptible to fraudulent manipulation, we consider this risk to be a key area of focus.	change and ensure the margin is reasonable. Our audit work did not identify any issues and we therefore concluded that there was no material misstatement in revenue.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company is a 'Special Purpose Vehicle' for a 'Private Finance Initiative' ('PFI') project. The Company's concession agreement requires it to design, finance, and construct certain new buildings and undertake refurbishment of the Bishop Auckland Hospital and then maintain and provide certain services for the hospital. It operates as a single business and we audited the complete financial information of the company, including all material account balances, classes of transactions and financial statement disclosures.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£68,460 (2017: £92,180).
How we determined it	1% of total revenues.
Rationale for benchmark applied	We believe that total revenue is the most appropriate measure because it is a key indicator of performance used by the shareholders, and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £3,423 (2017: £4,609) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRITERION HEALTHCARE PLC

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the directors on 1 February 2013 to audit the financial statements for the year ended 30 April 2013 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 30 April 2013 to 30 April 2018.

M Cowie

Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
30 August 2018

CRITERION HEALTHCARE PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2018

	Note	2018 £'000	2017 £'000
Turnover	2	**6,846**	9,218
Cost of sales		**(4,604)**	(5,963)
Gross profit		**2,242**	3,255
Operating profit	3	**2,242**	3,255
Interest receivable	5	**3,715**	3,790
Interest payable and similar charges	6	**(5,485)**	(4,279)
Profit on ordinary activities before taxation		**472**	2,766
Tax on profit on ordinary activities	7	**(126)**	(418)
Profit for the financial year		**346**	2,348

All of the activities of the Company are classed as continuing.

The notes on pages 16 to 31 form part of these financial statements.

CRITERION HEALTHCARE PLC

BALANCE SHEET

AS AT 30 APRIL 2018

	Note	2018	2017
		£'000	£'000
Current assets			
Debtors due within one year	8	**1,440**	1,194
Debtors due after one year	8	**57,741**	60,315
Cash at bank		**12,980**	12,554
		72,161	74,063
Creditors: amounts falling due within one year	9	**(8,208)**	(8,728)
Net current assets		**63,953**	65,335
Creditors: amounts falling due after more than one year	10	**(57,538)**	(59,392)
Provisions for liabilities			
Deferred taxation	12	**(2,092)**	(1,966)
Net assets		**4,323**	3,977
Capital and reserves			
Called up share capital	15	**50**	50
Profit and loss account		**4,273**	3,927
Total shareholder's funds		**4,323**	3,977

These financial statements were approved by the directors and authorised for issue on ... August 2018 and are signed on their behalf by:

....

Daniel Vermeer

Company Registration Number: 03302909

The notes on pages 16 to 31 form part of these financial statements.

CRITERION HEALTHCARE PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

	Called up share capital £'000	Profit and loss account £'000	Total shareholder's funds £'000
Balance as at 1 May 2016	**50**	**2,493**	**2,543**
Profit for the year	-	2,348	2,348
Total comprehensive income	-	2,348	2,348
Equity dividends	-	(914)	(914)
Balance as at 30 April 2017	**50**	**3,927**	**3,977**
Profit for the year	-	346	346
Total comprehensive income	-	346	346
Balance as at 30 April 2018	**50**	**4,273**	**4,323**

The notes on pages 16 to 31 form part of these financial statements.

CRITERION HEALTHCARE PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2018

	2018	2017
	£'000	£'000
Cash flows from operating activities		
Profit for the financial year	346	2,348
Adjustments for:		
Interest receivable	(3,715)	(3,790)
Interest payable and similar charges	5,485	4,279
Taxation	126	418
	2,242	3,255
Decrease/(increase) in debtors	1,469	(503)
(Decrease)/increase in creditors	(823)	624
	646	121
Net cash inflow from operating activities	2,888	3,376
Cash inflows from investing activities		
Capital repayment of finance lease debtor	859	640
Interest received	3,715	3,790
Interest paid	(3,017)	(3,987)
Cash inflows from investing activities	1,557	443
Cash flows used in financing activities		
Repayment of borrowings	(4,019)	(4,074)
Dividends paid	-	(1,725)
Cash outflows used in financing activities	(4,019)	(5,799)
Net increase/(decrease) in cash	426	(1,980)
Cash and cash equivalents at 1 May	12,554	14,534
Cash and cash equivalents at 30 April	12,980	12,554

The notes on pages 16 to 31 form part of these financial statements.

1. Accounting policies

Criterion Healthcare PLC (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*" (*"FRS 102"*) as issued in August 2014 and the Companies Act 2006. The presentation currency of these financial statements is sterling. Monetary amounts in these financial statements have been rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards, and the Companies Act 2006.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

Service concession arrangements – The Company entered into its service concession arrangement before the date of transition to this FRS. Therefore its service concession arrangements have continued to be accounted for using the same accounting policies being applied at the date of transition to this FRS.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed within this note below.

Going concern

The Directors have reviewed the Company's projected profits and cash flows by reference to a financial model covering accounting periods up to April 2039. Having examined the current status of the Company's principal contracts and likely developments in the foreseeable future, the Directors consider that the Company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1. Accounting policies *(continued)*

Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest bearing bank loans and overdrafts and other loans are recognised initially at fair value. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the profit and loss account over the period to redemption.

Cash and cash equivalents
Cash at bank is carried in the balance sheet at nominal value.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Accounting for the service contracts and finance receivables requires estimation of service margins, finance receivable interest rates and finance receivable amortisation profile which is based on forecasted results of the PFI contract.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

1. Accounting policies *(continued)*

Turnover

The Company makes unitary charges to the Trust in respect of both availability of the Hospital and facilities and services provided. Unitary charges are allocated between service income (recognised as turnover), interest receivable on the finance debtor and repayment of the finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the concession agreement.

A fixed margin is applied to costs charged to the profit and loss account to calculate the service income recognised as turnover credited to the profit and loss account. This margin is calculated as total service income forecast to be received over the concession, less all life cycle and other operating costs forecast to be payable over the concession, and is kept under regular review.

Taxation

Taxation is based on the profit for the financial year and where relevant takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the future tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Finance debtor and services income

In accordance with Financial Reporting Standard (FRS) 5 Application note F the costs incurred in building the Hospital have been treated as a finance debtor upon the commencement of the operational phase of the concession agreement.

During the construction phase of the Hospital, all attributable expenditure was capitalised as assets in the course of construction. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase, income is allocated between interest receivable and repayment of the finance debtor using a project specific interest rate. The remainder of the unitary charge income is included within turnover in accordance with the Turnover accounting policy above.

Interest

Interest costs have been capitalised during the construction phase of the contract and will be amortised over the period of the concession.

1. Accounting policies *(continued)*

Debt issue costs and discount on issue

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Life cycle costs

The estimated cost of the Company's obligation to maintain the Hospital over the period of its concession agreement with the Trust is charged to the profit and loss account as the obligation arises.

Liquid resources

In accordance with FRS 102 'Cash Flow Statements', for cash flow purposes, cash includes cash in hand and bank deposits payable on demand within one working day and liquid resources includes all of the Company's other bank deposits.

Cash at bank includes the eleven current accounts with Barclays Bank PLC having a balance of £12,980,000 (2017: £12,554,000). The restricted cash balance is £12,445,000 (2017: £12,028,000). Withdrawals from these bank accounts are restricted to items set out in the Collateral Deed with Assured Guaranty and the Company must satisfy certain requirements before being permitted to withdraw any amounts from these accounts.

Accounting estimates and judgements

In applying the accounting policies detailed above, decisions sometimes have to be made as to the likely outcome of future events. Those estimates and judgements are based on historical experience and assumptions that the Directors believe to be reasonable in the circumstances. The directors consider the key judgements and estimates made in preparing the financial statements to be those relating to the calculation of the margin applied to costs in recognising revenue and the recognition of life cycle costs. These judgements and estimates are discussed in more detail above.

2. Turnover

The Company's sole business activity is that of a private finance initiative concessionaire for the Bishop Auckland Hospital project, under the terms of a concession agreement dated 28 May 1999 between the Company and County Durham and Darlington Acute Hospitals NHS Foundation Trust (the "Trust" formerly known as South Durham Healthcare NHS Trust).

Accordingly all the Company's turnover and net assets are UK based.

3. Operating profit

Operating profit is stated after charging:

	2018	2017
	£'000	£'000
Directors' remuneration	**176**	171
Auditor's remuneration:		
- audit of these financial statements	**13**	13
- other assurance services	**7**	7

4. Employee information and directors' remuneration

The Company had no employees during the current or preceding financial year.

The Directors' fees were paid to the shareholders of Criterion Healthcare Holdings Limited for provision of the Directors' services.

The Company does not operate a pension scheme for its Directors.

5. Interest receivable

	2018	2017
	£'000	£'000
Bank interest receivable	**57**	79
Interest receivable on finance debtor	**3,658**	3,711
	3,715	3,790

6. Interest payable and similar charges

	2018	2017
	£'000	£'000
Interest on secured 3.37% index-linked bonds (due 2031)	**2,058**	2,107
Index-linked bond indexation and discount on issue of bonds	**2,336**	1,111
Mezzanine loan facility	**668**	636
Unsecured subordinated loan stock	**284**	288
Amortisation of debt issue costs	**133**	130
Other interest payable	**7**	7
	5,486	4,279

7. Taxation on profit on ordinary activities

(a) Analysis of charge in the year

	2018	2017
	£'000	£'000
Current tax	**-**	-
Deferred tax	**126**	418
	126	418
Deferred tax (see note 12)		
Origination and reversal of timing differences	**126**	504
Effect of reduced tax rate on opening liability	**-**	(86)
Total deferred tax	**126**	418
Total tax	**126**	418

7. Taxation on profit on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The constituent elements of the tax charge for the year are set out below.

	2018	2017
	£'000	£'000
Profit on ordinary activities before taxation	**472**	2,766
Taxation using the UK corporation tax rate of 19% (2017: 20%)	**90**	553
Expenses not deductable for tax purposes	**50**	40
Capital allowances net of amortisation	**17**	(19)
Net movement in tax losses	**(157)**	(574)
Origination and reversal of timing differences	**126**	504
Effect of reduced tax rate on opening liability	**-**	(86)
Total tax charge for the year	**126**	418

(c) Factors that may affect future tax charges

The Company does not anticipate paying tax for some years due to the availability of capital allowances on the plant and equipment costs of the Hospital, and the availability of tax losses brought forward.

8. Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	**37**	-
Finance debtor (short term)	**1,268**	1,051
Prepayments and accrued income	**135**	143
	1,440	1,194

	2018 £'000	2017 £'000
Amounts falling due after more than one year:		
Finance debtor	**46,194**	47,270
Accrued income	**11,547**	13,045
	57,741	60,315

	2018 £'000	2017 £'000
The finance debtor is receivable as follows:		
Due within one year	**1,268**	1,051
Due between 1 and 2 years	**1,495**	1,257
Due between 2 and 5 years	**6,055**	5,202
Due after more than 5 years	**38,644**	40,811
	47,462	48,321

The total cost of the assets constructed by the Company and held as a finance lease debtor amounted to £65,173,000. Included within the cost of construction is £9,263,000 of capitalised interest.

9. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	**786**	1,586
Secured 3.37% index-linked bonds (due 2031)	**3,955**	3,652
Mezzanine loan (secured)	**267**	267
Other taxes and social security	**424**	340
Accruals and deferred income	**2,776**	2,883
	8,208	8,728

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

	2018 £'000	2017 £'000
Secured 3.37% index-linked bonds (due 2031)	**52,712**	54,299
Mezzanine loan (secured)	**3,202**	3,469
Loan stock	**1,624**	1,624
	57,538	59,392

11. Borrowings

	2018 £'000	2017 £'000
Secured 3.37% index-linked bonds (due 2031)	**62,894**	62,894
Add: cumulative indexation	**34,815**	32,480
Redeemed to date	**(39,686)**	(35,906)
Discount on issue	**721**	693
	58,744	60,161
Mezzanine loan (secured)	**3,469**	3,736
Loan stock	**1,624**	1,624
	63,837	65,521
Less: unamortised net issue costs	**(2,077)**	(2,210)
	61,760	63,311
Less: amounts falling due within one year	**(4,222)**	(3,919)
	57,538	59,392

	2018 £'000	2017 £'000
Borrowings are repayable as follows:		
Within one year	**4,222**	3,919
Between one and two years	**4,442**	4,001
Between two and five years	**14,670**	12,579
After five years	**40,503**	45,022
	63,837	65,521

11. Borrowings (continued)

The interest rate risk profile of the Company's borrowings is as follows

2018	**Total**	**Floating rate**	**Fixed rate**	**Fixed rate weighted average interest rate**	**Fixed rate weighted average time for which rate is fixed**
	£'000	**£'000**	**£'000**	**%**	**Years**
Sterling	**63,866**	**62,242**	**1,624**	**17.505**	**12**

2017	Total	Floating rate	Fixed rate	Fixed rate weighted average interest rate	Fixed rate weighted average time for which rate is fixed
	£'000	£'000	£'000	%	Years
Sterling	65,521	63,897	1,624	17.505	13

As the secured bonds are directly linked with the Retail Price Index they have been categorised as floating rate debt in the above table. Total liabilities shown above comprise the gross principal amount of the bonds in issue, the mezzanine loan and unsecured subordinated loan stock.

Secured 3.37% Index linked bonds (due 2031)

£64,640,000 index- linked bonds (due 2031) were created on 28 May 1999. Of this £59,640,000 were issued and sold at 98.79%. The bonds bear interest at 3.37% per annum which, together with the principal outstanding, is subject to indexation to retail price inflation in accordance with the terms of the Bond Trust Deed. Interest is payable semi-annually in arrears on 30 April and 31 October.

The Company retained £5,000,000 indexed-linked bonds (due 2031) "variation bonds" which it could sell, subject to certain restrictions in the Bond Trust Deed, to finance contingencies. On 27 April 2001 the Company sold £4,150,000 nominal bonds at 95.79% for cash to fund variations to the construction contract. Any variation bonds unsold at construction completion were cancelled.

The bonds are repayable in instalments commencing on 30 April 2005 and ending on 30 April 2031.

The bonds are secured by first fixed and floating charges over all of the Company's and the holding Company's assets. They are guaranteed by a financial guarantee insurance policy issued by Financial Security Assurance (UK) Limited, and are listed on the London Stock Exchange.

Mezzanine loan

The Company was advanced £5,500,000 under Mezzanine loan facility agreement on 28 May 1999. The Mezzanine loan bears interest at 14.5% and payments of interest are indexed to changes in the Retail Price Index.

On 27 April 2001 a further amount of £371,000 was advanced under the same facility to part finance contract variations.

The amount outstanding under the facility is repayable in instalments over 22 years commencing on 31 October 2009. It is secured by the same fixed and floating charge as the bonds but ranks subordinate in priority to the bonds.

11. Borrowings (continued)

Unsecured Subordinated Loan Stock

The following parties hold the Unsecured A Loan Stock

	2018 £'000	2017 £'000
HPC BAS Limited	**450**	450
HPC Bishop Auckland Limited	**124**	124
Infrastructure Investments LP (acting by its general partner, Infrastructure Investments General Partner Limited)	**600**	600
	1,174	1,174

The (A) loan stock earns interest at 18.569% and is repayable by 31 July 2032.

Foresight Group subscribed for £450,000 (B) loan stock on 27 March 2013. The (B) loan stock was transferred to HPC Bishops Auckland Limited on 15 December 2017. The (B) loan stock earns interest at 14.729% and is repayable by 31 July 2032.

12. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2018 £'000	2017 £'000
Provision brought forward	**1,966**	1,548
Profit and loss account movement arising during the year	**126**	418
Provisions carried forward	**2,092**	1,966

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2018 £'000	2017 £'000
Accelerated capital allowances	**3,163**	3,161
Other timing differences	**1,461**	1,478
Tax losses	**(2,532)**	(2,673)
Provisions carried forward	**2,092**	1,966

13. Financial risk management objectives and policies

The Company's principal financial instruments comprise short term deposits, debtors, creditors, index-linked bonds and subordinated loans. The main purpose of these financial instruments is to ensure, via the terms of the financial instruments, that the profile of the debt service costs is tailored to match expected revenues arising from the Project Agreement.

The Company does not undertake financial instrument transactions which are speculative, and the Company's ability to do so is restricted by covenants in its existing funding agreements.

All of the Company's financial liabilities are measured at amortised cost and all of the Company's financial assets are classified as loans and receivables. There have been no changes in the financial risks affecting the Company since the prior year.

Interest rate risk
In respect of income earning assets and interest bearing financial liabilities, the following table indicates their effective interest rates as at the balance sheet date and the period in which they mature.

2018	**Effective interest rate**	**Total £'000**	**1 year or less £'000**	**1 -2 years £'000**	**2 -5 years £'000**	**5+ years £'000**
Cash at bank		**12,980**	**12,980**	**-**	**-**	**-**
Finance debtor	**4.551%**	**47,462**	**1,268**	**1,495**	**6,055**	**38,644**
Unsecured subordinated						
- A Loan Stock	**18.60%**	**(1,174)**	**-**	**-**	**-**	**(1,174)**
- B Loan Stock	**14.70%**	**(450)**	**-**	**-**	**-**	**(450)**
Mezzanine loan (secured)	**14.50%**	**(3,469)**	**(267)**	**(267)**	**(801)**	**(2,134)**
Secured 3.37% index-linked bonds (due 2031)	**3.37%**	**(58,744)**	**(3,955)**	**(4,175)**	**(13,869)**	**(36,745)**

2017	Effective interest rate	Total £'000	1 year or less £'000	1 -2 years £'000	2 -5 years £'000	5+ years £'000
Cash at bank		12,554	12,554	-	-	-
Finance debtor	4.551%	48,321	1,051	1,257	5,202	40,811
Unsecured subordinated						
- A Loan Stock	18.60%	(1,174)	-	-	-	(1,174)
- B Loan Stock	14.70%	(450)	-	-	-	(450)
Mezzanine loan (secured)	14.50%	(3,736)	(267)	(267)	(801)	(2,401)
Secured 3.37% index-linked bonds (due 2031)	3.37%	(60,161)	(3,652)	(3,734)	(11,778)	(40,997)

13. Financial risk management objectives and policies *(continued)*

Credit risk

Although the County Durham and Darlington Acute Hospitals Trust (the Trust) is the only client of Criterion Healthcare Plc, the directors are satisfied that the Trust will be able to fulfil their collateral obligations under the PFI contract that are in turn underwritten by the Secretary of State for Health.

The maximum exposure to credit risk is £72,039,000 (2017: £73,936,000). There are no debtors that are past due or impaired.

Financial assets

The Company has one long term financial asset being the finance debtor. This asset yields interest at a fixed rate of 4.551% per annum plus indexation over the term of the lease, of which up to 50 years of the primary period are remaining.

Liquidity risk

Repayment of index-linked bonds, mezzanine loans and unsecured subordinated loan stock are required semi annually in accordance with the debt covenant agreements.

In accordance with debt covenants, reserves are funded to required levels to ensure sufficient funds exists to meet upcoming obligations.

The following table sets out the timing of expected future cash flows, including interest payments, in respect of the Company's long term debtors and loan balances.

2018	**Total**	**1 year or less**	**1 -2 years**	**2 -5 years**	**5+ years**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Finance debtor	**87,236**	**4,351**	**4,518**	**14,365**	**64,002**
Unsecured subordinated					
- A Loan Stock	**(4,892)**	**(446)**	**(218)**	**(655)**	**(3,573)**
- B Loan Stock	**(1,579)**	**(135)**	**(66)**	**(199)**	**(1,179)**
Mezzanine loan (secured)	**(10,137)**	**(1,566)**	**(935)**	**(2,493)**	**(5,143)**
Secured 3.37% index-linked bonds (due 2031)	**(99,344)**	**(5,647)**	**(5,809)**	**(18,224)**	**(69,664)**

2017	Total	1 year or less	1 -2 years	2 -5 years	5+ years
	£'000	£'000	£'000	£'000	£'000
Finance debtor	84,977	4,299	4,411	13,980	62,287
Unsecured subordinated					
- A Loan Stock	(4,745)	(223)	(223)	(670)	(3,629)
- B Loan Stock	(1,531)	(68)	(68)	(203)	(1,192)
Mezzanine loan (secured)	(9,422)	(901)	(915)	(2,463)	(5,143)
Secured 3.37% index-linked bonds (due 2031)	(98,138)	(5,638)	(5,754)	(17,988)	(68,758)

13. Financial risk management objectives and policies *(continued)*

Fair values of financial assets and liabilities

The comparison of book and fair values of the Company's financial instruments at 30 April 2018 is set out below. In respect of the bond, market values have been used to determine fair values.

The fair value of the finance debtor is calculated by discounting future cash flows at an appropriate discount rate. The discount rate has been established by reference to the long term Gilt Market Yields published by the Debt Management Office. A further 1 percent has been added to reflect the slightly higher risk profile of the finance debtor in comparison to Government Gilts.

The discount rate that has been applied to the finance debtor at 30 April 2018 is 3.49% (2017 3.49%).

The fair value of the short term debtors and creditors, unsecured loan stock and Mezzanine debt is not believed to be significantly different from their book value.

The fair value of the index-linked secured guaranteed bonds is the quoted price as at the date of the Balance Sheet.

Relevant information regarding these financial instruments is given in the notes referred to below.

	2018		2017	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Finance debtor	**47,462**	**64,682**	48,321	63,025
Cash at bank	**12,980**	**12,980**	12,554	12,554
Secured 3.37% index-linked bonds (due 2031)	**(58,744)**	**(61,189)**	(60,161)	(68,981)
Mezzanine loan (secured)	**(3,469)**	**(3,469)**	(3,736)	(3,736)
Loan stock	**(1,624)**	**(1,624)**	(1,624)	(1,624)
	(3,395)	**11,380**	(4,646)	1,238

Both the finance lease debtor and index-linked bonds are fixed interest instruments linked to adjustments in RPI. As such this significantly reduces the Company's sensitivity to movements in interest rates.

Sensitivity analysis

In managing the interest rate risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in interest rates might have an impact on earnings.

The majority of the Company's assets and liabilities are at a floating rate. The Company's bank balances are subject to floating interest rates and a movement of plus or minus 1 percentage point in interest rates would have an effect of approximately £125,000 (2017: £120,000) on interest receivable.

The Company's bond creditor and Mezzanine loan facility are index-linked. A movement of plus or minus 1 point on the RPI would have an impact of approximately £70,000 (2017: £75,000) on the indexation charge for the year. This risk is substantially mitigated by the fact that the Company's revenue stream from its client is also index-linked.

14. Related party transactions

The Company's immediate parent is Criterion Healthcare Holdings Limited the shareholders of which, at the end of the year under review, were HPC BAS Limited (formerly Shepherd Securities (Healthcare) Limited), HPC Bishop Auckland Hospital Limited (formerly Health Care Development Advisory Limited) ("HPC Bishop Auckland") and Infrastructure Investments General Partner Limited in its capacity as General Partner for and on behalf of Infrastructure Investments Limited Partnership ("IILP").

Those parties have had transactions with the Company during the year as follows.

IILP

IILP has provided £5,871,000 of mezzanine debt funding of which £266,864 was repaid in the year (2017: £533,727) and interest thereon of £667,898 is charged in the financial statements (2017: £635,978). A balance of £nil interest (2017: £nil) and £nil principal (2017: £nil) was payable to IILP at 30 April 2018.

IILP has provided £600,000 of loan stock funding (2017: £600,000) and interest thereon of £111,497 is charged in the financial statements (2017: £111,497). A balance of £nil (2017: £nil) was payable to IILP at 30 April 2018.

Directors' fees of £63,000 were payable to IILP in respect of the year (2017: £61,000). A balance of £nil (2017: £nil) was payable to IILP at 30 April 2018.

HPC BAS

HPC BAS has provided £450,000 of loan stock funding (2017: £450,000) and interest thereon of £83,503 is charged in the financial statements (2017: £83,503). A balance of £nil (2017: £nil) was payable to HPC BAS at 30 April 2018.

Directors' fees of £35,000 were payable to HPC BAS in respect of the year (2017: £34,000). A balance of £nil (2017: £nil) was payable to HPC BAS at 30 April 2018.

HPC Bishop Auckland

HPC Bishop Auckland has provided £124,000 of loan stock funding (2017: £124,000) and interest thereon of £23,000 is charged in the financial statements (2017: £23,000). A balance of £nil (2017: £nil) was payable to HPC Bishop Auckland at 30 April 2018.

On 15 December 2017 the £450,000 (B) loan stock was transferred to HPC Bishops Auckland Limited from Foresight Group.

Directors' fees of £42,000 were payable to HPC Bishop Auckland in respect of the year (2017: £41,000). A balance of £nil (2017: £nil) was payable to HPC Bishop Auckland at 30 April 2018.

Foresight Group

Foresight Group has provided £450,000 of loan stock funding (2017: £450,000) and interest thereon of £66,281 is charged in the financial statements (2017: £68,094) in respect of the (B) loan stock. The (B) loan stock was transferred to HPC Bishops Auckland Limited on 15 December 2017. A balance of £nil (2017: £66,281) was payable to Foresight Group at 30 April 2018.

Directors' fees of £35,000 were payable to Foresight Group in respect of the year (2017: £34,000). A balance of £nil (2017: £nil) was payable to Foresight Group at 30 April 2018.

15. Share capital

Allotted, called up and fully paid:	2018 Number	2018 £'000	2017 Number	2017 £'000
50,000 Ordinary shares of £1 each	**50,000**	**50**	50,000	50

16. Dividends

	2018 £'000	2017 £'000
Dividends: £0.00 (2017: £18.28) per share	-	914

17. Ultimate parent company

The immediate holding company is Criterion Healthcare Holdings Limited, a company registered in England and Wales, registered address Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

The ultimate parent undertaking and controlling party of Criterion Healthcare Holdings Limited is Equitix Infrastructure 3 Limited.

18. Capital management

The Company's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

- To provide an adequate return to shareholders by minimising any potential performance deductions under the Concession Agreement.

Criterion Healthcare PLC is constructed as an entity as a structured project finance Special Purpose Vehicle. Its capital structure was set up and fixed on the signature of its contract with the Trust. The capital structure may not be altered without the consent of its bond holders, the Bond Trustee, its Directors, monoline insurer and the Trust. The components of its capital comprise the A and B Loan stock, Mezzanine debt and index-linked bonds as described in notes 10, 11 and 13. There have been no changes in the capital structure of the Company in the current or prior period.

19. Events after the reporting period

On 3 July 2018, the Company paid an interim dividend of £475,000 to its parent company Criterion Healthcare Holdings Limited.