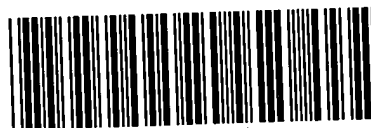


CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

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CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

COMPANY INFORMATION

Directors	Orla Ball (appointed 30 November 2020) Jayne Cottam (appointed 30 November 2020) Patrick Lowther (appointed 30 November 2020) Simon Oborn (appointed 30 November 2020)
Registered number	03365950
Registered office	The Brew House Greenalls Avenue Warrington England WA4 6HL
Independent auditors	Deloitte LLP Statutory Auditor The Hanover Building Corporation Street Manchester M4 4AH

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

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CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021**

The Directors present their annual report and the financial statements for the period ended 31 March 2021.

Strategic Report Exemption

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and for the same reason a Strategic Report has not been prepared.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements 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 to 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.

Principal activity

On 30 November 2020 the company was purchased by the Assura plc Group. The principal activity of the Company is to act as a property investment company.

Results and dividends

Following the acquisition by the Assura plc Group on 30 November 2020 all of the external debt was repaid and replaced with inter-group funding. During the period, Cheltenham Family Health Care Limited changed its year end date from 31 May 2021 to 31 March 2021 to align with the year end of the Assura Group.

The results for the period from 1 June 2020 to 31 March 2021 and the financial position of the company are shown in the statement of total comprehensive income and balance sheet.

The profit for the period, after taxation, amounted to £4,120,893 (2020 - £403,434).

The directors have not declared or proposed a dividend for the period ended 31 March 2021 (2020: nil).

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Going concern

After making enquiries, and on the basis set out in note 1, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In reaching their conclusion, the Directors have considered the specific impact of Brexit and Covid-19, both of which are considered to have a low potential impact to the business based on the current position. The directors continue to monitor these, and any other emerging risks such as climate change, as appropriate. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and uncertainties

Price risk

Price risk arises on rental values because of changes in property market prices. Valuations and yields are regularly benchmarked against comparable portfolios.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on any variable rate debt.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. In the event of a default by an occupational tenant, the Company will suffer a rental income shortfall and incur additional costs, including legal expenses in maintaining, insuring and re-letting property. Most of the Assura Groups' property is let on a long lease basis to NHS backed tenants.

Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments. Investments in property are relatively illiquid, however, the Company has tried to mitigate this risk by investing in desirable properties which are well let to GPs and NHS Property Services. In order to progress its property investment and development programme, the Company needs access to bank and equity finance, both of which may be difficult to raise notwithstanding the quality, long lease length, NHS backing and diversity of its property portfolio. To counteract this risk a letter of support has been obtained from Assura plc, given that group financing is dealt with centrally.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to its cash deposits and the financing it receives from the Assura plc Group to fund its operations. The Assura plc Group's policy is to manage interest cost using fixed rate debt or by interest rate swaps. The majority of the Group's long-term facilities are at fixed rates of interest.

Future developments

The company intends to continue to rent out its investment properties to GPs and other healthcare organisations.

Directors

The Directors who served during the period and thereafter were:

Orla Ball (appointed 30 November 2020)
Jayne Cottam (appointed 30 November 2020)
Simon Gould (appointed 30 November 2020, resigned 18 June 2021)
Patrick Lowther (appointed 30 November 2020)
Simon Oborn (appointed 30 November 2020)

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Dr A P Gillett (resigned 30 November 2020)
Dr P D Fielding (resigned 30 November 2020)
Dr J H Batten (resigned 30 November 2020)
Dr S L Davies (resigned 30 November 2020)
DR P T Smith (resigned 30 November 2020)

Directors qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

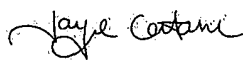
Auditors

In accordance with Section 487 of the Companies Act 2006, Deloitte LLP has not been reappointed as the Company's Auditor. Following a competitive tender process, EY LLP have confirmed their willingness to be appointed as the Company's Auditor for the year ending 31 March 2022.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 8 September 2021 and signed on its behalf.



Jayne Cottam
Director

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Cheltenham Family Health Care Centre Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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 contained within the annual report. 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.

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 course of the audit, or

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006, pensions REIT and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as valuation specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

- Valuation of Investment property (excluding properties under development) - In testing the valuation of investment properties, we tested the design and implementation of controls over the valuation process and in conjunction with our internal valuation specialists challenged the appropriateness of inputs and assumptions into the underlying valuations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year ended 31 May 2020, we have not audited the corresponding amounts for that year ended 31 May 2020

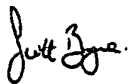
Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELTENHAM FAMILY HEALTH CARE
CENTRE LIMITED**

those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Bayne, FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

Manchester

United Kingdom

8 September 2021

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021**

	Note	10 months ended 31 March 2021 £	Unaudited 31 May 2020 £
Turnover	1.4	634,131	750,363
Cost of sales		(40,520)	(75,066)
Gross profit		593,611	675,297
Administrative expenses		(113,920)	(45,112)
Fair value movements		4,049,885	-
Operating profit		4,529,576	630,185
Interest receivable and similar income		-	1
Interest payable and similar expenses	6	(196,700)	(129,425)
Profit before tax		4,332,876	500,761
Tax on profit	7	(211,983)	(97,327)
Profit for the financial period		4,120,893	403,434

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of total comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 11 to 20 form part of these financial statements.

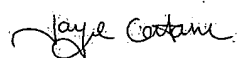
Profit for the year was derived from continuing operations.

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED
REGISTERED NUMBER: 03365950

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	31 March 2021 £	Unaudited 31 May 2020 £
Fixed assets			
Tangible assets	8	14,900,000	8,701,754
		<u>14,900,000</u>	<u>8,701,754</u>
Current assets			
Debtors	9	161,235	217,910
Cash at bank and in hand		479,805	33,996
		<u>641,040</u>	<u>251,906</u>
Creditors: amounts falling due within one year	10	(4,218,924)	(443,409)
Net current liabilities		<u>(3,577,884)</u>	<u>(191,503)</u>
Total assets less current liabilities		<u>11,322,116</u>	<u>8,510,251</u>
Creditors: amounts falling due after more than one year	11	-	(1,117,417)
Provisions for liabilities			
Deferred tax	12	-	(191,611)
		<u>-</u>	<u>(191,611)</u>
Net assets		<u><u>11,322,116</u></u>	<u><u>7,201,223</u></u>
Capital and reserves			
Called up share capital	13	102	102
Profit and loss account		11,322,014	7,201,121
Total shareholder funds		<u><u>11,322,116</u></u>	<u><u>7,201,223</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 September 2021.



Jayne Cottam
Director

The notes on pages 11 to 20 form part of these financial statements.

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2019	102	6,797,687	6,797,789
Comprehensive income for the year			
Profit for the year	-	403,434	403,434
Total comprehensive income for the year	-	403,434	403,434
At 1 June 2020	102	7,201,121	7,201,223
Comprehensive income for the period			
Profit for the period	-	4,120,893	4,120,893
Total comprehensive income for the period	-	4,120,893	4,120,893
At 31 March 2021	102	11,322,014	11,322,116

The notes on pages 11 to 20 form part of these financial statements.

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

Cheltenham Family Health Care Centre Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales, and the address of the registered office is given on the company information page.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The Company's functional currency is considered to be the pound sterling because that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Assura plc as at 31 March 2021 and these financial statements may be obtained from www.assurapl.co.uk.

1.3 Going concern

The directors have received confirmation that Assura plc ("Assura"), the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. As stated within the Directors' Report, in considering the ability of Assura to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate including the impact of COVID 19 and Brexit, the directors have obtained an up to date understanding of Assura's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Additional details surrounding these uncertainties and mitigating actions can be found in the financial statements for Assura plc.

CHEL TENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.4 Turnover

Turnover relates primarily to rental income and arises solely within the United Kingdom. Rental income arising from operating leases on Investment properties is accounted for on a straight line basis over the lease and is shown net of VAT.

1.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are in the Statement of Total Comprehensive Income. Any Surplus or deficit arising on revaluing investment properties and property under construction ("IPUC") is recognised in the Statement of Total Comprehensive Income.

All costs associated with the purchase and construction of IPUC are capitalised including attributable interest. Interest is calculated on the expenditure by reference to specific borrowings where relevant and otherwise on the average rate applicable to short-term loans. When IPUC are completed, they are classified as investment properties.

1.6 Cash and cash equivalents

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

1.7 Taxation

Current tax is expected tax payable on any non-REIT taxable income for the period and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are not taxable (or tax deductible).

1.8 Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

1.9 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.9 Financial instruments (continued)

flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Total Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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

1.10 Property valuation

The key source of estimation and uncertainty relates to the valuation of investment property, where a valuation is obtained twice a year from professionally qualified external valuers. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. However, the assumptions applied are inherently subjective and so are subject to a degree of uncertainty. The key judgements relate to the equivalent yield and the Estimated Rental Value (ERV) applied to each property. At an Assura Plc level, a 0.25% shift in equivalent yield would impact the property valuation by approximately £132m (2020:£112m). A 2% increase in ERV would impact the valuation by approximately £48m (2020:£42m). This company includes approximately 0.6% of the Group's investment property.

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. Accounting policies (continued)

1.11 Critical accounting judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Property valuation (see note 1.10) is considered the only key source of estimation uncertainty at the balance sheet date that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities disclosed in the accounts.

The Directors do not consider there to be significant judgements applied with regard to the accounting policies adopted, other than in respect of property valuations as described above.

2. Operating profit

The audit fee for the period has been borne by a fellow group undertaking. No non-audit fees have been incurred during the current period. Accountancy fees of £4,164 were incurred in the prior period.

3. Directors' Emoluments

Since 1 December 2020 the directors have been remunerated from a combination of Assura plc and Assura Property Management Limited during the year, but it is not practicable to allocate this between their services as executives of Assura plc and Assura Property Management Limited and their services as directors of Cheltenham Family Health Care Centre Limited. In the period 1 June 2020 to 30 November 2020 the Directors received £8,500 of fees. (2020: The directors received fees totaling £12,400 for their services as directors of Cheltenham Family Health Care Centre Limited).

4. Staff costs

There are no employees other than directors for the year ended 31 March 2021. (2020: same)

5. Fair value movements

	10 months ended 31 March 2021	Unaudited 31 May 2020
	£	£
Property revaluation	6,200,000	-
Other fair value movements	(2,150,115)	-
	<u>4,049,885</u>	<u>-</u>

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

6. Interest payable and similar expenses

	10 months ended 31 March 2021 £	<i>Unaudited 31 May 2020 £</i>
Bank interest payable	196,700	129,425
	<u>196,700</u>	<u>129,425</u>

During the period the bank loan was repaid in full incurring an early repayment fee of £141,325.

7. Taxation

	10 months ended 31 March 2021 £	<i>Unaudited 31 May 2020 £</i>
Corporation tax		
Current tax on profits for the year	20,372	97,327
	<u>20,372</u>	<u>97,327</u>
Total current tax	<u>20,372</u>	<u>97,327</u>
Deferred tax		
Origination and reversal of timing differences	191,611	-
Total deferred tax	<u>191,611</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>211,983</u>	<u>97,327</u>

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

7. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	10 months ended 31 March 2021 £	<i>Unaudited</i> 31 May 2020 £
Profit before tax	4,332,876	500,761
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	823,246	95,145
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	(769,478)	-
Non-taxable income (REIT income)	158,215	-
Other differences leading to an increase (decrease) in the tax charge	-	2,182
Total tax charge for the period/year	211,983	97,327

Factors that may affect future tax charges

UK REIT election

The company as part of the Assura plc Group has elected to be treated as a UK REIT. The UK REIT rules exempt the profits of the Group's property rental business from corporation tax. Gains on properties are also exempt from tax, provided they are not held for trading or sold in the three years post completion of development. All other gains and profits will be subject to UK corporation tax.

UK main rate of corporation tax

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. It is not anticipated that the change of tax rate will have any impact on the company's tax charge due to its status as a UK REIT.

CHEL TENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

8. Tangible assets

	Investment property £
Valuation	
At 1 June 2020	8,701,754
Disposals	(1,754)
Surplus on revaluation	6,200,000
At 31 March 2021	14,900,000

The 2021 valuations were made by Savills Commercial Limited, on an open market value for existing use basis.

In accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

The cost of investment property included at valuation was £8,700,000 (2020:£8,700,000).

The Company has taken advantage of the exemption available in FRS 102 from disclosing a prior year comparative movement note.

9. Debtors

	31 March 2021 £	<i>Unaudited</i> 30 April 2020 £
Trade debtors	90,226	67,885
Other debtors	71,009	150,025
	161,235	217,910

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

10. Creditors: Amounts falling due within one year

	31 March 2021 £	<i>Unaudited 30 April 2020 £</i>
Bank loans	-	339,673
Amounts owed to parent	4,112,018	-
Corporation tax	20,372	97,327
Other creditors	-	6,409
Accruals	17,438	-
Deferred income	69,096	-
	<u>4,218,924</u>	<u>443,409</u>

Interest is charged on amounts owed to the parent company, Assura Investments Limited, in line with the average cost of interest incurred by that company and the group loan to value ratio.

11. Creditors: Amounts falling due after more than one year

	31 March 2021 £	<i>Unaudited 30 April 2020 £</i>
Bank loans	-	1,117,417
	<u>-</u>	<u>1,117,417</u>

During the period the bank loans were repaid in full incurring an early repayment fee of £141,325

CHEL TENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

12. Deferred taxation

	2021 £
At beginning of period	(191,611)
Credited to profit or loss	191,611
At end of period	-

The deferred taxation balance is made up as follows:

	31 March 2021 £	31 May 2020 £
Revaluations	-	(191,611)
	-	(191,611)

On 30 November 2020 when the company was acquired by the Assura plc Group the company entered the REIT regime and accordingly the deferred tax provision was released.

13. Share capital

	31 March 2021 £	Unaudited 30 April 2020 £
Allotted, called up and fully paid		
210 (2020 - 210) Ordinary A shares of £0.10 each	21	21
170 (2020 - 170) Ordinary B shares of £0.10 each	17	17
210 (2020 - 210) Ordinary C shares of £0.10 each	21	21
200 (2020 - 200) Ordinary D shares of £0.10 each	20	20
230 (2020 - 230) Ordinary E shares of £0.10 each	23	23
	102	102

All classes of share have the same rights and none hold rights to a fixed income.

CHELTENHAM FAMILY HEALTH CARE CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

14. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 not to disclose related party transactions on the grounds that 100% of the company's voting rights are controlled within the Assura Group, and consolidated financial statements in which the company is included, are publicly available.

15. Controlling party

The Company's and Parent's ultimate controlling party is Assura plc, a company incorporated in England. This is the largest and smallest group in which the results of the Company are consolidated. Copies of the group financial statements are available from The Brew House, Greenalls Avenue, Warrington, Cheshire, WA4 6HL and also from the Group's Website www.assurapl.com.

At the date these financial statements were approved, the immediate parent was Assura Investments Limited, a company incorporated in England. Upton Community Health Care Limited and Assura Investments Limited share the same registered office.