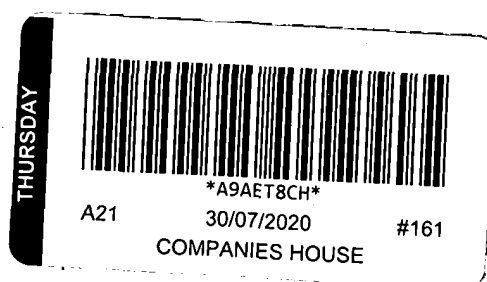


Registration number: 03502452

South Manchester Healthcare (Holdings) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020



South Manchester Healthcare (Holdings) Limited

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South Manchester Healthcare (Holdings) Limited

Company Information

Directors	S P Hornby G Birley-Smith B M Watson (Alternate) A C Ritchie
Company secretary	Semperian Secretariat Services Limited
Registered office	Third Floor Broad Quay House Prince Street Bristol BS1 4DJ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

South Manchester Healthcare (Holdings) Limited

Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Business review and principal activities

The principal activity of the company is a holding company with a single subsidiary, South Manchester Healthcare Limited (SMHL). SMHL is engaged in a 35 year contract with University Hospital of South Manchester NHS Foundation Trust, previously South Manchester University Hospital NHS Trust, for the design and construction of a Mental Health Care Facility and Acute Care Facility, and in the provision of non-clinical support services at Wythenshawe and Withington Hospitals under the UK Government's Private Finance Initiative (the "PFI Contract").

On 1 October 2017, University Hospital of South Manchester NHS Foundation Trust merged with another Trust and became the Manchester University NHS Foundation Trust (MFT).

Results and review of business

The profit for the year is set out in the profit and loss account on page 8. The company has continued to receive income from its subsidiaries and the directors are satisfied that the company's investments are performing in line with the directors' long term expectations. Accordingly, the carrying value of investments, as shown in the balance sheet, remains supportable, and the prospects for the future are considered to be satisfactory.

Principal risks and uncertainties and key performance indicators ('KPIs')

As described above South Manchester Healthcare (Holdings) Limited acts as a holding company for its subsidiary, South Manchester Healthcare Limited. As such the principal risks and key performance indicators adopted by South Manchester Healthcare Limited are applicable to the management of the company's investment in South Manchester Healthcare Limited and are detailed in the Strategic report and the Directors' report of the financial statements for South Manchester Healthcare Limited for the year ended 31 March 2020.

In addition, the holding company also takes the risk of impairment of its investment in the subsidiary. This risk is directly related to the performance of the subsidiary.

Approved by the Board on 15 July 2020 and signed on its behalf by:



A C Ritchie
Director

South Manchester Healthcare (Holdings) Limited

Directors' Report for the Year Ended 31 March 2020

Registration number: 03502452

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Future developments

No significant changes are expected to the company's activities, as set out in the Strategic Report, in the foreseeable future.

Dividends

A dividend of £2,756,000 (£2,756.00 per ordinary share) was paid during the year (2019: £2,914,000, £2,914.00 per ordinary share).

Financial risk management

As described in the strategic report, South Manchester Healthcare (Holdings) Limited acts as a holding company for its subsidiary, South Manchester Healthcare Limited. As such the financial risk management adopted by South Manchester Healthcare Limited is applicable to the management of the company's investment in South Manchester Healthcare Limited and is detailed in the directors' report of the financial statements for South Manchester Healthcare Limited for the year ended 31 March 2020.

Coronavirus (COVID-19) impact on the financial statements

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken to contain the virus have affected economic activity and include limiting the movement of people and the temporary closure or disruption of businesses and public services.

The company acts as a holding company for South Manchester Healthcare Limited. The subsidiary company is engaged in an infrastructure project under a PFI contract. The company would therefore only be impacted by the coronavirus outbreak insofar as this impacted the performance of its subsidiary company. The impact of the coronavirus outbreak on South Manchester Healthcare Limited is detailed in the Directors' report of that company's annual financial statements for the year ended 31 March 2020. Whilst there may be short term disruption as the company seeks to assist our client in dealing with current challenges, there is expected to be no significant overall impact on performance over the life of the project. The opinion of the Directors is that the coronavirus outbreak will have no impact on the company's ability to continue as a going concern.

In addition, the holding company takes on the risk of impairment of its investment in the subsidiary. The risk is directly related to the performance of the subsidiary.

Directors of the company

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

R Little (resigned 9 August 2019)

S P Hornby

G Birley-Smith

B M Watson (Alternate)

A C Ritchie (appointed 9 August 2019)

South Manchester Healthcare (Holdings) Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

Statement of directors' responsibilities

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 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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

Directors' confirmations

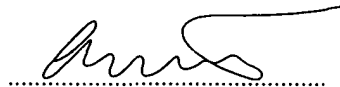
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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 company's auditors are aware of that information.

Reappointment of auditors

The independent auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

Approved by the Board on 15 July 20 and signed on its behalf by:



A C Ritchie
Director

South Manchester Healthcare (Holdings) Limited

Independent Auditors' Report to the members of South Manchester Healthcare (Holdings) Limited

Report on the audit of the financial statements

Opinion

In our opinion, South Manchester Healthcare (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2020; the Profit and Loss Account, 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.

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

South Manchester Healthcare (Holdings) Limited

Independent Auditors' Report to the members of South Manchester Healthcare (Holdings) Limited (continued)

Reporting on other information (continued)

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 31 March 2020 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, 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.

South Manchester Healthcare (Holdings) Limited

**Independent Auditors' Report to the members of South Manchester Healthcare
(Holdings) Limited (continued)**

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.



Nick Muzzlewhite (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date: 28 July 2020

South Manchester Healthcare (Holdings) Limited

Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £ 000	2019 £ 000
Turnover	4	-	-
Operating result	5	-	-
Income from shares in group undertakings	6	2,756	2,914
Interest receivable and similar income	7	303	298
Interest payable and similar charges	8	(303)	(298)
Profit before taxation		2,756	2,914
Tax on profit	9	-	-
Profit for the financial year		2,756	2,914

The above results were derived from continuing operations.

The company has no other Comprehensive Income for the year other than the profit for the financial year stated above.

The notes on pages 11 to 18 form an integral part of these financial statements.

South Manchester Healthcare (Holdings) Limited

Balance Sheet as at 31 March 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Investments	10	6,175	6,175
Current assets			
Debtors: Amounts falling due within one year	11	48	49
Creditors: Amounts falling due within one year	12	<u>(48)</u>	<u>(49)</u>
Net current liabilities		<u>-</u>	<u>-</u>
Total assets less current liabilities		6,175	6,175
Creditors: Amounts falling due after more than one year	12	<u>(6,174)</u>	<u>(6,174)</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	14	<u>1</u>	<u>1</u>
Total equity		<u>1</u>	<u>1</u>

Approved and authorised by the Board on 15 July 20 and signed on its behalf by:



A C Ritchie
Director

The notes on pages 11 to 18 form an integral part of these financial statements.

South Manchester Healthcare (Holdings) Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Note	Called up Share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 April 2018		1	-	1
Profit for the financial year		-	2,914	2,914
Total comprehensive income		-	2,914	2,914
Dividends	15	-	(2,914)	(2,914)
At 31 March 2019		1	-	1

	Note	Called up Share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 April 2019		1	-	1
Profit for the financial year		-	2,756	2,756
Total comprehensive income		-	2,756	2,756
Dividends	15	-	(2,756)	(2,756)
At 31 March 2020		1	-	1

The notes on pages 11 to 18 form an integral part of these financial statements.

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

The principal activity of the company is a holding company with a single subsidiary, South Manchester Healthcare Limited (SMHL). SMHL is engaged in a 35 year contract with University Hospital of South Manchester NHS Foundation Trust, previously South Manchester University Hospital NHS Trust, for the design and construction of a Mental Health Care Facility and Acute Care Facility, and in the provision of non-clinical support services at Wythenshawe and Withington Hospitals under the UK Government's Private Finance Initiative (the "PFI Contract").

On 1 October 2017, University Hospital of South Manchester NHS Foundation Trust merged with another Trust and became the Manchester University NHS Foundation Trust (MFT).

The company is a private company limited by shares and is incorporated and domiciled in England.

The address of its registered office is:

Third Floor
Broad Quay House
Prince Street
Bristol
BS1 4DJ

The company's functional and presentation currency is the pound sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements contain information about South Manchester Healthcare (Holdings) Limited as an individual company and do not contain consolidated financial information. The company is exempt from the requirement to prepare consolidated financial statements, under section 401 of the Companies Act 2006, as its results are included in the consolidated financial statements of Semperian PPP Investment Partners Holdings Limited.

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Investment income

Investment income may include dividends and interest receivable. Dividends are included, as 'Income from shares in group undertakings'. Interim dividends are recognised when paid, whilst final dividends are recognised when approved by the paying company. Interest receivable is included, as 'Interest receivable and similar income', on an accruals basis. This heading may also include the amortisation of any premium or discount on the purchase of the loan which has been spread over the life of the loan to determine an effective interest rate.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Investments

Investments in equity and subordinated loan notes are held as fixed assets and are stated at cost less an appropriate provision to reflect any impairment in the value of the investments. Premiums and discounts on subordinated loan note investments have been amortised over the life of the loan to give a constant effective finance rate. Repayments of loans have been disclosed as disposals of fixed asset investments. Any other impairment of fixed assets is reflected as impairment charges. Where an equity investment has fixed return the premium paid for the equity has been amortised in proportion to the actual dividends to total dividends.

Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, finance debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Final dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. Interim dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The exemptions which the company has taken are:

- (i) the requirement to prepare a statement of cash flows;
- (ii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- (iii) the requirement to disclose related party transactions, with the members of the same group, that are wholly owned;
- (iv) the requirement to provide consolidated financial statements.

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

3 Critical accounting judgements and estimation uncertainty

Judgements, estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates made are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Actual results may subsequently differ from these estimates.

Certain critical accounting judgements and estimates as applicable, adopted by management, in applying the company's accounting policies are described below:

Estimates

Impairment of investments

Management makes an estimate of the likely recoverable value of investments by considering factors including the historical performance, and future forecasts of the respective investment. See note 10 for the carrying value of the investments.

4 Turnover

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom.

5 Operating result

The company had no employees, other than the directors, during the year (2019: none). The emoluments of the directors are paid by the controlling parties. The directors' services to this company and to a number of fellow group companies are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (2019: £nil) to the company in respect of these services.

The audit fee in respect of the company was £1,858 for the year (2019: £1,804). The audit fee has been borne by South Manchester Healthcare Limited and has not been recharged to the company.

6 Income from shares in group undertakings

	2020 £ 000	2019 £ 000
Income from shares in group undertakings	2,756	2,914

7 Interest receivable and similar income

	2020 £ 000	2019 £ 000
Interest receivable on loans to group undertakings	303	298

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

8 Interest payable and similar charges

	2020 £ 000	2019 £ 000
Interest payable on subordinated debt	<u>303</u>	<u>298</u>

Interest payable includes £207,000 (2019: £204,000) payable on loans from group companies.

9 Tax on profit

(a) Tax expense included in profit or loss

	2020 £ 000	2019 £ 000
Tax on profit	<u>-</u>	<u>-</u>

(b) Reconciliation of tax charge

The tax on profit for the year is lower than the standard rate of corporation tax in the UK (2019: lower than the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before taxation	<u>2,756</u>	<u>2,914</u>
Corporation tax at standard rate	524	554
Effect of revenues exempt from taxation	<u>(524)</u>	<u>(554)</u>
Total tax charge	<u>-</u>	<u>-</u>

(c) Tax rate changes

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had been substantively enacted at the balance sheet date, its effects are included in these financial statements, with the 19% rate therefore applied to all tax balance sheet items.

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Investments

	Equity	Subordinated debt	Total
Cost and net book value:	£ 000	£ 000	£ 000
At 1 April 2019	1	6,174	6,175
Debt repayments	-	-	-
At 31 March 2020	1	6,174	6,175

The company owns the entire ordinary issued share capital of South Manchester Healthcare Limited, a company registered in England and Wales. The principal activity of South Manchester Healthcare Limited is described on page 2 of the financial statements.

A full list of subsidiaries and related undertakings is shown in note 18.

The subordinated debt Loan Notes issued by the company's subsidiary are unsecured and bear interest at a floating rate based on LIBOR plus 4%. The Loan Notes are due for repayment in 2023.

11 Debtors: Amounts falling due within one year

	2020 £ 000	2019 £ 000
Amounts owed by group undertakings	<u>48</u>	<u>49</u>

12 Creditors

	Note	2020 £ 000	2019 £ 000
Amounts falling due within one year			
Amounts owed to group undertakings		<u>48</u>	<u>49</u>
Amounts falling due after more than one year			
Subordinated debt	13	<u>6,174</u>	<u>6,174</u>

13 Loans and borrowings

	2020 £ 000	2019 £ 000
Loans and borrowings falling due between one and five years		
Subordinated debt	<u>6,174</u>	<u>6,174</u>

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

13 Loans and borrowings (continued)

Loan Notes

The shareholders each hold tranches, in proportion to their shareholding, of £6,174,000 South Manchester Healthcare (Holdings) Limited Loan Note (2019: £6,174,000). The Loan Notes are unsecured and bear interest at a floating rate based on LIBOR plus 4%. The Loan Notes are due for repayment in 2023.

14 Called up share capital

Allotted, called up and fully paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

15 Dividends

	2020 £ 000	2019 £ 000
Dividends paid - £2,756.00 (2019: £2,914.00) per ordinary share	<u>2,756</u>	<u>2,914</u>

16 Related party transactions

The following companies are fellow group undertakings of the shareholders of the company and together with undertakings within the individual groups of companies, are considered to be related parties to the company, as defined in FRS 102 - paragraph 33.9.

Innisfree M&G PPP LP
Semperian PPP Investment Partners No2 Limited

The company incurred the following costs:

	Type of expense	Year ended 31 March 2020 £ 000	Year ended 31 March 2019 £ 000
Innisfree M&G PPP LP	Loan Interest	96	94
Semperian PPP Investment Partners No2 Limited	Loan Interest	207	204

South Manchester Healthcare (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

16 Related party transactions (continued)

Amounts owed to/(from) at:

		Year ended 31 March 2020 £.000	Year ended 31 March 2019 £ 000
Innisfree M&G PPP LP	Loan Notes	1,945	1,945
Semperian PPP Investment Partners No2 Limited	Loan Notes	4,230	4,230
Innisfree M&G PPP LP	Loan Notes Interest	14	16
Semperian PPP Investment Partners No2 Limited	Loan Notes Interest	33	34

17 Parent and ultimate parent undertaking

As at year end, the shareholders of the company are Innisfree Nominees Limited, acting as nominee for Innisfree M&G PPP LP, a UK Limited Partnership (31.5%) and Semperian PPP Investment Partners No.2 Limited (68.5%).

The ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited, incorporated in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited. These financial statements are available upon request from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

18 Subsidiary and related undertakings

The company holds investments in the following undertakings incorporated in the UK:

Subsidiary and related undertakings	Activities	Percentage of ordinary shares held
South Manchester Healthcare Limited	Project Company	100%

The registered office for the companies shown above is: Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

Registrar of Companies
Companies House
Crown Way, Cardiff CF14 3UZ

**Please stamp a copy of this
letter and return this in the
enclosed stamped addressed
envelope**

29 July 2020

Dear Sir/Madam,

Please find the following documents for filing

Company Number	Company Name	Document Type
03995558	Bandbreeze Limited	Annual Report and Financial Statement for the year ended 31 March 2020.

Yours faithfully,



Nicky Turner
Office Manager

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Email: nicky.turner@semperian.co.uk
www.imagilegroup.com