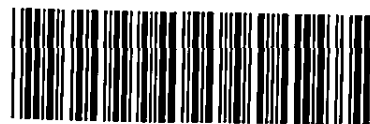


**Registered in England No: 3649502**

**NU LOCAL CARE CENTRES (CHICHESTER No.1) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

FRIDAY



\*A28FELQO\*

A26

16/07/2010

52

COMPANIES HOUSE

## **Contents**

---

	<b>Page</b>
Directors, advisors and other information	2
Directors' report	3-4
Independent auditors' report	5-6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9-15

## **Directors, Advisors and Other Information**

---

### **Directors and Officers**

#### **Current Directors:**

P F Ellis  
C J W Laxton  
I B Womack

### **Secretary**

Aviva Company Secretarial Services Limited  
St Helen's  
1 Undershaft  
London EC3P 3DQ

### **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### **Registered Office**

No 1 Poultry  
London EC2R 8EJ

### **Company Number**

Registered in England and Wales No 3649502

## Directors' Report

---

The Directors present their annual report and the audited financial statements of NU Local Care Centres (Chichester No 1) Limited, 'the Company', for the year ended 31 December 2009

### Directors

The current directors and those in office during the year are as follows

P F Ellis  
C J W Laxton  
I B Womack

### Principal activity and business review

The Company's principal activity is to provide facilities management services to a mental health unit constructed under a Private Finance Initiative ("PFI") with the Sussex Partnership NHS Foundation Trust ("NHS Trust")

The Directors consider the key risk underlying the PFI agreement to be the recoverability of the amounts due from the NHS Trust. This risk, however, is mitigated, as the repayments are fixed under the terms of the PFI agreement, after including an annual indexation factor

The Directors have reviewed the activities of the business for the period and the position as at 31 December 2009 and consider them to be satisfactory

At the balance sheet date the Company had net liabilities of £657,303 (2008: £857,378). The Company is supported by The Norwich Union Public Private Partnership Fund to carry out long term investments and the directors are confident that funding will be made available to enable the Company to meet its obligations as they fall due. Accordingly the financial statements have been drawn up on a going concern basis

The Company's directors monitor the performance of the Company by reference to turnover and profit on ordinary activities before tax ("PBT"). Turnover during the year was £1,109,281 (2008: £1,087,016) and PBT was £237,885 (2008: £207,809)

The Directors expect the level of activity to be maintained in the foreseeable future

### Results and dividends

The profit and loss account for the year is set out on page 7

The Directors do not recommend the payment of a dividend for the year (2008: £nil)

### Financial risk management

The Company's principal financial instrument comprises a loan. The purpose of the financial instrument is to finance the operations of the Company

The principal risks arising from the Company's financial instrument are interest rate risk and liquidity risk. The Directors review these risks and develop policies for managing each type of risk as follows

- Interest rate risk - the loan has been issued at a fixed rate of interest
- Liquidity risk - the Company is supported by The Norwich Union Public Private Partnership Fund
- Credit risk - the Company has a fixed long term PFI agreement

## Directors' Report (continued)

### Directors' liabilities

The provisions in the Company's Articles of Association constitute "qualifying third party indemnities" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the directors' report by virtue of the transitional provisions to the Companies Act 2006.

### 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 and then apply them consistently,
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Creditor payment policy and practice

It is the Company's policy that payment to suppliers for goods and services to the Company are made approximately 30 days from receipt of valid invoice unless agreed otherwise as part of a contractual agreement.

### Auditors

It is the intention of the directors to reappoint the auditor under deemed appointment rules of section 487 of the Companies Act 2006.

### Disclosure of Information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that

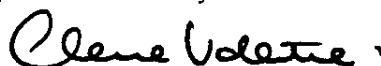
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by

C M Valentine  
Authorised signatory  
Aviva Company Secretarial Services Limited  
Company Secretary

18 June 2010



**Independent auditors' report to the members of NU Local Care Centres (Chichester No.1) Limited**

We have audited the Company's financial statements for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

**Respective responsibilities of directors and auditors**

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

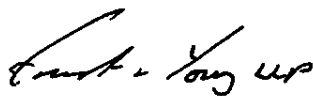
## Auditors' Report (continued)

NU Local Care Centres (Chichester No 1) Limited  
Company No 3649502


### Opinion Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- 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



James Stuart (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London



**Profit and loss account**  
For the year end 31 December 2009

	Note	2009 £	2008 £
Turnover	2	1,109,281	1,087,016
Cost of sales		(200,788)	(195,065)
Gross profit		908,493	891,951
Administrative expenses	3	(80,423)	(120,144)
Operating profit		828,071	771,807
Interest receivable and similar income	4	-	25,623
Interest payable and similar charges	5	(590,186)	(589,621)
<b>Profit on ordinary activities before taxation</b>		237,885	207,809
Tax on profit on ordinary activities	6	(37,810)	(62,840)
<b>Profit for the financial year</b>	13	200,075	144,969

All amounts relate to continuing operations

The Company has no recognised gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 9 to 15 form part of these financial statements



NU Local Care Centres (Chichester No 1) Limited

**Balance Sheet**

As at 31 December 2009

Company No 3649502

	Note	2009 £	2008 £
<b>Non current assets</b>			
Debtors amounts falling due after more than one year	7	6,602,005	6,625,154
<b>Current assets</b>			
Debtors amounts falling due within one year	7	1,278,927	1,139,171
Other current assets	8	115,484	130,166
Cash at bank and in hand	9	2,092,763	1,827,447
		<u>3,487,174</u>	<u>3,096,784</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(749,284)</u>	<u>(680,755)</u>
<b>Net current assets</b>		<u>2,737,890</u>	<u>2,416,029</u>
<b>Total assets less current liabilities</b>		9,342,895	9,041,183
Creditors amounts falling due after more than one year	11	(9,674,446)	(9,663,817)
<b>Provision for liabilities</b>			
Deferred tax	12	<u>(322,752)</u>	<u>(234,744)</u>
<b>Net liabilities</b>		<u>(657,303)</u>	<u>(857,378)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Retained earnings		<u>(657,304)</u>	<u>(857,379)</u>
<b>Equity shareholders' deficit</b>	14	<u>(657,303)</u>	<u>(857,378)</u>

The financial statements of NU Local Care Centres (Chichester No 1) Limited, registered number 3649502, were approved and authorised for issue by the Board and were signed on its behalf by

PF Ellis  
Director



18/6/2010

The notes on pages 9 to 15 form an integral part of these financial statements

## Notes to the financial statements

Company No 3649502

For the year ended 31 December 2009

### 1. Principal accounting policies

#### 1.1 Basis of preparation

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

#### 1.2 Going concern

At the balance sheet date the Company had net liabilities of £657,303 (2008: 857,378). The Company is supported by The Norwich Union Public Private Partnership Fund to carry out long term investments and the directors are confident that funding will be made available to enable the Company to meet its obligations as they fall due. Accordingly the financial statements have been drawn up on a going concern basis.

#### 1.3 Cash flow statement

The Company is a wholly owned subsidiary of the Norwich Union Public Private Partnership Fund and is included in the consolidated financial statements of that entity. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised).

#### 1.4 Deferred tax

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not profits will be available against which they can be realised.

#### 1.5 Finance lease receivables

Finance lease receivables represent outstanding amounts due under finance lease agreements less finance charges allocated to future periods. Unitary payments receivable are allocated between turnover and the reimbursement of the finance lease receivable. This basis of allocation is also integral in generating a constant rate of return on the net cash investment over the contract period.

#### 1.6 Receivables and other financial assets

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

#### 1.7 Other payables

Other payables are recognised on an accruals basis.

#### 1.8 Interest payable on loans

Interest payable on loans is charged to the profit and loss account on an accruals basis.

#### 1.9 Finance costs

Finance costs incurred in relation to the raising of loan finance are amortised to the profit and loss account over the period of the loan facility.

**Notes to the financial statements (continued)**

Company No 3649502

For the year ended 31 December 2009

**2. Turnover**

Turnover, which excludes value added tax, represents amounts derived from the financial model established in accordance with the PFI concession agreement, together with amounts in respect of facilities management services provided. The amounts under this PFI concession agreement include an element of service charge which will be recognised on a straight line basis over the 30 year term of the agreement on an accruals basis.

**3. Administrative expenses**

Auditors' remuneration for audit services was £4,620 (2008 £4,200)

No staff were directly employed by the Company (2008 nil)

The Directors received no emoluments for services to the Company for the financial year (2008 nil)

**4 Interest receivable and similar income**

	2009 £	2008 £
Bank interest	-	25,623

**5. Interest payable and similar charges**

	2009 £	2008 £
Bank interest and similar charges	1,057	269
Amortisation of issue costs of loans due to group undertakings	10,629	10,852
Interest payable on loans due to group undertakings	578,500	578,500
	590,186	589,621

**6. Tax on profit on ordinary activities**

	2009 £	2008 £
<b>Current tax</b>		
UK corporation tax charge on profit for the year	-	50,198
UK corporation tax charge in respect of prior periods	(50,198)	-
<b>Deferred tax</b>		
Accelerated capital allowances	17,493	20,166
Tax losses carried forward	(39,487)	4,397
Short term timing differences	110,002	(11,921)
<b>Total deferred tax (see note 12)</b>	88,008	12,642
<b>Tax on profit on ordinary activities</b>	37,810	62,840

**Notes to the financial statements (continued)**

Company No 3649502

For the year ended 31 December 2009

**6. Tax on profit on ordinary activities (continued)**

**Factors affecting current tax charge for the year**

The group has changed the basis on which it claims a tax deduction for the MMRF provision from an expenditure paid to an accruals basis. The change has resulted in corporation tax reclaimed and a current year profit and loss tax credit.

	2009 £	2008 £
Profit on ordinary activities before tax	237,885	207,809
Current charge at standard UK corporation tax rate of 28% (2008 28.5%)	66,608	59,226
<b>Effects of:</b>		
Capital allowance in excess of finance lease repayments	(16,629)	(21,161)
Brought forward losses utilised	(107,404)	-
Short term timing differences	25	12,133
Group relief surrendered	57,400	-
UK corporation tax in respect of prior periods	(50,198)	-
<b>Total current tax credit (see above)</b>	<u>(50,198)</u>	<u>50,198</u>

**7. Debtors**

	2009 £	2008 £
<b>Due after more than one year:</b>		
Receivable from PFI concessions (see below)	6,602,005	6,625,154
<b>Due within one year:</b>		
Trade debtors	2,475	-
Amounts owed by group undertakings (see note 17)	934,108	853,204
Receivables from PFI concession (see below)	284,685	285,967
Corporation tax recoverable	57,659	-
	<u>1,278,927</u>	<u>1,139,171</u>

**Finance lease receivable**

The net amount from PFI concession comprises:

	2009 £	2008 £
Total amount receivable	13,753,590	14,246,246
Less interest allocated to future periods	(6,866,900)	(7,335,125)
	<u>6,886,690</u>	<u>6,911,121</u>

**Notes to the financial statements (continued)**

Company No 3649502

For the year ended 31 December 2009

**7. Debtors (continued)**

This comprises of:

	2009 £	2008 £
<b>Due within one year:</b>		
Due within one year	284,685	285,967
Due between 2 and 5 years	1,112,595	1,124,537
Due after more than 5 years	5,489,410	5,500,617
	<hr/>	<hr/>
	6,886,690	6,911,121

The receivable from PFI concession due after more than one year includes an amount of £2,692,750 (2008 £2,431,214) in respect of timing differences between the amounts invoiced to the NHS Trust and the amounts required to achieve a constant rate of return on the net cash investment

Amounts received during the year under this agreement amounted to £754,191 (2008 £756,070)

The total amount receivable from PFI concession comprises the amount due from the NHS Trust under the terms of the PFI agreement. This balance takes into account the residual value of the property at the end of the primary lease term, which is deemed to be £nil

In the operational phase of the project to provide facilities management services to the mental health care unit, the property is leased under the PFI agreement to the NHS Trust. The Company recognises the amount due from the NHS Trust in debtors after deducting finance charges allocated to future periods. The value of the receivable from PFI concession is based upon the expected repayments receivable from the NHS Trust after taking into account the residual value of the property at the end of the primary lease term.

The interest earned under the PFI agreement is calculated using the actuarial method to give a constant rate of return on the net cash investment. The interest is recognised in the profit and loss account over the primary term of the lease, which is thirty years.

The Directors consider the key risk underlying the PFI agreement to be the recoverability of the amounts due from the NHS Trust. This risk, however, is mitigated, as the repayments are fixed under the terms of the PFI agreement, after including an annual indexation factor.

**8. Other current assets**

	2009 £	2008 £
Prepayments	19,678	130,166
Accrued income	95,806	-
	<hr/>	<hr/>
	115,484	130,166

**9. Cash at bank and in hand**

Cash and cash equivalents includes £460,962 (2008 £413,650) which relates to amounts paid by Sussex Partnership NHS Foundation Trust into a sinking fund to fund the replacement and repair of certain assets. The fund cannot be accessed by NU Local Care Centres (Chichester No 1) Limited.

**Notes to the financial statements (continued)**

For the year ended 31 December 2009

NU Local Care Centres (Chichester No 1) Limited

Company No 3649502

**10. Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	16,399	23,102
Amounts owed to group undertakings	78,269	4,200
Corporation tax	-	50,198
Other taxation and social security	34,369	34,042
Sinking fund	460,962	413,650
Accruals and deferred income	159,285	155,563
	<u>749,284</u>	<u>680,755</u>

Income received into the sinking fund is not recognised until the contractual obligations of the corresponding maintenance contract have been fulfilled. The amounts invoiced are recognised as a liability. Once the Company has fulfilled its contractual obligations under the maintenance contract it recognises the expenditure incurred and a corresponding amount is recognised as turnover in its profit and loss account.

**11. Creditor: amounts falling due after more than one year**

	2009 £	2008 £
<b>Loans due to Investors Finance Company Plc</b>		
Loan	8,900,000	8,900,000
Unamortised issue cost	(214,554)	(225,183)
	<u>8,685,446</u>	<u>8,674,817</u>
<b>Loans due to NU 3PS Limited</b>	<u>989,000</u>	<u>989,000</u>
	<u>9,674,446</u>	<u>9,663,817</u>
 <b>Gross loan</b>	 <b>9,889,000</b>	 <b>9,889,000</b>
<b>Unamortised issue costs</b>	<b>(214,554)</b>	<b>(225,183)</b>
	<u>9,674,446</u>	<u>9,663,817</u>

The loans provided by Investors Finance Company Plc are unsecured and repayable in full on 31 March 2029. Interest is charged on these loans at an annual rate of 6.5% (2008: 6.5%). Investors Finance Company Plc is a group undertaking by virtue of it being a quasi subsidiary of NUPPP (Care Technology and Learning Centre) Limited (see note 17).

The loan from NU 3PS limited represents subordinate debt. In the event of the Company being wound up, no amount will be paid in respect of this subordinate debt until all other creditors have been repaid in full. The loan is unsecured, interest free and repayable in full on 31 March 2029.

**Notes to the financial statements (continued)**

For the year ended 31 December 2009

NU Local Care Centres (Chichester No 1) Limited

Company No 3649502

**12. Deferred taxation**

	2009 £	2008 £
At 1 January	234,744	222,102
Charge for the year	88,088	12,642
At 31 December	322,752	234,744

The provision for deferred taxation is made up of:

	2009 £	2008 £
Accelerated capital allowances	451,405	433,912
Short term timing differences	(5,988)	(115,990)
Tax losses carried forward	(122,665)	(83,178)
	322,752	234,744

**13. Share capital**

	2009 £	2008 £
Authorised 100 ordinary shares of £1 each	100	100
Issued, allotted and fully paid 1 ordinary share of £1 each	1	1

**14. Reconciliation of movement in shareholders' deficit**

	Share capital £	Retained earnings £	Total £
At 1 January 2009	1	(857,379)	(857,378)
Retained profit for the financial year	-	200,075	200,075
At 31 December 2009	1	(657,304)	(657,303)

**15. Immediate parent undertaking**

The Directors regard NUPPP (Care Technology and Learning Centres) Limited as the immediate parent undertaking

**16. Ultimate controlling party**

At 31 December 2009 the ultimate controlling party was Aviva plc. Aviva plc is a Company registered in England No 2468686. The registered office is situated at St Helen's, 1 Undershaft, London EC3P 3DQ.

**Notes to the financial statements (continued)**

Company No 3649502

For the year ended 31 December 2009

---

**17. Related party transactions**

The Company, being an indirect wholly owned subsidiary of The Norwich Union Public Private Partnership Fund, has taken advantage of the exemption under the terms of the Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the group headed by The Norwich Union Public Private Partnership Fund

The Directors consider that Investors Finance Company Plc is a related party of the Company by virtue of it being a quasi subsidiary of NUPPP (Care Technology and Learning Centres) Limited

At 31 December 2009, the Company owed Investors Finance Company Plc £8,900,000 (2008 £8,900,000) in respect of a long term loan. During the year, the Company paid £578,500 (2008 £578,500) of interest to Investors Finance Company Plc in respect of this loan. The principal terms of the loan are set out in note 11.

In connection with the long term loan, the Company has previously advanced £427,000 (2008 £427,000) (see note 7) to Investors Finance Company Plc. This balance is interest free and is repayable on expiry of the long term loan.

During the year the Company paid expenses of £29,553 (2008 £19,707) on behalf of Investors Finance Company Plc. At the year end the Company had a balance of £600,049 (2008 £143,496) due from this Company.

There were no other related party transactions entered into by the Company during the year. There were no contingent liabilities or commitments at the balance sheet date (2008 nil).