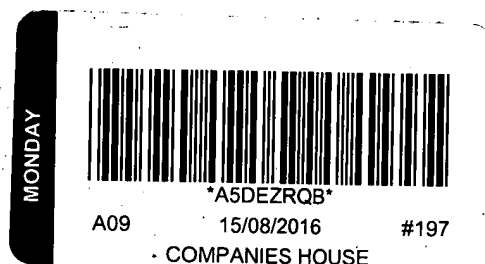


**NU LOCAL CARE CENTRES (CHICHESTER NO.3)
LIMITED**

Registered in England and Wales No: 3649529

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015



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Directors, Officers and Other Information

Directors

F J Helliwell
H M Murphy

Officer – Company Secretary

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Bankers

HSBC BANK PLC HBEU
City Commercial Centre
60 Queen Victoria Street
London
EC4N 4TR

Registered Office

1 Poultry
London
EC2R 8EJ

Company Number

Registered in England and Wales No. 3649529

Other Information

NU Local Care Centres (Chichester No.3) Limited (the 'Company') is a member of the Aviva plc group of companies (the 'Group').

Directors' Report

For the year ended 31 December 2015

The directors present their report and audited financial statements for the Company for the year ended 31 December 2015.

Directors

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

I B Womack	(resigned 30 June 2015)
D A S Dahan	(resigned 30 June 2015)
F J Helliwell	(appointed 17 June 2015)
H M Murphy	(appointed 17 June 2015)

Principal Activities

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 have reviewed the activities of the business for the year and the position as at 31 December 2015 and consider them to be satisfactory.

Dividend

The directors do not recommend the payment of a dividend for the financial year ending 31 December 2015 (2014: £nil).

Going Concern

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

Capital Management

At a Board meeting on the 16 March 2015 the Norwich Union Public Private Partnership Fund ('Fund') sold bonds payable by Chichester Health plc ('Chichester Notes') in consideration for the novation of unsecured loans payable by the Company and other group companies ('Senior On-loans'). As a result, the benefits of these Senior On-loans were passed from Chichester Health plc to the Fund.

Furthermore, NUPPP (Care Technology and Learning Centres) Limited ('Issuer') issued a new bond ('Eurobond') to the Fund in consideration for the further novation of the Senior On-loans from the Fund to the Issuer. This Eurobond equated to £23,200,000 at an interest rate of 6.44% and is due for repayment on 31 March 2031. The Senior On-loans are unsecured and equated to £23,200,000 at an interest rate of 6.50% and are due for repayment on 31 March 2031. Of these Senior On-loans, £3,800,000 was payable the Company.

This novation allowed for the risks and rewards of the original Senior On-loan agreement ('Chichester Senior Loan Agreement') to be passed on to the Issuer. The new Eurobond was then subsequently listed on the Channel Islands Stock Exchange on 26 March 2015. This change to the loans has had no impact upon the Statement of Comprehensive income.

Employees

The Company has no employees (2014: nil).

Future Developments

There are no changes expected to the Company's activities for the foreseeable future.

Directors' Report (continued)

For the year ended 31 December 2015

Post Balance Sheet Events – EU Referendum

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities, reported at the balance sheet date of 31 December 2015.

Disclosure of Information to the Auditors

Each person who was a director of the Company on the date that this report was approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the auditors are unaware; and
- (b) each director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of Section 487 of the Companies Act 2006.

Qualifying Indemnity Provisions

The directors have the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in section 234 of the Companies Act 2006.

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a 'qualifying third party indemnity' 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 paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Directors' Report (continued)
For the year ended 31 December 2015

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) 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 these 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 UK Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing their report, the directors' have taken advantage of the exemption for small companies in accordance with section 415(A) of the Companies Act 2006.

On behalf of the Board :



F J Helliwell
Director

21/7/16

Independent Auditors' Report

Independent auditors' report to the members of NU Local Care Centres (Chichester No.3) Limited

Report on the financial statements

Our opinion

In our opinion, NU Local Care Centres (Chichester No.3) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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 prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements 2015 (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

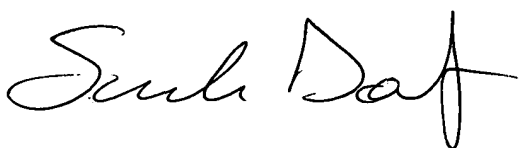
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

21 July 2016

Statement of Comprehensive Income
for the year ended 31 December 2015

	Note	2015 £	2014 (restated) £
Turnover	5	653,372	616,803
Cost of sales		(274,368)	(238,969)
Gross profit		379,004	377,834
Administrative expenses	6	(55,011)	(53,603)
Operating profit		323,993	324,231
Interest receivable and similar income	7	1,427	4,883
Interest payable and similar charges	8	(259,087)	(262,152)
Profit on ordinary activities before taxation		66,333	66,962
Tax on profit on ordinary activities	9	29,733	(13,610)
Profit for the financial year		96,066	53,352

Continuing operations

All amounts reported in the statement of comprehensive income for the years ended 31 December 2015 and 31 December 2014 relate to continuing operations

The notes on pages 11 to 21 form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 (restated) £
Current assets			
Debtors: amounts falling due after more than one year	10	2,721,918	2,795,395
Debtors: amounts falling due within one year	10	98,935	136,967
Prepayments and accrued income	11	61,011	61,151
Cash at bank and in hand	12	1,915,470	2,088,634
Total current assets		4,797,334	5,082,147
Creditors: amounts falling due within one year	13	(641,079)	(928,177)
Net current assets		4,156,255	4,153,970
Creditors: amounts falling due after more than one year	14	(3,830,226)	(3,905,801)
Provision for liabilities			
Taxation, including deferred taxation	15	(132,549)	(162,517)
Net assets		193,480	85,652
Capital and reserves			
Called up share capital	16	1	1
Capital contributions		148,106	142,132
Retained earnings/(accumulated losses)		45,373	(56,481)
Total shareholder's funds	20	193,480	85,652

The financial statements on pages 8 to 21 were approved by the Board of Directors on 21 July 2016 and signed on its behalf by:



F J Helliwell
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2015

	Note	Called up share capital £	Capital contributions £	Retained earnings/ (accumulated losses) £	Total shareholder's funds £
Balance as at 1 January 2014 (restated)	20	1	148,105	(115,806)	32,300
Profit for the financial year		-	-	53,352	53,352
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	53,352	53,352
Transfer to retained earnings		-	(5,973)	5,973	-
Total transactions with owners, recognised in equity		-	(5,973)	5,973	-
Balance as at 31 December 2014 (restated)	20	1	142,132	(56,481)	85,652
Balance as at 1 January 2015	20	1	142,132	(56,481)	85,652
Profit for the financial year		-	-	96,066	96,066
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	96,066	96,066
Transfer to retained earnings		-	(5,788)	5,788	-
Distribution relating to repayment of zero interest loans		-	11,762	-	11,762
Income tax relating to transactions with owners		-	-	-	-
Total transactions with owners, recognised in equity		-	5,974	5,788	11,762
Balance as at 31 December 2015	20	1	148,106	45,373	193,480

The notes on pages 11 to 21 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2015

1. General information

NU Local Care Centres (Chichester No. 3) Limited provides facilities management services to a mental health unit constructed under a PFI with the NHS Trust.

The company is a private company limited by shares and is incorporated in England. The registered office is 1 Poultry, London, EC2R 8EJ.

2. Statement of compliance

The individual financial statements of NU Local Care Centres (Chichester No. 3) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

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. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 20.

A first-time adopter of FRS 102 that is an operator in a service concession arrangement is not required to apply paragraphs 34.12I to 34.16A of FRS 102 to arrangements that were entered into before the date of transition to the standard. Therefore the Company's concession arrangements continue to be accounted for using the same accounting policies being applied at the date of transition.

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

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 4.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 20.

b) Strategic report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 382 of the Companies Act 2006 relating to small companies.

c) Cash flow statement

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent entity, Norwich Union Public Private Partnership Fund, includes the company's cash flows in its own consolidated financial statements.

d) Going concern

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

e) Taxation

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 102. 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.

Notes to the financial statements (continued)
for the year ended 31 December 2015

3. Accounting policies (continued)

f) Debtors

Debtors includes finance lease amounts receivable from PFI concessions and other receivables and financial assets.

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.

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.

g) Payables

Trade payables are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method.

Other payables are recognised on an accruals basis.

h) Financial instruments

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

(i) Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial assets, including trade and other receivables, cash at bank and in hand 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 costs 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 the Statement of Comprehensive Income.

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 the Statement of Comprehensive Income.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

Notes to the financial statements (continued)
for the year ended 31 December 2015

3. Accounting policies (continued)

h) Financial instruments (continued)

(i) Financial assets (continued)

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) despite having retained some significant risks and rewards of ownership, 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.

(ii) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial liabilities classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

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

Debt instruments that are classified as payable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised only when the obligation specified in the contract 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.

i) Cost of sales

Cost of sales includes amounts invoiced in respect of facilities management services provided, and other expenses incurred on an accruals basis.

j) Interest payable and similar charges

Interest payable on loans is charged to the statement of comprehensive income on an accruals basis.

Finance costs incurred in relation to the raising of loan finance, are amortised to the statement of comprehensive income over the period of the loan facility.

Notes to the financial statements (continued)
for the year ended 31 December 2015

3. Accounting policies (continued)

k) Cash at bank and in hand

Cash at bank and in hand comprises of cash and cash on deposit, both of which are immediately available and cash held within the sinking fund which is not immediately available.

l) Functional currency

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

m) Related party transactions

The Company, being an indirect wholly owned subsidiary of Norwich Union Public Private Partnership Fund, has taken advantage of the exemption under the terms of the FRS 102 from disclosing related party transactions with entities that are part of the group headed by Norwich Union Public Private Partnership Fund.

4. Critical accounting adjustments and estimation uncertainty

The preparation of the Company's Financial Statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, the directors have made the following judgements which have the most significant effect on the amounts recognised in the Financial Statements:

- i. Non-financial assets are reviewed for impairment at each balance sheet date. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.
- ii. Interest free inter-company loans are discounted to fair value using market rates of interest. The market rate of interest is assumed to be the rate charged on long-term unsecured loans between companies within the Norwich Union Public Private Partnership Fund group.

Notes to the financial statements (continued)
for the year ended 31 December 2015

5. Turnover

Turnover, which excludes value added tax, represents amounts derived from the financial model established in accordance with the PFI concession agreement dated 24 June 1999, 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.

There is no geographical business segment and thus segmental disclosures of turnover are not provided.

6. Administrative expenses

	2015 £	2014 (restated) £
Auditors' remuneration for audit services	4,360	3,784
Directors' emoluments	-	-

The Company had no employees during the financial year (2014: nil).

7. Interest receivable and similar income

	2015 £	2014 £
Bank interest	277	353
Other interest	1,150	4,530
Total interest receivable and similar income	1,427	4,883

8. Interest payable and similar charges

	2015 £	2014 £
Amortisation of issue costs of loans due to group undertakings	4,641	4,649
Interest payable on loans due to group undertakings	254,446	257,503
Total interest payable and similar charges	259,087	262,152

Notes to the financial statements (continued)
for the year ended 31 December 2015

9. Tax on profit on ordinary activities

(a) Tax reconciliation

	2015	2014 (restated)
	£	£
Current tax		
UK corporation tax charge on profit for the year	-	32,639
Adjustments in respect of prior period	235	(4)
Total current tax	235	32,635
Deferred tax		
Origination and reversal of timing differences	(15,542)	(10,380)
Adjustments in respect of prior period	2,028	-
Effect of decreased tax rate on opening balance	(16,454)	(8,645)
Total deferred tax (see note 15)	(29,968)	(19,025)
Tax on profit on ordinary activities	(29,733)	13,610

(b) Factors affecting (credit)/current tax charge for the year

	2015	2014 (restated)
	£	£
Profit on ordinary activities before taxation	66,333	66,962
Current charge at standard UK corporation tax rate of 20.25% (2014: 21.49%)	13,427	14,392
Effects of:		
Expenses not deductible for tax purposes	1,271	1,284
Income not taxable for tax purposes	(27,841)	-
Other tax adjustments, reliefs and transfers	(47,128)	-
Group relief surrendered	51,910	-
Adjustments in respect of prior period	235	(4)
Adjustments to deferred tax charge in respect of prior period	(7,092)	-
Adjust closing deferred tax to average rate of 20.25% (2014: 21.49%)	(16,543)	(11,460)
Adjust opening deferred tax to average rate of 20.25% (2014: 21.49%)	2,028	4,263
Deferred tax not recognised	-	5,135
Total tax (credit)/charge (see above)	(29,733)	13,610

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly the Company's profit for this accounting year are taxed at an effective rate of 20.25% (31 December 2014: 21.49%).

Notes to the financial statements (continued)
for the year ended 31 December 2015

10. Debtors

	2015 £	2014 £
Amounts falling due after more than one year:		
Receivables from PFI concession (see below)	2,721,918	2,795,395
Total debtors falling due after more than one year	2,721,918	2,795,395
Amounts falling due within one year:		
Amounts owed by group undertakings	3,016	74,455
Receivables from PFI concession (see below)	73,452	62,512
Other debtors	22,467	-
Total debtors falling due within one year	98,935	136,967
Total debtors	2,820,853	2,932,362

In connection with the long term loan, the Company has previously advanced £nil (2014: £182,000) to Chichester Health Plc. This balance is interest free and is repayable on expiry of the long term loan, and as such has been discounted to £nil (2014: £74,216) using an interest rate of 6.50% (note 20). The loan was repaid in full during the year.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Receivables from PFI concessions

The net amount from PFI concession comprises:

	2015 £	2014 £
Total amount receivable	4,552,910	4,807,464
Less: interest allocated to future periods	(1,757,540)	(1,949,557)
Total receivables from PFI concessions	2,795,370	2,857,907

This comprises of:

	2015 £	2014 £
Amounts falling due within one year	73,452	62,512
Amounts falling due between 2 and 5 years	422,872	369,096
Amounts falling due after more than 5 years	2,299,046	2,426,299
Total	2,795,370	2,857,907

The receivables from PFI concessions due after more than one year include an amount of £1,672,241 (2014: £1,612,044) 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.

The total amount receivable from PFI concessions comprises the amount owed by 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 (2014: £nil).

Notes to the financial statements (continued)
for the year ended 31 December 2015

10. Debtors (continued)

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 owed by the NHS Trust in debtors after deducting finance charges allocated to future periods. The value of the receivable from PFI concessions are based upon the expected repayments receivable from the NHS Trust.

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 statement of comprehensive income 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 owed by 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.

11. Prepayments and accrued income

	2015 £	2014 £
Prepayments	2,836	3,574
Accrued income	58,175	57,577
Total prepayments and accrued income	<u>61,011</u>	<u>61,151</u>

12. Cash at bank and in hand

Cash at bank and in hand includes £232,147 (2014: £236,597) 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 the Company.

13. Creditors: amounts falling due within one year

	2015 £	2014 (restated) £
Trade creditors	13,415	-
Sinking fund	216,444	232,516
Amounts owed to group undertakings	123,379	173,737
Sundry creditors - VAT	19,891	21,676
Accruals and deferred income	267,950	500,248
Total creditors amounts falling due within one year	<u>641,079</u>	<u>928,177</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 statement of comprehensive income.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements (continued)
for the year ended 31 December 2015

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

	2015 £	2014 £
Amounts owed to group undertakings		
Loan due to NUPPP (Care Technology and Learning Centres) Limited	3,800,000	-
Loan due to Chichester Health Plc	-	3,800,000
Loan due to NU3PS Limited	91,894	172,084
Gross loan	3,891,894	3,972,084
Issue costs	(61,668)	(66,283)
Total creditor amounts falling due after more than one year	3,830,226	3,905,801

On 16 March 2015, the unsecured loans provided by Chichester Health plc were novated to NUPPP (Care Technology and Learning Centres) Limited, the immediate parent company. The loans are unsecured and repayable in full on 31 March 2031. Interest is charged on these loans at an annual rate of 6.50% (2014: 6.50%).

The loan from NU 3PS Limited represents subordinate debt of £240,000 (2014: £422,000). 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 30 September 2031, and as such has been discounted to £91,895 (2014: £172,084) using an interest rate of 6.50% (note 20). During the year, £182,000 (2014: £nil) was repaid, a discounted amount of £75,366 (2014: £nil).

15. Taxation, including deferred taxation

	2015 £	2014 £
Balance as at 1 January	162,517	181,542
Credit for the year	(29,968)	(19,025)
Balance as at 31 December	132,549	162,517

The provision for deferred taxation is made up of:

	2015 £	2014 £
Accelerated capital allowances	185,884	212,018
Short term timing differences	(34,048)	(30,311)
Tax losses carried forward	(19,287)	(19,190)
Total provision for deferred taxation	132,549	162,517

Deferred tax assets are expected to unwind against the deferred liabilities, and therefore a net deferred tax liability has been recognised on the balance sheet.

Legislation already enacted at the balance sheet date means that the corporate tax rate is expected to reduce to 19% from 1 April 2017 and then 18% from 1 April 2020. On this basis, the closing deferred tax liability balance has been tax effected at the rate of 18%.

16. Called up share capital

	2015 £	2014 £
The allotted, called up and fully paid share capital of the Company at 31 December was:		
1 (2014: 1) ordinary share of £1 each	1	1

Notes to the financial statements (continued)
for the year ended 31 December 2015

17. Contingent liabilities and commitments

There were no contingent liabilities or commitments at the balance sheet date (2014: £nil).

18. Related party transactions

The Company, being an indirect, wholly owned subsidiary of Norwich Union Public Private Partnership Fund, has taken advantage of the exemption under the terms of the FRS 102 from disclosing related party transactions with entities that are part of the group headed by Norwich Union Public Private Partnership Fund.

Copies of the financial statements of Norwich Union Public Private Partnership Fund are available on application to the Company Secretary, Aviva Investors, No.1 Poultry, London, EC2R 8EJ.

19. Parent and ultimate controlling entity

The immediate parent undertaking of the Company is NUPPP (Care Technology and Learning Centres) Limited.

The ultimate parent undertaking and controlling party is Aviva plc, a company incorporated in the United Kingdom.

Aviva plc is the parent undertaking of both the largest and the smallest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements of Aviva plc are available on application to the Group Company Secretary, Aviva plc, St Helen's, Undershaft, London, EC3P 3DQ.

20. Prior year restatements

Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014.

FRS 102 requires long-term inter-company loans to be recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Interest should subsequently recognised on the loan. At transition, a reduction in the carrying value of an interest free loan from NU3PS Limited was recognised in inter-company creditors and a corresponding increase in equity of £260,419 was recognised, and interest payable of £10,503 was recognised in the year ended 31 December 2014. At that date a reduction in liabilities and an increase in equity of £249,916 was recognised.

In addition, a reduction the carrying value of an interest free loan to Chichester Health plc recognised in inter-company debtors was recognised at the date of transition of £112,314 with a corresponding reduction in retained earnings brought forward. In the year ended 31 December 2014, interest receivable of £4,530 was recognised, at which date a reduction in liabilities and retained earnings brought forward of £107,784.

Notes to the financial statements (continued)
for the year ended 31 December 2015

20. Prior year restatements (continued)

Restatement of prior year expenses

During the year, the company received invoices relating to expenses incurred in prior years and these have been allocated to the correct year. At 1 January 2014, an increase in the carrying value of accruals and a corresponding reduction in equity of £369,149 was recognised, and administrative expenses of £45,047 were recognised in the year ended 31 December 2014. At that date an increase in liabilities and a reduction of equity of £414,196 was recognised.

Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102, and additional prior year adjustments that impact on equity and profit.

	2014 £
Profit for the financial year	
UK GAAP – as previously reported	104,372
Interest payable on discounted inter-company loan	(10,503)
Interest receivable on discounted inter-company loan	4,530
Total adjustment to profit for the financial year	(5,973)
FRS 102	98,399
Adjustment due to restatement of administrative expenses	(45,047)
Restated profit	53,352

	1 January 2014 £	31 December 2014 £
Total equity		
UK GAAP – as previously reported	253,344	357,716
Discounted inter-company loan payable	260,419	249,916
Discounted inter-company advance receivable	(112,314)	(107,784)
FRS 102	401,449	499,848
Adjustment due to restatement of administrative expenses	(369,149)	(414,196)
Restated equity	32,300	85,652

21. Post balance sheet events – EU referendum

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities, reported at the balance sheet date of 31 December 2015.