

COMPANY REGISTRATION NUMBER: 03847393

# HpC King's College Hospital (Holdings) Limited

## Financial Statements

31 March 2020

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# **HpC King's College Hospital (Holdings) Limited**

## **Financial Statements**

**Year ended 31 March 2020**

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<b>Contents</b>	<b>Pages</b>
Officers and Professional Advisers	<b>1</b>
Strategic Report	<b>2 to 4</b>
Directors' Report	<b>5 to 6</b>
Directors' Responsibilities Statement	<b>7</b>
Independent Auditor's Report to the Members of HpC King's College Hospital (Holdings) Limited	<b>8 to 11</b>
Consolidated Statement of Comprehensive Income	<b>12</b>
Consolidated Statement of Financial Position	<b>13</b>
Company Statement of Financial Position	<b>14</b>
Consolidated Statement of Changes in Equity	<b>15</b>
Company Statement of Changes in Equity	<b>16</b>
Consolidated Statement of Cash Flows	<b>17</b>
Notes to the Financial Statements	<b>18 to 32</b>

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# **HpC King's College Hospital (Holdings) Limited**

## **Officers and Professional Advisers**

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### **The board of directors**

Stuart Carter  
John Cavill  
Jonathan Cowdell  
Peter Sheldrake

### **Company secretary**

Infrastructure Managers Limited

### **Registered office**

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

### **Independent auditors**

Johnston Carmichael LLP  
7-11 Melville Street  
Edinburgh  
EH3 7PE

### **Bankers**

National Westminster Bank Plc  
PO Box 12263  
1 Princes Street  
London  
EC2R 8PH

# **HpC King's College Hospital (Holdings) Limited**

## **Strategic Report**

**Year ended 31 March 2020**

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

### **Principal Activities**

The company's principal activity is that of a holding company, with its directly owned subsidiary being HpC King's College Hospital Limited and indirectly owned subsidiary being HpC King's College Hospital (Issuer) Plc. The principal activity of the Group is a 38 year contract with King's College Hospital NHS Trust ending on the 30 November 2037 for the design and construction of a new building, the refurbishment of the hospital's Ruskin Wing, and for the provision of certain non-clinical services at the hospital.

In 2012, the Trust and the group agreed to novate the Soft Facilities Management ("FM") services to the Trust, with the transaction taking effect on 1 May 2013. Prior to May 2013 the Group had been responsible for providing Soft FM services which covered portering, waste, laundry and linen, catering, cleaning and pest control services across the site. The Group is now only responsible for the provision of Hard FM (comprising estates and maintenance) and lifecycle services.

### **Review of the Business**

As the Group is in the full operational phase it faces operational risks and actively monitors financial performance against loan covenants. During the year the Group was fully compliant with the contractual terms and incurred no penalty points. From a financial perspective the group has been performing in line with the forecasting model and has been compliant with the covenants laid out in the Group loan agreement. The Group is also forecasting compliance with the covenants laid out in the Group loan agreement for the next 12 months.

The directors intend for the Group to continue to operate in line with the financial forecast model, contractual terms and do not expect any strategic changes.

### **Key Performance Indicators**

The performance of the Group from a cash perspective is assessed six monthly on a Group basis by the testing of the covenants of the senior debt provider. The key indicator being the historic debt service cover ratio, which was 1.26 as at 31 March 2020. The Group has been performing well and has been compliant with the covenants laid out in the Group loan agreement. The directors believe that the analysis using key performance indicators for the Group is not necessary or appropriate for an understanding of the performance or position of the Group.

# **HpC King's College Hospital (Holdings) Limited**

## **Strategic Report** *(continued)*

**Year ended 31 March 2020**

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### **Going Concern**

The directors acknowledge that King's College Hospital NHS Foundation Trust was placed in special measures by NHS Improvement in December 2017 in view of its forecast financial deficit, however the likelihood of non-recovery of amounts receivable of the Group undertaking is dependent on receipt of the subsidiary's finance debtor balance. Non-recoverability of the finance debtor is deemed to be low in light of the Trust's invoice settlement performance, the operationally critical nature of the Group's services and the NHS Trusts being supported by Government funding. After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, therefore, the Group continues to adopt the going concern basis in preparing its financial statements.

The directors have considered the future financial impact to the Group of the Coronavirus, taking into account the sources of income and additional expenditure, if any. It is their view that, due to the income being availability based and being due from NHS Trust and the risk of non-payment is considered remote, therefore the income to the project will not be impacted. Alongside this the expected expenditure should not see a material variation from its current levels and key suppliers (primarily the facilities manager) are expected to continue to be able to service the project. Although the likely full impact is unknown, it is not expected to materially impact on the operations or the financial position of the Group.

### **Future Developments**

The directors intend for the business to continue to operate in line with the financial forecast model, contractual terms and do not expect any strategic changes.

# HpC King's College Hospital (Holdings) Limited

## Strategic Report *(continued)*

Year ended 31 March 2020

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### Principal Risks and Uncertainties

Due to the nature of the Group's business, the financial risks the directors consider relevant to the Group are price, credit, liquidity, interest and inflation risk.

#### Price risk

The Group's price risk is managed through a thirty eight year contract with The Trust providing for payments that are fixed subject to performance, inflation and earnings indices and through sub-contracts with suppliers that largely mirror the provisions of the project agreement with The Trust. The other key business risks affecting the Group are considered to relate to increases in insurance and lifecycle costs. These costs are reviewed on a regular basis by the Board and strategies are in place to control these costs lines.

#### Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group receives its revenue from Kings College Hospital NHS Trust. In addition the Company holds a Deed of Safeguard to mitigate any credit risk. The directors monitor amounts due carefully and do not consider there to be a significant credit risk. The Group does not undertake financial instrument transactions which are speculative or unrelated to the Group's trading activities. Board approval is required for the use of any new financial instruments.

#### Liquidity Risk

Many of the liquidity risks are addressed by means of contractual provisions. The Group's liquidity risk is principally managed through financing the Group by means of long-term borrowings over the PFI concession. In addition the Group holds a Deed of Safeguard to mitigate any liquidity risk.

#### Interest and Inflation Risk

The Group mitigated its interest rate risk at the inception of the project by ensuring that the majority of its debt is at a fixed rate or a fixed rate uplifted by RPI increases. Income is also RPI linked, meaning the Group is insensitive to future RPI changes. The Group's exposure to interest and inflationary fluctuations will continue to be monitored.

This report was approved by the board of directors and signed on behalf of the board by:



Peter Sheldrake  
Director

Date: 25 September 2020

# **HpC King's College Hospital (Holdings) Limited**

## **Directors' Report**

### **Year ended 31 March 2020**

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The directors present their report and the audited financial statements of HpC King's College Hospital (Holdings) Limited ("the Company") for the year ended 31 March 2020.

#### **Directors**

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

Stuart Carter  
John Cavill  
Jonathan Cowdell  
Peter Sheldrake

#### **Performance Review**

The profit/(loss) for the year, after taxation, amounted to £587,834 (2019: Loss £(313,984)).

The profit for the year will be transferred to reserves.

The directors are satisfied with the overall performance of the Group and do not foresee any significant change in the Group's activities in the coming financial year.

The directors have considered the future financial impact to the Group of the Coronavirus, taking into account the sources of income and additional expenditure, if any. It is their view that the income to the project will not be impacted. Alongside this the expected expenditure should not see material variation from its current levels and key suppliers are expected to continue to be able to service the project. Although the likely full impact is unknown, it is not expected to materially impact on the operations of the financial position of the Group.

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Qualifying Indemnity Provision**

The Group has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Disclosure of Information to Auditor**

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

- so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

#### **Auditor**

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006

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# **HpC King's College Hospital (Holdings) Limited**

## **Directors' Report** *(continued)*

**Year ended 31 March 2020**

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This report was approved by the board of directors on 25 September 2020 and signed by order of the board by:



Infrastructure Managers Limited  
Company Secretary



# **HpC King's College Hospital (Holdings) Limited**

## **Directors' Responsibilities Statement**

**Year ended 31 March 2020**

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The directors are responsible for preparing the Strategic Report, Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and 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 Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the profit or loss of the Group for that period.

In preparing the Annual Report and Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Annual Report and Financial Statements; and
- prepare the Annual Report and Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **HpC King's College Hospital (Holdings) Limited**

## **Independent Auditor's Report to the Members of HpC King's College Hospital (Holdings) Limited**

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### **Opinion**

We have audited the consolidated financial statements of HpC King's College Hospital (Holdings) Limited (the parent 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the parent Company's affairs as at 31 March 2020, and of the Group's 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.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions Relating to Going Concern**

We have nothing to report in respect of the following matters in relation to which the 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 Group and parent 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.

# **HpC King's College Hospital (Holdings) Limited**

## **Independent Auditor's Report to the Members of HpC King's College Hospital (Holdings) Limited** *(continued)*

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### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Opinions on Other Matters Prescribed by the Companies Act 2006**

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

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

### **Matters on Which We are Required to Report by Exception**

In the light of our knowledge and understanding of the Group and parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# **HpC King's College Hospital (Holdings) Limited**

## **Independent Auditor's Report to the Members of HpC King's College Hospital (Holdings) Limited** *(continued)*

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### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent 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 Group and Parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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## HpC King's College Hospital (Holdings) Limited

### Independent Auditor's Report to the Members of HpC King's College Hospital (Holdings) Limited *(continued)*

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Johnston Carmichael LLP*

Irvine Spowart (Senior Statutory Auditor)  
for and on behalf of Johnston Carmichael LLP

Chartered accountants  
Statutory auditor

*25 September 2020*

7-11 Melville Street  
Edinburgh  
EH3 7PE

# HpC King's College Hospital (Holdings) Limited

## Consolidated Statement of Comprehensive Income

Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	6,979,565	6,897,497
Cost of sales		(2,344,814)	(2,227,280)
Gross Profit		4,634,751	4,670,217
Administrative expenses		(533,969)	(508,440)
Operating Profit	5	4,100,782	4,161,777
Interest receivable	7	2,971,463	3,113,556
Interest payable	8	(6,530,952)	(7,071,679)
Profit Before Taxation		541,293	203,654
Taxation on ordinary activities	9	46,541	(517,638)
Profit/(Loss) for the Financial Year and Total Comprehensive Income		587,834	(313,984)

All the activities of the group are from continuing operations.

The notes on pages 18 to 32 form part of these financial statements.

# HpC King's College Hospital (Holdings) Limited

## Consolidated Statement of Financial Position

As at 31 March 2020

	Note	2020 £	2019 £
<b>Current Assets</b>			
Debtors: due within one year	12	2,715,911	3,059,583
Debtors: due after more than one year	12	60,121,682	64,292,795
Cash at bank and in hand		18,355,352	15,985,939
		<u>81,192,945</u>	<u>83,338,317</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(6,044,243)</u>	<u>(3,832,899)</u>
<b>Net Current Assets</b>		<u>75,148,702</u>	<u>79,505,418</u>
<b>Total Assets Less Current Liabilities</b>		<u>75,148,702</u>	<u>79,505,418</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(82,869,758)</u>	<u>(87,878,207)</u>
<b>Provisions</b>			
Taxation including deferred tax	15	(571,465)	(618,006)
Other provisions	15	(110,440)	—
		<u>(681,905)</u>	<u>(618,006)</u>
<b>Net Liabilities</b>		<u>(8,402,961)</u>	<u>(8,990,795)</u>
<b>Capital and Reserves</b>			
Called up share capital	17	150,000	150,000
Profit and loss account	18	(8,552,961)	(9,140,795)
<b>Shareholders Deficit</b>		<u>(8,402,961)</u>	<u>(8,990,795)</u>

The Financial Statements were approved by the board of directors and authorised for issue on 25 September 2020, and are signed on behalf of the board by:



Peter Sheldrake  
Director

Company registration number: 03847393

The notes on pages 18 to 32 form part of these financial statements.

# HpC King's College Hospital (Holdings) Limited

## Company Statement of Financial Position

As at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Investments	11	150,000	150,000
<b>Current Assets</b>			
Debtors: due within one year	12	492,183	492,146
Debtors: due after more than one year	12	6,761,611	6,867,542
		<u>7,253,794</u>	<u>7,359,688</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(492,183)</u>	<u>(492,146)</u>
<b>Net Current Assets</b>		<u>6,761,611</u>	<u>6,867,542</u>
<b>Total Assets Less Current Liabilities</b>		<u>6,911,611</u>	<u>7,017,542</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(6,761,611)</u>	<u>(6,867,542)</u>
<b>Net Assets</b>		<u>150,000</u>	<u>150,000</u>
<b>Capital and Reserves</b>			
Called up share capital	17	150,000	150,000
Profit and loss account	18		
At beginning of year		-	-
Profit for the year		-	-
At end of year		-	-
<b>Shareholders Funds</b>		<u>150,000</u>	<u>150,000</u>

The profit for the financial year of the parent company was £Nil (2019: £Nil).

The Financial Statements were approved by the board of directors and authorised for issue on 25 September 2020, and are signed on behalf of the board by:



Peter Sheldrake  
Director

Company registration number: 03847393

The notes on pages 18 to 32 form part of these financial statements.



# **HpC King's College Hospital (Holdings) Limited**

## **Consolidated Statement of Changes in Equity**

**Year ended 31 March 2020**

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 April 2018</b>	150,000	(8,826,811)	(8,676,811)
Loss for the financial year		(313,984)	(313,984)
<b>Total Comprehensive Income/(Expense) for the Year</b>	–	(313,984)	(313,984)
<b>At 31 March 2019</b>	150,000	(9,140,795)	(8,990,795)
Profit for the financial year		587,834	<b>587,834</b>
<b>Total Comprehensive Income/(Expense) for the Year</b>	–	587,834	<b>587,834</b>
<b>At 31 March 2020</b>	<u>150,000</u>	<u>(8,552,961)</u>	<u>(8,402,961)</u>

The notes on pages 18 to 32 form part of these Financial Statements.

# **HpC King's College Hospital (Holdings) Limited**

## **Company Statement of Changes in Equity**

**Year ended 31 March 2020**

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	Called up share capital £	Profit and loss account £	<b>Total £</b>
<b>At 1 April 2018</b>	150,000	–	150,000
Profit for the financial year		–	–
<b>At 31 March 2019</b>	150,000	–	<b>150,000</b>
Profit for the financial year		–	–
<b>At 31 March 2020</b>	<u>150,000</u>	<u>–</u>	<u><b>150,000</b></u>

The notes on pages 18 to 32 form part of these Financial Statements.

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# HpC King's College Hospital (Holdings) Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2020

	Note	2020 £	2019 £
Cash generated from operations	19	8,307,304	8,220,825
Interest paid		(4,167,255)	(4,064,873)
Interest received		2,971,463	3,113,556
Tax received		68,001	101,999
Net cash from operating activities		<u>7,179,513</u>	<u>7,371,507</u>
<b>Cash Flows from Financing Activities</b>			
Repayment of Loans from Group Undertakings		(101,170)	(99,711)
Repayments of Borrowings		(4,708,930)	(4,547,140)
Net cash used in financing activities		<u>(4,810,100)</u>	<u>(4,646,851)</u>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>2,369,413</b>	<b>2,724,656</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>		<b>15,985,939</b>	<b>13,261,283</b>
<b>Cash and Cash Equivalents at End of Year</b>		<b><u>18,355,352</u></b>	<b><u>15,985,939</u></b>

The notes on pages 18 to 32 form part of these financial statements.

# **HpC King's College Hospital (Holdings) Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2020**

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### **1. General information**

HpC King's College Hospital (Holdings) Limited ("the Company" and "the Group") is a private company limited by shares and is incorporated, registered and domiciled in the UK. The address of its registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The company's principal activity is that of a holding company, with its directly owned subsidiary being HpC King's College Hospital Limited and indirectly owned subsidiary being HpC King's College Hospital (issuer) plc. The principal activity of the Group is a 38 year contract with King's College Hospital NHS Foundation Trust ending on the 30 November 2037 for the design and construction of a new building, the refurbishment of the hospital's Ruskin Wing, and for the provision of certain non-clinical services at the hospital.

The Company and Group's functional and presentation currency is the pound sterling. Monetary amounts in these financial statements are rounded to the nearest pound.

### **2. Statement of compliance**

The individual and consolidated financial statements of HpC King's College Hospital (Holdings) 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**

#### **(a) Basis of preparation**

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

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 Group'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 further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 3. Accounting policies *(continued)*

#### (b) Going concern

The directors acknowledge that the Group is in a net liability position at the balance sheet date, and that the King's College Hospital NHS Foundation Trust were placed in special measures by NHS Improvement in December 2017 in view of its forecast financial deficit, however the likelihood of non-recovery of the subsidiarys finance debtor is deemed to be low in light of the Trust's invoice settlement performance, the operationally critical nature of the asset and the Group forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, therefore, the Company continues to adopt the going concern basis in preparing its financial statements.

The directors have considered the future financial impact to the Group of the Coronavirus as disclosed in the Directors' Report, and although the likely full impact is unknown it is not expected to materially impact on the operations or financial position of the Group.

#### (c) Disclosure exemptions

The parent Company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the Company.

#### (d) Consolidation

The consolidated financial statements include the Company and all its subsidiary undertakings. Where subsidiary undertakings are acquired during the period their results are included in the consolidated financial statements from the date of acquisition up to the date of the financial period end.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual Statement of Comprehensive Income.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 3. Accounting policies *(continued)*

#### (e) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Significant judgments

The judgments (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

##### i) Deferred taxation

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Judgment is required in the case of the recognition of deferred taxation assets, the Directors have to form an opinion as to whether it is probable that the deferred taxation asset recognised is recoverable against future taxable profits arising. This exercise of judgment requires the Directors to consider forecast information over a long time horizon having regard to the risks that the forecasts may not be achieved and then form a reasonable opinion as to the recoverability of the deferred taxation asset.

##### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

##### i) Impairment of assets

The carrying value of those assets recorded in the Group's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

##### ii) Accounting for service concession arrangements

Accounting for the service concession contract and finance debtors requires estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecast results of the contract.

# **HpC King's College Hospital (Holdings) Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2020**

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### **3. Accounting policies** *(continued)*

#### **(f) Revenue recognition**

Turnover represents the services' share of the management services income received by the Group for the provision of a PFI asset to the customer. This income is received over the life of the concession period. Management service income is allocated between turnover, finance debtor interest and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract.

Revenue from the rendering of services is recognised as a margin on non passthrough operating and maintenance costs.

#### **(g) Finance debtor**

The Group has taken the transition exemption in FRS 102 Section 35.10(i) that allows the Group to continue the service concession arrangement accounting policies from previous UK GAAP.

The Group is accounting for the concession asset based on the ability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the Group on the design, refurbishment and construction of the assets have been treated as a finance debtor within these financial statements.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 3. Accounting policies *(continued)*

#### (h) Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case tax is also recognised in Other Comprehensive Income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is also recognised on the revaluations of derivative financial instruments, with the movements going through the Statement of Comprehensive Income.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the deferred tax asset or liability.

#### (i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### (j) Borrowings

Borrowings are recognised at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the life of the borrowings. Borrowings with maturities greater than twelve months after the reporting date are classified as non-current liabilities.



# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 3. Accounting policies *(continued)*

#### (k) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

#### (l) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### (m) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

#### (n) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Statement of Financial Position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the Statement of Comprehensive Income unless the provision was originally recognised as part of the cost of an asset.

#### (o) Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 in full to all of its financial instruments. A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 3. Accounting policies *(continued)*

#### Financial instruments *(continued)*

Debt instruments are subsequently measured at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### 4. Turnover

Turnover arises from:

	2020	2019
	£	£
Rendering of services	<u>6,979,565</u>	<u>6,897,497</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 5. Operating profit

Operating profit or loss is stated after charging:

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>15,800</u>	<u>14,750</u>

The audit fee of £15,800 from Johnston Carmichael LLP (2019: £14,750 from Johnston Carmichael) includes the fee for the immediate parent entity HpC King's College Hospital (Holdings) Limited and HpC King's College Hospital (Issuer) plc.

### 6. Particulars of employees and directors

The average number of persons employed by the Group during the financial year, including the directors, amounted to nil (2019: nil). The directors did not receive any remuneration from the Group during the year (2019: £nil).

Fees paid to investors in respect of their directors are disclosed in note 21.

### 7. Interest receivable

	2020 £	2019 £
Interest on cash and cash equivalents	58,386	61,558
Interest receivable from long-term trade debtor	2,913,077	3,050,595
Other interest receivable and similar income	—	1,403
	<u>2,971,463</u>	<u>3,113,556</u>

### 8. Interest payable

	2020 £	2019 £
Interest due to Group undertakings	928,694	938,069
Secured bond interest payable	5,180,498	5,713,115
Loan stock redemption premium	139,121	138,095
Other interest payable and similar expenses	282,639	282,400
	<u>6,530,952</u>	<u>7,071,679</u>

### 9. Taxation on ordinary activities

#### Major components of tax income

	2020 £	2019 £
Deferred tax:		
Origination and reversal of timing differences	(46,541)	517,638
Taxation on ordinary activities	<u>(46,541)</u>	<u>517,638</u>

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 9. Taxation on ordinary activities *(continued)*

#### Reconciliation of tax (income)/expense

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

	2020 £	2019 £
Profit before taxation	<u>541,293</u>	<u>203,654</u>
Profit by rate of tax	102,845	38,694
Effect of expenses not deductible for tax purposes	131,349	602,471
Effect of change in tax rate	16,741	(123,527)
Losses available for utilisation	<u>(297,476)</u>	<u>-</u>
Total tax (credit)/charge	<u>(46,541)</u>	<u>517,638</u>

#### Factors that may affect future tax income

A change to the future UK corporation tax rate was announced in the March 2020 budget. The rate will no longer drop to 17% with effect from 1 April 2020 but will remain at the previous rate of 19%. This change has been recognised in these financial statements.

### 10. Tangible assets

Group	Plant and Machinery £
<b>Cost</b>	
At 1 April 2019	1,007,000
Disposals	<u>(1,007,000)</u>
<b>At 31 March 2020</b>	<u>-</u>
<b>Depreciation</b>	
At 1 April 2019	1,007,000
Disposals	<u>(1,007,000)</u>
<b>At 31 March 2020</b>	<u>-</u>
<b>Carrying amount</b>	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>-</u>

The company has no tangible assets.

### 11. Investments

The group has no investments.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 11. Investments *(continued)*

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	<u>150,000</u>
<b>Impairment</b>	
At 1 April 2019 and 31 March 2020	<u>—</u>
<b>Carrying amount</b>	
At 1 April 2019 and 31 March 2020	<u>150,000</u>
At 31 March 2019	<u>150,000</u>

#### Subsidiaries, associates and other investments

The Company owns 100% of the issued share capital of HpC King's College Hospital Limited, a Company registered at 78 Cannon Street, London, EC4N 6AF.

	2020 £	2019 £
Aggregate capital and reserves	8,402,961	8,990,795
Profit/(Loss) for the year	587,834	(313,984)

The directors acknowledge the investment is in net liabilities, however they have received assurances from the key creditors that outstanding liabilities will not be called within 12 months of signing the financial statements. The directors have reviewed the investments forecasts and projections and have reasonable expectation that no impairment indicators exist and the investment will continue in operation existence for the foreseeable future.

The Company owns directly and indirectly 100% of the issued share capital of HpC King's College Hospital (Issuer) Plc, a Company registered at 78 Cannon Street, London, EC4N 6AF.

	2020 £	2019 £
Aggregate capital and reserves	50,000	50,000
Profit/(Loss) for the year	—	—

The directors believe that the carrying value of the investments is supported by their underlying net assets.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2020

### 12. Debtors

Debtors amounts falling due within one year are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	–	11,112	–	–
Amounts owed by Group undertakings	–	–	492,183	492,146
Prepayments and accrued income	127,891	130,701	–	–
Corporation tax repayable	–	68,001	–	–
Finance Debtor	2,561,256	2,813,740	–	–
Other debtors	26,764	36,029	–	–
	<u>2,715,911</u>	<u>3,059,583</u>	<u>492,183</u>	<u>492,146</u>

Debtors amounts falling due after more than one year are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed by Group undertakings	–	–	6,761,611	6,867,542
Finance Debtor	60,121,682	64,292,795	–	–
	<u>60,121,682</u>	<u>64,292,795</u>	<u>6,761,611</u>	<u>6,867,542</u>

Amounts owed by Group undertakings relate to unsecured loan stock with a value of £2,502,106 (2019: £2,603,275) due 2037, bearing interest at LIBOR plus 13.45% and another unsecured loan with a value of £4,291,987 (2019: £4,291,987) due 2037, bearing interest at 13.04%. The balance also includes accrued interest of £459,701 (2019: £464,426).

The movement in the finance debtor is analysed as follows:

	2020	2019
	£	£
At beginning of year	67,106,535	71,121,011
Movement in the year	(4,423,597)	(4,014,476)
At end of year	<u>62,682,938</u>	<u>67,106,535</u>

Included in the movement in the year is amortisation of the finance debtor amounting to £2,327,361 (2019: £2,259,802).

On completion of the construction, borrowing costs of £8,423,000 were capitalised within the finance receivable.

# **HpC King's College Hospital (Holdings) Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2020**

### **13. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>99,522</b>	237,126	–	–
Amounts owed to Group undertakings	<b>439,250</b>	438,867	<b>439,250</b>	438,867
Accruals and deferred income	<b>69,091</b>	186,875	–	–
Taxation and social security	<b>482,992</b>	573,583	–	–
Other loans	<b>52,932</b>	53,279	<b>52,933</b>	53,279
Secured bond	<b>4,900,456</b>	2,343,169	–	–
	<b><u>6,044,243</u></b>	<b><u>3,832,899</u></b>	<b><u>492,183</u></b>	<b><u>492,146</u></b>

Amounts owed to Group undertakings are discussed further in note 14.

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

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owed to Group undertakings	<b>6,143,770</b>	6,223,169	<b>6,143,767</b>	6,223,169
Other loans	<b>617,844</b>	644,373	<b>617,844</b>	644,373
Secured bond	<b>76,108,144</b>	81,010,665	–	–
	<b><u>82,869,758</u></b>	<b><u>87,878,207</u></b>	<b><u>6,761,611</u></b>	<b><u>6,867,542</u></b>

Included within creditors: amounts falling due after more than one year is an amount of £66,513,814 (2019: £70,438,520) for the group and £2,326,696 (2019: £2,372,123) for the company in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Included within creditors: amounts falling due after more than one year is an amount of £4,291,987 (2019: £4,291,987) for the group and £4,291,987 (2019: £4,291,987) for the company in respect of liabilities payable or repayable otherwise than by instalments which fall due for payment after more than five years from the reporting date.

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### Amounts owed to Group undertakings

Amounts owed to Group undertakings relate to unsecured loan stock with a value of £1,876,136 (2019: £1,951,993) due 2037, bearing interest at LIBOR plus 13.45% and another unsecured loan with a value of £4,291,987 (2019: £4,291,987) due 2037, bearing interest at 13.04%. The balance also includes accrued interest of £414,897 (2019: £418,056).

### Other loans

Other loans relate to unsecured loan stock with a value of £625,970 (2019: £651,282) due 2037, bearing interest at LIBOR plus 13.45%. The balance also includes accrued interest of £44,804 (2019: £46,370).

### Secured bonds

The Group has in issue 3.443% index-linked guaranteed secured bond due 2004-2036. Both the interest and the principal balances are adjusted for the increase in the Retail Price Index at six monthly intervals, which at 31 March 2020 amounted cumulatively to 75.24% (2019: 70.52%). The un-indexed principal balance outstanding at 31 March 2020 is £46,651,358 (2019: £49,368,926). The loan is secured by way of a fixed and floating charge over the assets of the company and its subsidiary.

## 15. Provisions

Group	Deferred tax (note 16) £	Building Repairs £	Total £
At 1 April 2019	618,006	–	618,006
Additions	–	110,440	110,440
Deferred tax	(46,541)	–	(46,541)
<b>At 31 March 2020</b>	<b>571,465</b>	<b>110,440</b>	<b>681,905</b>

The Company does not have any provisions.

HpC Kings College Hospital Limited anticipates that it will incur costs of £110,440 for Building Repair Works in the Golden Jubilee Wing. These works are expected to be completed in the year to 31 March 2021.



# **HpC King's College Hospital (Holdings) Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2020**

### **16. Deferred tax**

The deferred tax included in the Statement of Financial Position is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Included in provisions (note 15)	<u><b>571,465</b></u>	<u><b>618,006</b></u>	<u><b>–</b></u>	<u><b>–</b></u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>5,843,083</b>	5,392,186	<b>–</b>	<b>–</b>
Unused tax losses	<b>(5,231,980)</b>	(4,754,153)	<b>–</b>	<b>–</b>
Other timing differences	<b>(39,638)</b>	(20,027)	<b>–</b>	<b>–</b>
	<u><b>571,465</b></u>	<u><b>618,006</b></u>	<u><b>–</b></u>	<u><b>–</b></u>

The net deferred tax liability expected to reverse in 2020 is £571,465. This primarily relates to the reversal of timing differences on capital allowances offset by expected utilisation of tax losses and short term timing differences.

### **17. Called up share capital**

**Issued, called up and fully paid**

	<b>2020</b>		<b>2019</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u><b>150,000</b></u>	<u><b>150,000</b></u>	<u><b>150,000</b></u>	<u><b>150,000</b></u>

### **18. Reserves**

Retained earnings - This reserve records retained earnings and accumulated losses.

### **19. Cash generated from operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial year	<b>587,834</b>	(313,984)
<i>Adjustments for:</i>		
Interest receivable	<b>(2,971,463)</b>	(3,113,556)
Interest payable	<b>6,530,952</b>	7,071,679
Taxation on ordinary activities	<b>(46,541)</b>	517,638
<i>Changes in:</i>		
Trade and other debtors	<b>4,446,782</b>	4,076,693
Trade and other creditors	<b>(240,260)</b>	(17,645)
	<u><b>8,307,304</b></u>	<u><b>8,220,825</b></u>

# HpC King's College Hospital (Holdings) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 20. Analysis of changes in net debt

	At 1 Apr 2019	Cash flows	Other changes	At 31 Mar 2020
	£	£	£	£
Cash at bank and in hand	15,985,939	2,369,413	–	<b>18,355,352</b>
Debt due within one year	(2,835,314)	5,274,530	(7,831,854)	<b>(5,392,638)</b>
Debt due after one year	(87,878,208)	–	5,008,450	<b>(82,869,758)</b>
	<u>(74,727,583)</u>	<u>7,643,943</u>	<u>(2,823,404)</u>	<u><b>(69,907,044)</b></u>

### 21. Related party transactions

#### Company

As the Company publishes consolidated financial statements, it has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

The following disclosures are with entities in the Group that are not wholly owned:

The Group paid £46,214 (2019: £45,072) to Sodexo Investment Services Limited for the provision of 2 directors. Amounts outstanding at year end - £23,107 (2019: £nil).

The Group paid £105,033 (2019: £102,435) to BIIF Bidco Limited for the provision of 2 directors. As at 31 March 2020 £nil (2019: £nil) remained outstanding.

The Group sub-contracted Sodexo Limited, part of the Sodexo Group, to provide non-clinical services to King's College Hospital Trust until 15 December 2009. The amount invoiced by Sodexo Limited in the year for these services amounted to £nil (2019: £nil). As at 31 March 2020 £9,012 (2019: £9,012) remained outstanding.

The Group sub-contracted Sodexo Limited, part of the Sodexo Group, to manage the lifecycle and estate services. The amount invoiced by Sodexo Limited in the year for these services amounted to £2,815,623 (2019: £2,224,750). As at 31 March 2020 £34,365 (2019: £180,319) remained outstanding.

### 22. Controlling party

The ultimate parent and controlling party is BIIF L.P. BIIF L.P. is owned by a number of investors with no one investor having individual control.