

Prospect Healthcare (Reading) Holdings Limited
Directors' report and financial statements

31 March 2012
Registered number 4150612

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Company Information

Directors	P J Whiscombe – resigned 28 November 2011 B Semple G Fairbank – resigned 28 November 2011 M Edwards – appointed 23 November 2011
Secretary	J Burbidge – resigned 7 November 2011 A Burrows – appointed 7 November 2011
Registered Office	8 White Oak Square London Road Swanley Kent BR8 7AG
Registered Number	04150612
Auditor	KPMG Audit Plc Arlington Business Park Theale Reading RG7 4SD
Bankers	National Westminster Bank, 81 High Street Bedford MK40 1YN

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

Business review and principal activities

The Company is an investment holding company whose sole business is the holding and financing of an investment in its wholly owned subsidiary, Prospect Healthcare (Reading) Limited

Prospect Healthcare (Reading) Limited entered into a contract with Berkshire Healthcare NHS Foundation Trust to design, finance, commission and maintain and provide non-clinical services to a new mental health hospital at Prospect Park in Reading. The concession runs for a period of 32 years from 3 May 2001

Construction works on the new hospital began in May 2001 and were completed in March 2003 from which date the provision of non-clinical services commenced

The project managed through its subsidiary, Prospect Healthcare (Reading) Limited continues to perform well and the company has every expectation of managing the project to its full term

Results and Dividends

The result for the year was a profit of £365,000 (2011 £nil). An interim dividend of £365,000 was paid in the year (2011 £nil). The directors do not recommend the payment of a final dividend

Directors

The directors of the company during the year were as follows -

B Semple

M Edwards – appointed 23 November 2011

G Fairbank – resigned 28 November 2011


PJ Whiscombe – resigned 28 November 2011

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office


A Burrows
Secretary
12 July 2012

8 White Oak Square
London Road
Swanley
Kent
BR8 7AG

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Prospect Healthcare (Reading) Holdings Limited

We have audited the financial statements of Prospect Healthcare (Reading) Holdings Limited for the year ended 31 March 2012 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/ascope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006.

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

Matters on which we are required to report by exception

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

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



A Moses (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

18 July 2012

Profit and Loss Account
for the year ended 31 March 2012

		Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
	<i>Notes</i>		
Turnover		-	-
Operating result		-	-
Income from fixed asset investment		365	-
Interest receivable	5	471	470
Interest payable	6	(471)	(470)
Profit on ordinary activities before taxation	2 - 4	365	-
Taxation	7	-	-
Profit for the financial year	13	365	-

The notes on pages 7 to 9 form part of these accounts

There is no difference between the historical cost result and the result stated above. The results reported above relate to continuing activities.

There are no other recognised gains or losses for the year.

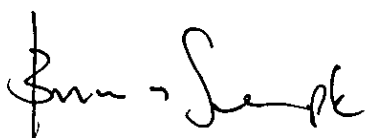
Balance Sheet

At 31 March 2012

	<i>Notes</i>	31 March 2012 £000	31 March 2011 £000
Fixed Assets			
Investments	8	<u>3,695</u>	<u>3,675</u>
		3,695	3,675
Current Assets			
Debtors	9	203	218
Cash at bank		<u>22</u>	<u>-</u>
		225	218
Current Liabilities			
Creditors amounts falling due within one year	10	<u>(225)</u>	<u>(218)</u>
Net Current Assets		-	-
Total Assets Less Current Liabilities		3,695	3,675
Creditors amounts falling due after more than one year	11	<u>(3,445)</u>	<u>(3,425)</u>
Total Net Assets		<u>250</u>	<u>250</u>
Capital and Reserves			
Called up share capital	12	<u>250</u>	<u>250</u>
Equity Shareholders' Funds	13	<u>250</u>	<u>250</u>

The notes on page 7 to 9 form part of these financial statements

These financial statements were approved by the board of directors on 12 July 2012 and signed on its behalf by



Brian Semple

Director

Company Registered Number 04150612

Notes

(forming part of the financial statements)

1. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Group financial statements

The company is exempt by virtue of the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Statement of cash flows

Under FRS 1 (revised), the company is exempt from the requirement to prepare a statement of cash flows on the ground that it is a small company.

Fixed asset investments

Investments in fixed assets are held at cost less any provision for impairment.

Redemption premium

A 20% redemption premium payable on the 14 5% Unsecured Junior Ranking Loan Notes 2003 – 2033 is provided for on a systematic basis over the life of the loan notes at a constant rate on the principal amount of the notes outstanding.

2. Directors' Remuneration

The directors received no remuneration during the year (2011 nil).

3. Profit after Taxation

The audit fee is borne and paid for by the company's immediate subsidiary company. The directors estimate that the fee attributable to the company is £1,000 (2011 £1,000).

No corporation tax is payable on dividends received from subsidiary companies.

4. Staff Costs

The Company has no employees (2011 nil).

5. Interest Receivable

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Interest receivable on loan notes	<u>471</u>	<u>470</u>

Interest receivable on loan notes includes redemption premium receivable of £20,621 (2011 £20,621)

Notes (continued)

6. Interest Payable

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Interest payable on loan notes	<u>471</u>	<u>470</u>

Interest payable on loan notes includes redemption premium payable of £20,621 (2011 £20,621)

7. Taxation

Tax on profit from ordinary activities

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
(a) Analysis of charge in period		
Current tax		
UK corporation tax on profits for the period	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences		
Prior period	-	-
Current year	-	-
Total deferred tax charge (note 13)	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting the tax charge for the period

The differences are explained below

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Profit on ordinary activities before tax	<u>365</u>	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	95	-
Effects of		
Dividend income not chargeable for corporation tax	<u>(95)</u>	-
Current tax charge for the period	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the company's future current tax charge accordingly.

8 Investments

	Shares £000	Loans £000	Total £000
At 31 March 2011	250	3,425	3,675
Additions	-	20	20
At 31 March 2012	<u>250</u>	<u>3,445</u>	<u>3,695</u>

Loans are due as follows

	£000
Due within one year	-
Due after more than five years	3,445
	<u>3,445</u>

The company owns 100% of the share capital of Prospect Healthcare (Reading) Limited, registered in England and Wales, which is a private finance initiative concessionaire.

Subject to availability of funds in the subsidiary interest on the 14.5% Unsecured Junior Ranking Loan Notes 2003 – 2033 is receivable semi-annually in April and October. Any interest unpaid is deferred and itself attracts interest at 14.5% per annum until it is settled. The Loan Notes are repayable in instalments in 2032 and 2033 together with a redemption premium of 20% of the nominal value of the Loan Notes repaid. The Zero Coupon Loan Notes 2033 are repayable at par in 2033.

9. Debtors

	31 March 2012 £000	31 March 2011 £000
Loan note interest due from subsidiary undertaking	<u>203</u>	<u>218</u>

10. Creditors' amounts falling due within one year

	31 March 2012 £000	31 March 2011 £000
Amount due to subsidiary	22	-
Loan note interest due to shareholders	<u>203</u>	<u>218</u>
	<u>225</u>	<u>218</u>

Notes (Continued)

11. Creditors: amounts falling after more than one year

	31 March 2012 £000	31 March 2011 £000
14 5% Unsecured Junior Ranking Loan Notes 2003 – 2033	3,273	3,253
Zero Coupon Junior Ranking Loan Notes 2033	172	172
	<u>3,445</u>	<u>3,425</u>
	31 March 2012 £000	31 March 2011 £000
Amounts repayable		
In more than five years	<u>3,445</u>	<u>3,425</u>

Subject to availability of funds interest on the 14 5% Unsecured Junior Ranking Loan Notes 2003 – 2033 is payable semi-annually in April and October. Any interest unpaid is deferred and itself attracts interest at 14 5% per annum until it is settled. The Loan Notes are repayable in instalments in 2032 and 2033 together with a redemption premium of 20% of the nominal value of the Loan Notes repaid.

The Zero Coupon Loan Notes 2033 are repayable at par in 2033.

12. Share Capital

	31 March 2012 £000	31 March 2011 £000
Authorised		
250,100 ordinary shares of £1 each	<u>250</u>	<u>250</u>
Allotted, called up and fully paid		
250,100 ordinary shares of £1 each	<u>250</u>	<u>250</u>

13. Reconciliation of Movement in Equity Shareholder's Funds

	31 March 2012 £000	31 March 2011 £000
Opening shareholder's funds	250	250
Profit for the period	365	-
Dividends	(365)	-
Closing shareholder's funds	<u>250</u>	<u>250</u>

14. Related Parties

The share capital of the company is held by Innisfree PFI Continuation Fund LP, a Limited Partnership registered in England, through its nominee company, Innisfree Nominees Limited. It is noted that the financial results of Prospect Healthcare (Reading) Holdings Limited are not consolidated into these entities.

Details of interest payable and movements in loan balances with this party are given in notes 9 and 10 to the accounts.