

# NU LOCAL CARE CENTRES (FARNHAM) LIMITED

Registered in England and Wales No. 4187974

## ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

WEDNESDAY



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## **Directors and Officers**

### **Directors:**

D A S Dahan  
I B Womack

### **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**

Bank of Scotland  
London Chief Office  
38 Threadneedle Street  
London  
EC2P 2EH

### **Registered Office**

No 1 Poultry  
London  
EC2R 8EJ

### **Company Number**

Registered in England and Wales No 4187974

### **Other Information**

NU Local Care Centres (Farnham) Limited (the 'Company') is a member of the Aviva plc group of companies (the 'Group')

## **Directors' Report**

### **For the year ended 31 December 2013**

The directors present their report and financial statements for the Company for the year ended 31 December 2013

#### **Directors**

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

D A S Dahan  
I B Womack

#### **Principal Activities**

The Company's principal activity is to provide facilities management services to a healthcare unit constructed under a private finance initiative ("PFI") with the Surrey and Hampshire Borders NHS Trust

The directors have reviewed the activities of the business for the year and the position as at 31 December 2013 and consider them to be satisfactory

#### **Dividend**

The directors do not recommend the payment of a dividend for the financial year ending 31 December 2013 (2012 £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, they continue to adopt the going concern basis in preparing the financial statements

#### **Employees**

The Company has no employees

#### **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, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware, and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

#### **Independent Auditors**

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

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

### **For the year ended 31 December 2013**

#### **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.

#### **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 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

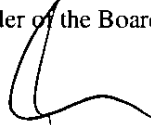
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

By order of the Board 30 April 2014



I B Womack  
Director

## ***Independent auditors' report to the members of NU Local Care Centres (Farnham) Limited***

### **Report on the financial statements**

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#### **Our opinion**

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 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

This opinion is to be read in the context of what we say in the remainder of this report

#### **What we have audited**

The financial statements, which are prepared by NU Local Care Centres (Farnham) Limited, comprise

- the balance sheet as at 31 December 2013,
- the profit and loss account,
- 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 their preparation is applicable law and United Kingdom Accounting Standards (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

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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

In addition, we read all the financial and non-financial information in the annual report and financial statements 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

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

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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**

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#### **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

#### **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 in preparing the Directors'

Report and take advantage of the small companies exemption from preparing a Strategic Report We have no exceptions to report arising from this responsibility

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 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



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

30<sup>th</sup> April 2014

**Profit and loss account**

for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	2,993,825	2,862,351
Cost of sales	3	(2,890,894)	(2,735,295)
Gross profit		102,931	127,056
Administrative expenses	4	(7,406)	(6,915)
Operating profit		95,525	120,141
Interest receivable and similar income	6	6,595	3,803
<b>Profit on ordinary activities before taxation</b>		102,120	123,944
Tax on profit on ordinary activities	7	(53,248)	(53,725)
<b>Profit for the financial year</b>		48,872	70,219

All amounts reported in the profit and loss account relate to continuing operations

There are no recognised gains or losses in the year other than the profit for the financial year

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 9 to 13 form an integral part of these financial statements

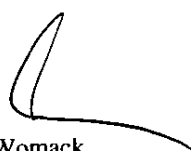


# **Balance sheet**

as at 31 December 2013

	Note	2013 £	2012 £
<b>Current assets</b>			
Debtors amounts falling due after more than one year	8	2,159,830	2,159,830
Debtors amounts falling due within one year	8	635	-
Prepayments and accrued income	9	282,126	282,752
Cash at bank and in hand	10	3,137,263	3,112,569
<b>Total current assets</b>		<b>5,579,854</b>	<b>5,555,151</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(4,252,824)</b>	<b>(4,276,993)</b>
<b>Net current assets</b>		<b>1,327,030</b>	<b>1,278,158</b>
<b>Net assets</b>		<b>1,327,030</b>	<b>1,278,158</b>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account	13	1,326,930	1,278,058
<b>Total shareholders' funds</b>	13	<b>1,327,030</b>	<b>1,278,158</b>

The financial statements were approved by the Board of directors on 30 April 2014 and were signed on its behalf by

  
I B Womack  
Director

The notes on pages 9 to 13 form an integral part of these financial statements

**Notes to the financial statements**  
for the year ended 31 December 2013

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**1. Accounting policies**

**a) Basis of preparation**

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

The accounting policies set out below have been applied consistently throughout the year

**b) 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

**c) Cash flow statement**

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

**d) 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

**e) Deferred tax**

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

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

**f) Receivables and other financial assets**

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost

Provisions are made where there is objective evidence that the amount will not be recovered in full.

**g) Tax on profit on ordinary activities**

Tax is based on profit for the year and charged at the standard UK corporation tax rate

The company includes no recognised or unrecognised tax deferred tax assets and liabilities at the balance sheet date

**h) Other payables**

Other payables are recognised on an accruals basis

**i) Administrative expenses**

Administrative expenses include audits fees and other consultancy fees and are recognised on an accruals basis

**2. Turnover**

Turnover which excludes value added tax, represents rents and service charges due for the year, amounts invoiced in respect of facilities management services provided, and other income earned under a PFI concession agreement, dated 29 October 2001

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

**3. Cost of sales**

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

**4. Administrative expenses**

Audit fees of £4,244 (2012 £3,825) have been accrued for the year

The directors received no emoluments for services to the Company for the financial year (2012 nil)

**5. Particulars of employees**

The Company had no employees during the financial year (2012 nil)

**6. Interest receivable and similar income**

	2013 £	2012 £
Interest receivable	6,595	3,803
Total interest receivable and similar income	6,595	3,803

**7. Tax on profit on ordinary activities**

**(a) Tax reconciliation**

	2013 £	2012 £
<b>Current tax</b>		
UK Corporation tax on profits for the year	53,248	53,739
Adjustments in respect of prior years	-	(14)
<b>Total current tax</b>	53,248	53,725
<b>Deferred tax</b>		
Short term timing differences	10,934	3,062
Accelerated capital allowances	6,723	11,894
<b>Total deferred tax</b>	17,657	14,956
Total tax on profit on ordinary activities	70,905	68,681

**(b) Factors affecting current tax charge for the year**

	2013 £	2012 £
Profit on ordinary activities before taxation	102,120	123,944
Current charge at standard UK corporation tax rate of 23.25% (2012 24.5%)	23,743	30,366
Effects of		
Short term timing differences	32,711	25,633
Capital allowances in excess of depreciation	(3,206)	(2,260)
Adjustments in respect of prior years	-	(14)
Current tax charge for the year	53,248	53,725
Total current tax charge on ordinary activities for the year	53,248	53,725

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

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

**(c) Deferred tax**

	2013 £	2012 £
Balance as at 1 January	102,282	87,326
Charge for the year	17,657	14,956
Balance as at 31 December	119,939	102,282

**The provision for deferred taxation is made up of:**

	2013 £	2012 £
Short term timing differences	101,599	90,665
Accelerated capital allowances	18,340	11,617
Deferred tax asset not provided	119,939	102,282

The above deferred tax assets have not been recognised because there is insufficient evidence under FRS 19 as to the availability of suitable taxable profits in the foreseeable future

Legislation already enacted at the balance sheet date means that the corporate tax rate is expected to reduce to 21% with effect from 1 April 2014 (from 23%) and a subsequent reduction of 1% to 20% from 1 April 2015. On the basis that it is anticipated that the company's deferred tax assets are expected to unwind between 1 April 2014 and 1 April 2015, the closing unrecognised deferred tax asset balance has been tax effected at the lower rate of 21%

Where deferred tax assets and liabilities will be realised or settled after 1 April 2015, the maximum impact of the reduction in corporation tax to 20% is a reduction of £5,711 which could reduce the closing unrecognised deferred tax asset to £114,228

**8. Debtors**

	2013 £	2012 £
Amounts falling due after more than one year		
Amounts owed by group undertakings	2,159,830	2,159,830
Total debtors amounts falling due after more than one year	2,159,830	2,159,830
Amounts falling due within one year		
Trade debtors	635	-
Total debtors amounts falling due within one year	635	-
Total debtors	2,160,465	2,159,830

**9. Prepayments and accrued income**

	2013 £	2012 £
Prepayments	10,324	10,031
Accrued income	271,802	272,721
Total prepayments and accrued income	282,126	282,752

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

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

Cash at bank and in hand includes £2,609,369 (2012 £2,336,185) which relates to amounts paid by Surrey and Hampshire Borders NHS Trust into a sinking fund to fund the replacement and repair of certain assets. The cash cannot be accessed by the Company.

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

	2013 £	2012 £
Trade creditors	75,813	2,160
Sinking fund	2,609,369	2,336,185
Amounts owed to group undertakings	1,074,741	1,445,460
Sundry creditors - VAT	127,244	137,076
Accruals and deferred income	365,657	356,112
Total creditors amounts falling due within one year	<u>4,252,824</u>	<u>4,276,993</u>

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

**12. Called up share capital**

	2013 £	2012 £
The allotted, called up and fully paid share capital of the Company at 31 December was		
100 (2012 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**13. Reconciliation of movements in shareholders' funds**

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2013	100	1,278,058	1,278,158
Profit for the financial year	-	48,872	48,872
At 31 December 2013	<u>100</u>	<u>1,326,930</u>	<u>1,327,030</u>

**14. Contingent liabilities and capital commitments**

There were no contingent liabilities or commitments at the balance sheet date (2012 nil).

**15. 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 Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Norwich Union Public Private Partnership Fund group.

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.

• NU Local Care Centres (Farnham) Limited  
Registered in England and Wales No 4187974

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

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**16. Parent and ultimate controlling entity**

The immediate parent undertaking is NU 3PS Limited

The Company's general partner is NUPPP (GP) Limited, a company incorporated in Great Britain and registered in England and Wales

The immediate parent undertaking of NUPPP (GP) Limited is Norwich Union (Shareholder GP) Limited, a company incorporated in Great Britain and registered in England and Wales

The ultimate parent undertaking and controlling party is Aviva plc, a company incorporated in the United Kingdom whose registered office is situated at St Helen's, 1 Undershaft, London EC3P 3DQ

The consolidated financial statements of Aviva plc are available on application to the

Group Company Secretary  
Aviva plc  
St Helen's  
1 Undershaft, London  
EC3P 3DQ