

NU LOCAL CARE CENTRES (FARNHAM) LIMITED

Registered in England and Wales No. 4187974

ANNUAL REPORT AND FINANCIAL STATEMENTS 2014

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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 2014

The directors present their report and audited financial statements for the Company for the year ended 31 December 2014.

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 2014 and consider them to be satisfactory.

Dividend

The directors do not recommend the payment of a dividend for the financial year ending 31 December 2014 (2013: £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 (2013: nil).

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.

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

Independent Auditors

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

Directors' Report (continued)

For the year ended 31 December 2014

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.

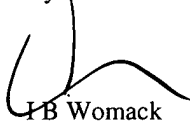
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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.

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 2015:



J B Womack
Director

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

Report on the financial statements

Our opinion

In our opinion, NU Local Care Centres (Farnham) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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

NU Local Care Centres (Farnham) Limited's financial statements:

- the balance sheet as at 31 December 2014;
- 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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

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.

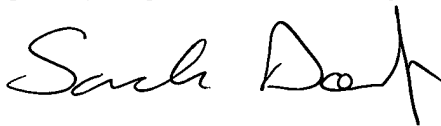
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

30th April 2015

Profit and loss account

for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	3,082,709	2,993,825
Cost of sales	3	(2,980,292)	(2,890,894)
Gross profit		102,417	102,931
Administrative expenses	4	(8,345)	(7,406)
Operating profit		94,072	95,525
Interest receivable and similar income	6	19,114	6,595
Profit on ordinary activities before taxation		113,186	102,120
Tax on profit on ordinary activities	7	(37,100)	(53,248)
Profit for the financial year		76,086	48,872

Continuing operations

All amounts reported in the profit and loss account for the years ended 31 December 2014 and 31 December 2013 relate to continuing operations.

Historical cost profits and losses

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.

Statement of total recognised gains and losses

There are no recognised gains and losses other than as disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

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

Balance sheet

as at 31 December 2014

	Note	2014 £	2013 £
Current assets			
Debtors: amounts falling due after more than one year	8	2,159,830	2,159,830
Debtors: amounts falling due within one year	8	902	635
Prepayments and accrued income	9	287,132	282,126
Cash at bank and in hand	10	3,529,389	3,137,263
Total current assets		5,977,253	5,579,854
Creditors: amounts falling due within one year	11	(4,574,137)	(4,252,824)
Net current assets		1,403,116	1,327,030
Net assets		1,403,116	1,327,030
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	1,403,016	1,326,930
Total shareholders' funds	13	1,403,116	1,327,030

These audited financial statements were approved and authorised for issue by the Board of Directors on 30 April 2015 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 2014

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 2014

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 £3,784 (2013: £4,244) have been accrued for the year.

The directors received no emoluments for services to the Company for the financial year (2013: nil).

5. Particulars of employees

The Company had no employees during the financial year (2013: nil).

6. Interest receivable and similar income

	2014 £	2013 £
Interest receivable	19,114	6,595
Total interest receivable and similar income	19,114	6,595

7. Tax on profit on ordinary activities

(a) Tax reconciliation

	2014 £	2013 £
Current tax		
UK Corporation tax on profits for the year	38,112	53,248
Adjustments in respect of prior years	(1,012)	-
Total current tax	37,100	53,248
Deferred tax		
Short term timing differences	11,336	10,934
Accelerated capital allowances	5,196	6,723
Total deferred tax	16,532	17,657
Total tax on profit on ordinary activities	53,632	70,905

(b) Factors affecting current tax charge for the year

	2014 £	2013 £
Profit on ordinary activities before taxation	113,186	102,120
Current charge at standard UK corporation tax rate of 21.50% (2013: 23.25%)	24,327	23,743
Effects of:		
Short term timing differences	17,382	32,711
Difference between capital allowances and depreciation	(3,597)	(3,206)
Adjustments in respect of prior years	(1,012)	-
Current tax charge for the year	37,100	53,248
Total current tax charge on ordinary activities for the year	37,100	53,248

Notes to the financial statements (continued)
for the year ended 31 December 2014

7. Tax on profit on ordinary activities (continued)

(c) Deferred tax

	2014 £	2013 £
Balance as at 1 January	119,939	102,282
Charge for the year	16,532	17,657
Balance as at 31 December	136,471	119,939

The provision for deferred taxation is made up of:

	2014 £	2013 £
Short term timing differences	112,935	101,599
Accelerated capital allowances	23,536	18,340
Deferred tax asset not provided	136,471	119,939

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 20% from 1 April 2015 with no further reduction currently announced. On this basis, the closing unrecognised deferred tax asset balance has been tax effected at the rate of 20%.

8. Debtors

	2014 £	2013 £
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
Other debtors	902	-
Total debtors amounts falling due within one year	902	635
Total debtors	2,160,732	2,160,465

9. Prepayments and accrued income

	2014 £	2013 £
Prepayments	10,669	10,324
Accrued income	276,463	271,802
Total prepayments and accrued income	287,132	282,126

10. Cash at bank and in hand

Cash at bank and in hand includes £2,870,731 (2013: £2,609,369) 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.

Notes to the financial statements (continued)
for the year ended 31 December 2014

11. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	34,220	75,813
Sinking fund	2,870,731	2,609,369
Amounts owed to group undertakings	1,118,992	1,074,741
Sundry creditors - VAT	145,743	127,244
Accruals and deferred income	404,451	365,657
Total creditors amounts falling due within one year	<u>4,574,137</u>	<u>4,252,824</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

	2014 £	2013 £
The allotted, called up and fully paid share capital of the Company at 31 December was:		
100 (2013: 100) Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

13. Reconciliation of movements in shareholders' funds/(deficit) and reserves

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2014	100	1,326,930	1,327,030
Profit for the financial year	-	76,086	76,086
At 31 December 2014	<u>100</u>	<u>1,403,016</u>	<u>1,403,116</u>

14. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (2013: £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.

Notes to the financial statements (continued)
for the year ended 31 December 2014

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