

**Registered in England No: 4364918**

**NU LOCAL CARE CENTRES (WEST PARK) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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## **NU Local Care Centres (West Park) Limited**

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### **Directors, Advisors and Other Information**

#### **Directors and Officers**

##### **Current Directors:**

P F Ellis  
C J W Laxton  
I B Womack

##### **Resigned Directors:**

J Gottlieb (Resigned 13 June 2008)

#### **Secretary**

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

#### **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

#### **Registered Place of Business**

No 1 Poultry  
London EC2R 38EJ

**Registered No. 4364918**

## **Directors' Report**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2008.

### **Directors**

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

P F Ellis  
C J W Laxton  
I B Womack  
J Gottlieb (Resigned 13 June 2008)

### **Principal activity and business review**

The Company's principal activity is to provide facilities management services to a mental health unit constructed under a private finance initiative ("PFI") with the Durham and Darlington Priority Services NHS Trust.

The directors consider the key risk underlying the PFI agreement to be the recoverability of the amounts due from the Durham and Darlington Priority Services NHS Trust. This risk, however, is mitigated, as the repayments are fixed under the terms of the PFI agreement.

The directors have reviewed the activities of the business for the period and the position as at 31 December 2008 and consider them to be satisfactory.

The directors expect the level of activity to be maintained in the foreseeable future.

The position of the Company at the year end is shown in the Balance Sheet on page 9, with trading results shown in the Profit and Loss account on page 8.

### **Material Events**

On 1 December 2008 the Company's registered office was changed to No.1 Poultry, London EC2R 8EJ.

### **Key performance indicators**

The Directors consider that the key performance indicator for the Company's business is post tax profit. A post tax profit of £83,636 was reported for the year (2007: £74,781).

### **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 preparing the financial statements.

### **Results and dividends**

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The directors do not recommend the payment of a dividend for the year (2007: £nil).

## **Directors' Report**

### **Risk and capital management policies**

#### **(a) Approach to risk and capital management**

The Company operates within the governance structure and priority framework of the Aviva Group. Details of Aviva plc's governance framework are contained in the financial statements of Aviva plc.

#### **(b) Management of financial and non-financial risks**

Credit risk is reduced by the Company having a fixed long term PFI agreement with the Durham and Darlington Priority Services NHS Trust.

Operational risk would arise as a result of inadequate or failed internal processes, people or systems, or from external events. Details of Aviva plc's approach to operational risk are set out in the financial statements of Aviva plc.

As with other risk categories, line management of business areas have primary responsibility for the effective identification, management, monitoring and reporting of risks in accordance with Aviva Group policies. The Company's risk management function provides support and independent challenge on the completeness, accuracy and consistency of risk assessments, and the adequacy of mitigating action plans.

#### **(c) Capital management**

Aviva plc maintains an efficient capital structure, which is consistent with its risk profile and the regulatory and market requirements of its business. Details of the Aviva plc capital management process are contained in the financial statements of Aviva plc.

The directors do not believe that there are any material risks facing the Company.

### **Directors' interests**

The requirement for directors to disclose their interests in the Company's ultimate holding company was repealed by the Companies Act 2006.

### **Indemnity to Directors**

Aviva plc, the Company's ultimate parent, has granted 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. This indemnity was granted in 2004 and the provisions in the Company's Articles of Association constitute "qualifying third party indemnities" 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.

### **Creditor payment policy and practice**

It is the Company's policy that payment to suppliers for goods and services to the company are made approximately 30 days from receipt of valid invoice unless agreed otherwise as part of a contractual agreement.

### **Auditors**

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office.

## Directors' Report

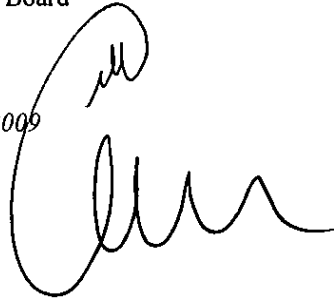
### Disclosure of information to the auditor

Each person who was a director of the Company on the date that this report was approved, confirms that so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing his report, of which the auditor is unaware. 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 auditor is aware of that information.

By order of the Board

**Director**

3 June 2009

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by several loops and a final horizontal stroke.

## **Statement of Directors' responsibilities**

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The Directors are required to prepare accounts for each accounting period that comply with the relevant provisions of the Companies Act 1985 and of UK GAAP, and which present fairly the financial position, financial performance and cash flows of the Company at the end of the accounting period. A fair presentation of the accounts in accordance with UK GAAP requires the Directors to:

- select suitable accounting policies and verify they are applied consistently in preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK GAAP is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and

The Directors are responsible for maintaining proper accounting records which can be disclosed with reasonable accuracy, at any time, the financial position of the Company. They are also ultimately responsible for the systems of internal control maintained for safeguarding the assets of the Company and for the prevention and detection of fraud and other irregularities.

## Auditors' Report

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

We have audited the Company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Company's financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent mistakes within it.

### Basis of audit opinion

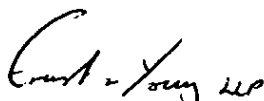
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- and the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP  
Registered Auditors  
London, United Kingdom

3 June 2009



**Profit and loss account**  
for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	1,938,689	1,733,968
Cost of sales		(1,705,704)	(1,579,318)
Gross profit		232,985	154,650
Administrative expenses	3	(6,218)	(4,239)
Operating profit		226,767	150,411
Interest receivable	5	22,534	39,758
<b>Profit on ordinary activities before taxation</b>		249,301	190,169
Tax on profit on ordinary activities	6	(165,665)	(115,388)
<b>Profit for the financial year</b>		83,636	74,781

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

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

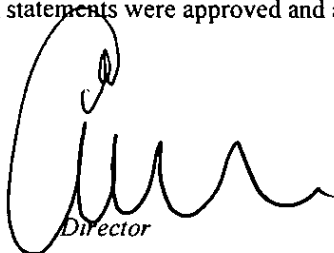
The notes on pages 10 to 12 form an integral part of these financial statements.

# Balance Sheet

as at 31 December 2008

	Note	2008 £	2007 £
<b>Current assets</b>			
Debtors	7	848,569	334,961
Cash at bank and in hand	8	1,289,446	1,347,231
		<u>2,138,015</u>	<u>1,682,192</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,387,109)</u>	<u>(1,014,922)</u>
<b>Net current assets</b>		<u>750,906</u>	<u>667,270</u>
<b>Total assets less current liabilities</b>		<u>750,906</u>	<u>667,270</u>
<b>Capital and reserves</b>			
Share capital	10	1	1
Profit and loss account		750,905	667,269
<b>Equity shareholders' funds</b>	11	<u>750,906</u>	<u>667,270</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Director

Date: 3/06/09

The notes on pages 10 to 12 form an integral part of these financial statements

# Notes to the financial statements

for the year ended 31 December 2008

## 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 applicable United Kingdom accounting standards.

### b) Cash flow statement

The Company is a wholly owned subsidiary of the 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).

### c) Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### d) Sinking fund

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.

## 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 Private Finance Initiatives ("PFI") concession agreements.

## 3. Administrative expenses

Audit fees of £4,410 (2007: £4,200) have been accrued for the year.

The directors received no emoluments for services to the Company for the financial year (2007: nil).

## 4. Particulars of employees

The Company had no employees during the financial year (2007: nil).

## 5. Interest receivable

	2008 £	2007 £
Bank interest	22,534	39,758
	<u>22,534</u>	<u>39,758</u>

# Notes to the financial statements

for the year ended 31 December 2008

## 6. Taxation

### Factors affecting current tax charge for the year

The current tax charge for the year is higher (2007: higher) than the standard rate of corporation tax in the UK of 28% (2007: 30%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	249,301	190,169
Current charge at standard UK corporation tax rate of 28.50% (2007: 30%)	71,051	57,051
Effects of:		
UK Corporation tax in respect of prior periods	1,371	(7,907)
Short term timing differences	93,519	66,244
Capital allowances in excess of depreciation	(276)	-
Current tax charge on ordinary activities for the year	165,665	115,388

	2008 £	2007 £
Short term timing differences	276,966	185,093
Accelerated capital allowances	(698)	-
Deferred tax asset not provided	276,268	185,093

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.

## 7. Debtors

	2008 £	2007 £
Due within one year:		
Trade debtors	-	1,936
Amounts owed by other group companies	655,665	126,290
Prepayments and accrued income	192,904	206,735
	848,569	334,961

## 8. Cash at bank and in hand

Cash and cash equivalents includes £989,164 (2007: £661,049) which relates to amounts paid by Durham and Darlington Priority Services NHS Trust into a sinking fund to fund the replacement and repair of certain assets. The cash cannot be accessed by NU Local Care Centres (West Park) Limited.

# Notes to the financial statements

for the year ended 31 December 2008

## 9. Creditors due within one year

	2008 £	2007 £
Trade creditors	(2,292)	(96,203)
Sinking fund	(989,164)	(661,049)
Sundry creditors	(364,611)	(196,623)
Accruals and deferred income	(31,042)	(61,047)
	<u>(1,387,109)</u>	<u>(1,014,922)</u>

## 10. Share capital

	2008 £	2007 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

## 11. Reconciliation of movement in shareholders' funds

	Share capital £	Profit and loss account £	Total £
At 1 January 2008	1	667,269	667,270
Retained profit for the financial year	-	83,636	83,636
At 31 December 2008	<u>1</u>	<u>750,905</u>	<u>750,906</u>

## 12. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (2007: nil).

## 13. 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.

## 14. Ultimate parent and controlling undertaking

The directors regard NU 3PS Limited as the immediate parent undertaking. The ultimate parent undertaking is NUPPP (GP) Limited.

At 31 December 2008 the ultimate controlling party was Aviva plc. Aviva plc is a company registered in England No.2468686. The registered office is situated at St Helen's, 1 Undershaft, London EC3P 3DQ.

Copies of the financial statements of Aviva plc are publicly available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.