

Albion Healthcare (Doncaster) Limited
Annual report and financial statements
for the year ended 31 March 2015

Registration number: 4495459

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Albion Healthcare (Doncaster) Limited

Annual report and financial statements for the year ended 31 March 2015

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Albion Healthcare (Doncaster) Limited

Directors and advisors

Directors A Mills
 J P George
 P J Dodd
 K McLellan

Company secretary SPC Management Limited

Registered office Third Floor
 Broad Quay House
 Prince Street
 Bristol
 BS1 4DJ

Independent auditors PricewaterhouseCoopers LLP
 Chartered Accountants and Statutory Auditors
 31 Great George Street
 Bristol
 BS1 5QD

Albion Healthcare (Doncaster) Limited

Strategic report for the year ended 31 March 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Results, principal activities and review of business

The company is a special purpose company that has been incorporated solely to enter into a contract under the framework of the Private Finance Initiative ("PFI").

The company is engaged under a 29 year contract, signed 11 August 2003, with Rotherham Doncaster and South Humber Mental Health NHS Foundation Trust ("Doncaster and South Humber NHS Trust"), for the provision of design, construction and management services, including related financing arrangements, for serviced accommodation for an elderly mental health unit in Doncaster, together with associated development and facilities and the provision of maintenance and operation of the same. The project entered the operational phase on 10 May 2005.

The profit for the year is set out in the profit and loss account on page 7. The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

Principal risks and uncertainties

The company has taken on the activity, as detailed above, and is risk averse in its trading relationships with its customer, funders and sub-contractors as determined by the terms of their respective detailed PFI contracts. In extreme circumstances, the company could be exposed to subcontractor failure to perform their obligations. The financial risks and the measures taken to mitigate them are as detailed in the Directors' report.

Key performance indicators ('KPIs')

The company's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI contract which stipulates key performance criteria on operational activities. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the performance or position of the business.

By order of the Board



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On behalf of SPC Management Limited
Company secretary

13 JUL 2015

Albion Healthcare (Doncaster) Limited

Registration number: 4495459

Directors' report

for the year ended 31 March 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Future developments

No significant changes are expected to the company's activities, as set out in the Strategic Report, in the foreseeable future.

Dividends and transfers to reserves

A dividend of £503,177 (£50.32 per ordinary share) was paid during the year, (2014: £nil).

Financial risk management

The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance. The directors have policies for managing each of these risks and they are summarised below:

Interest rate risk

50% of the senior debt interest rate has been linked to inflation, plus a fixed margin, whilst the remaining 50% has been linked to a fixed interest rate. The subordinated debt interest has been fixed through the use of a fixed funding rate as set out in note 10.

Inflation risk

The company's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

Liquidity risk

The company adopts a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due.

Credit risk

The company receives the majority of its revenue from Doncaster and South Humber NHS Trust and is not exposed to significant credit risk. Cash investments are with institutions of a suitable credit quality.

Major maintenance replacement risk

The company takes the risk that its projections for ongoing major maintenance replacement of the building and relevant equipment are adequate. These projections have been agreed with third parties and are subject to regular review by the directors.

Directors of the company

The directors of the company during the year, and up to the date of signing the financial statements, are set out below:

A Mills

J P George

P J Dodd

H J W Pownall (resigned 7 August 2014)

K McLellan (appointed 7 August 2014)

Albion Healthcare (Doncaster) Limited

Directors' report for the year ended 31 March 2015 (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and 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 apply them consistently;
- make judgements and accounting 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 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.

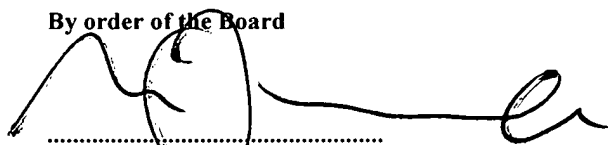
Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, so far as the director is aware, there is no relevant audit information of which PricewaterhouseCoopers LLP ('PwC') are unaware, and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that PwC are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

By order of the Board


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On behalf of SPC Management Limited
Company secretary

13 JUL 2015

Albion Healthcare (Doncaster) Limited

Independent auditors' report to the members of Albion Healthcare (Doncaster) Limited

Report on the financial statements

Our opinion

In our opinion, Albion Healthcare (Doncaster) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

What we have audited

Albion Healthcare (Doncaster) Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- 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 the preparation of the financial statements 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

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.

Albion Healthcare (Doncaster) Limited

Independent auditors' report to the members of Albion Healthcare (Doncaster) Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement 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 International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves


We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



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Paul Nott (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

22 July 2015

Albion Healthcare (Doncaster) Limited

Profit and loss account for the year ended 31 March 2015

	Note	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Turnover	1	680,588	970,191
Cost of sales		(380,802)	(592,502)
Gross profit		299,786	377,689
Administrative expenses		(257,710)	(223,558)
Operating profit	2	42,076	154,131
Interest receivable and similar income	3	1,262,044	1,294,112
Interest payable and similar charges	4	(999,178)	(1,124,258)
Profit on ordinary activities before taxation		304,942	323,985
Tax on profit on ordinary activities	5	(63,880)	(74,134)
Profit for the financial year	12	241,062	249,851

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom.

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

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

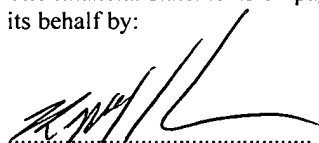
The movements on reserves are shown in note 12 to the financial statements.

Albion Healthcare (Doncaster) Limited

Balance sheet as at 31 March 2015

	Note	31 March 2015 £	31 March 2014 £
Current assets			
Debtors: amounts falling due within one year	7	786,703	708,296
Debtors: amounts falling due after more than one year	8	14,703,181	15,131,553
Cash at bank and in hand		1,351,913	1,912,489
		16,841,797	17,752,338
Creditors: amounts falling due within one year	9	(1,486,535)	(1,551,267)
Total assets less current liabilities		15,355,262	16,201,071
Creditors: amounts falling due after more than one year	10	(14,659,588)	(15,243,282)
Net assets		695,674	957,789
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	695,574	957,689
Total shareholders' funds	12	695,674	957,789

The financial statements on pages 7 to 18 were approved by the Board on **9 JUL 2015** and signed on its behalf by:



K McLellan
Director

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015

1 Principal accounting policies

A summary of the company's principal accounting policies, which have been consistently applied, is set out below:

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting and financial reporting standards in the United Kingdom.

Turnover

Turnover represents the value of work done and services rendered, excluding sales related taxes. All turnover originates in the United Kingdom.

The company recognises income when it has fully fulfilled its contractual obligations. In accordance with Financial Reporting Standard 5 – Application Note G, the company includes sales and purchase transactions related to variations under the original contract where the benefits and risks are retained by the company, within the financial statements as turnover and operating costs.

Transactions to which the company does not have access to all the significant benefits and risks are excluded from the financial statements.

Finance debtor and interest receivable

In accordance with Financial Reporting Standard (FRS) 5 - Application Note F, the costs incurred in constructing the assets have been treated as a finance debtor. This treatment arose from applying the guidance within the application note which indicated that the project's principal agreements transfer substantially all the risks and rewards relating to the property to the customer.

The finance debtor represents the costs arising on the construction of the assets including initial tender costs. During asset construction, finance debtor interest income is recognised on an accruals basis and is capitalised within the finance debtor receivable. Once the project reached its operational phase and was accepted by the customer a constant proportion of the planned net revenue arising from the project was allocated to remunerate the finance debtor. Imputed interest receivable is allocated to the finance debtor using a property specific rate to generate a constant rate of return over the life of the contract. Over the course of the contract term the finance debtor is expected to be fully repaid.

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

1 Principal accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Debt issue costs

Debt issue costs directly incurred have been offset against the related debt and will be charged to the profit and loss account at a constant rate on the carrying value of the debt.

Interest rate swaps

Interest rate swaps are used to hedge the company's exposure to movements on interest rates. The interest payable on such swaps is accrued in the same way as interest arising on the related borrowings. Interest rate swaps are valued using market value, for disclosure purposes.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company qualifies as a small entity as defined in section 444 of the Companies Act 2006.

2 Operating profit

The company had no employees, other than the directors, during the year (2014: none). The emoluments of the directors are paid by the controlling parties. The directors services to this company and to a number of fellow group companies are primarily of a non executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £86,904 (2014: £84,007) to the company in respect of these services.

The audit fee in respect of the company was £7,300 for the year (2014: £7,000). In addition the company bore £2,080 in respect of the audit fee for its parent company during the year (2014: £2,000).

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

3 Interest receivable and similar income

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Imputed interest receivable on finance debtor	1,256,353	1,287,285
Interest receivable on bank deposits	5,691	6,827
	1,262,044	1,294,112

4 Interest payable and similar charges

Interest payable includes £224,988 (2014 - £224,988) payable on loans from group companies.

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Interest payable on senior debt	764,440	889,155
Interest payable on subordinated debt	224,988	224,988
Other bank charges and similar fees	1,880	1,940
Amortisation of debt issue costs	7,870	8,175
	999,178	1,124,258

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

5 Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Current tax:		
Corporation tax charge	63,880	74,134
Tax charge on profit on ordinary activities	63,880	74,134

(b) Factors affecting current tax charge

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Profit on ordinary activities before taxation	304,942	323,985
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	64,038	74,517
Effects of:		
Small companies relief	(158)	(383)
Current tax charge for the year (note 5(a))	63,880	74,134

(c) Factors that may affect future tax charges

Finance Act 2013, which was substantively enacted on 2 July 2013, included legislation to reduce the main rate of corporation tax to 20% with effect from 1 April 2015.

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

6 Dividends

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Dividends paid - £50.32 per share (2014: £nil per share)	503,177	-

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

7 Debtors: amounts falling due within one year

	31 March 2015 £	31 March 2014 £
Trade debtors	250,345	289,044
Finance debtor	428,401	394,839
Prepayments and accrued income	33,843	24,413
Other debtors	74,114	-
	786,703	708,296

8 Debtors: amounts falling due after more than one year

	31 March 2015 £	31 March 2014 £
Finance debtor	14,703,181	15,131,553

9 Creditors: amounts falling due within one year

	31 March 2015 £	31 March 2014 £
Senior debt	583,737	549,774
Trade creditors	4,666	28,578
Accruals and deferred income	627,133	417,488
Amounts owed to group undertakings	6,789	392,533
Corporation tax	-	74,134
Other taxation and social security	94,119	88,760
Group relief payable	170,091	-
	1,486,535	1,551,267

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

10 Creditors: amounts falling due after more than one year

(a) Debt

	31 March 2015 £	31 March 2014 £
Senior debt	13,434,880	13,992,481
Subordinated debt	1,874,900	1,874,900
Less: included in creditors falling due within one year	(583,737)	(549,774)
Less: unamortised issue costs	(66,455)	(74,325)
	14,659,588	15,243,282

(b) Maturity of debt

	31 March 2015 £	31 March 2014 £
Less than one year	591,242	557,321
Between one and two years	563,412	591,243
Between two and five years	2,020,874	1,702,736
In more than five years	12,134,252	13,016,081
	15,309,780	15,867,381
Less: included in creditors falling due within one year	(583,737)	(549,774)
Less: unamortised issue costs	(66,455)	(74,325)
	14,659,588	15,243,282

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued) .

10 Creditors: amounts falling due after more than one year (continued)

The senior loan relates to term loan facilities granted by Dexia Credit Local. The senior loan facilities are repayable in forty-eight semi-annual instalments which commenced in 2005. Interest is charged on amounts drawn under the facilities based on floating LIBOR. The company has entered into interest hedging agreements to be applied to the expected future borrowings under the facilities. There is a swap agreement that fixes the interest rate at 5.00% per annum to 30 September 2029 in respect of 50% of the facilities. The fair value of this class of derivative financial instruments at 31 March 2015 is a liability of (£1,747,733) (31 March 2014 - a liability of (£1,357,251)).

There is a further derivative financial instrument held which is an RPI/interest rate swap which converts the variable rate linked to LIBOR to a rate of 2.67% plus RPI. The fair value of this class of derivative financial instruments at 31 March 2015 is a liability of (£1,938,101) (31 March 2014: a liability of (£1,876,682)).

The facilities are secured by a fixed charge over all book debts, investments, loan notes, intellectual property and plant and machinery of the company and its parent undertaking, and by a floating charge over the undertaking and assets of the company and its parent undertaking and by an assignment of all insurances, all bank accounts, certain contracts and all freehold and leasehold property (except that secured by a charge) of the company and its parent undertaking.

Albion Healthcare (Doncaster) Holdings Limited subscribed for £1,874,900 12% coupon loan notes in February 2006. Albion Healthcare (Doncaster) Holdings Limited has in turn received corresponding subscriptions from its shareholders in proportion to their shareholdings. Interest is payable at 12 %, commencing on 1 April 2008, half yearly in arrears on 31 March and 30 September each year. The loan notes are not to be redeemed until 2032 when they will be repaid in full and are unsecured.

All other amounts owed to or owed by group undertakings are interest free, unsecured and repayable on demand.

11 Called up share capital

	31 March 2015 £	31 March 2014 £
Allotted and fully paid		
10,000 Ordinary shares of £0.01 each	100	100

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

12 Reconciliation of movements in total shareholders' funds and reserves

	Share capital £	Profit and loss account £	Total Shareholders' funds £
At 1 April 2013	100	707,838	707,938
Profit for the financial year	-	249,851	249,851
At 1 April 2014	100	957,689	957,789
Profit for the financial year	-	241,062	241,062
Dividends paid (note 6)	-	(503,177)	(503,177)
At 31 March 2015	100	695,574	695,674

Albion Healthcare (Doncaster) Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

13 Related party transactions

The following information is provided in accordance with Financial Reporting Standard No. 8 - 'Related Party Transactions' as being transactions with other related parties for the year.

Year ended 31 March 2015

Name of related party	Relationship	Type of transaction	Transactions in the year £	Balance due (to)/from £
SPC Management Limited	Subsidiary undertaking of controlling party	Management fee	(100,749)	-

Year ended 31 March 2014

Name of related party	Relationship	Type of transaction	Transactions in the year £	Balance due (to)/from £
SPC Management Limited	Subsidiary undertaking of controlling party	Management fee	(98,306)	-

Directors' fees were collected by both Semperian Health Projects Limited and Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L.P, for the year. Fees amounted to £43,452 (2014: £42,003) for each company.

As at 31 March 2015, £7,276 (2014: £7,100) was owed to companies related to Semperian Health Projects Limited and £28,999 (2014: £7,100) was owed to companies related to Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L.P.

14 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is of Albion Healthcare (Doncaster) Holdings Limited, a company registered in England and Wales.

The share capital of Albion Healthcare (Doncaster) Holdings Limited is held equally by Semperian Health Projects Limited and Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L.P.

The directors consider Semperian Health Projects Limited and Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L.P, by virtue of a joint venture agreement, to be the controlling entities.