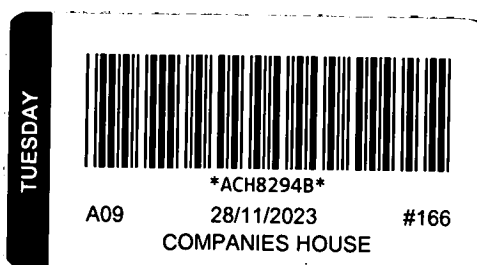


Registration number: 04828485

# Marlborough Facilities Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2023



## **Marlborough Facilities Limited**

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**Marlborough Facilities Limited**

**Company Information**

<b>Directors</b>	C J Blundell
	R Little
	L J Falero
<b>Company secretary</b>	Semperian Secretariat Services Limited
<b>Registered office</b>	Third Floor
	Broad Quay House
	Prince Street
	Bristol
	BS1 4DJ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP
	Chartered Accountants and Statutory Auditors
	2 Glass Wharf
	Temple Quay
	Bristol
	BS2 0FR

## Marlborough Facilities Limited

### Strategic Report for the Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

#### Principal activity

The principal activity of the company is the provision of construction and maintenance services to the Savernake Community Hospital at Marlborough, Wiltshire under a Private Finance Initiative ('PFI') contract signed in 2003. The facility has been fully operational for a number of years. The contract expires in April 2035. On 1 October 2021 the contract was novated from Great Western Hospitals NHS Foundation Trust to NHS Property Services Limited.

#### Results and review of business

The profit for the year is set out in the profit and loss account on page 9. The Company is in the process of resolving defects associated with the construction and maintenance, identified at the facility. The provision held at the year end of £150,000 is the directors' current best estimate of the costs of rectifying the identified defects, however given the status of the investigations a level of estimation uncertainty remains over the provision. The directors consider the performance of the company during the year and the financial position at the end of the year, to be in line with the long term expected performance of the project, 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 Board monitors the financial stability of its subcontractors and has contingency plans in place to ensure the continuity of service provision to its client, should any subcontractor become unable to perform its 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 as managed by the sub-contractor. For this reason, the company's directors believe that further operational key performance indicators for the company are not necessary or appropriate for an understanding of the performance or position of the business. In addition the directors monitor compliance with debt covenant ratios as specified in the senior loan agreement, in particular the Debt Service Cover Ratio, and no non-compliance has been noted.

15 November 2023

Approved by the Board on ..... and signed on its behalf by:



R Little  
Director

## **Marlborough Facilities Limited**

### **Directors' Report for the Year Ended 31 March 2023**

**Registration number: 04828485**

The directors present their report and the audited financial statements for the year ended 31 March 2023.

#### **Future developments**

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

#### **Dividends**

No dividend was paid during the year (2022: £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***

The senior debt interest has been fixed through the use of fixed funding rates, plus a margin, as set out in note 11.

##### ***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 NHS Property Services Limited 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 who were in office during the year and up to the date of signing the financial statements were as follows:

C J Blundell

R Little

S McGeown (resigned 1 November 2022)

L J Falero (appointed 1 November 2022)

## Marlborough Facilities Limited

### Directors' Report for the Year Ended 31 March 2023 (continued)

#### Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the Financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 also 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.

#### Directors' confirmations

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 the company's auditors are unaware; and
- they have 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 the company's auditors are aware of that information.

#### Reappointment of auditors

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

15 November 2023

Approved by the Board on ..... and signed on its behalf by:



.....  
R Little  
Director

## **Marlborough Facilities Limited**

### **Independent Auditors' Report to the members of Marlborough Facilities Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Marlborough Facilities Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2023; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **Marlborough Facilities Limited**

### **Independent Auditors' Report to the members of Marlborough Facilities Limited (continued)**

#### **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## **Marlborough Facilities Limited**

### **Independent Auditors' Report to the members of Marlborough Facilities Limited (continued)**

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK corporation tax legislation and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and internal audit to enquire of any known instances of non-compliance with Laws and Regulations and Fraud
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations
- Incorporating unpredictability into the nature, timing and/or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

**Marlborough Facilities Limited**

**Independent Auditors' Report to the members of Marlborough Facilities Limited  
(continued)**

**Other required reporting**

**Companies Act 2006 exception reporting**

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



.....  
Stephen Patey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date: 16 November 2023

# Marlborough Facilities Limited

## Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
<b>Turnover</b>		961	869
Cost of sales		<u>(770)</u>	<u>(602)</u>
<b>Gross profit</b>		191	267
Administrative expenses		<u>(220)</u>	<u>(199)</u>
<b>Operating (loss)/profit</b>	4	(29)	68
Interest receivable and similar income	5	372	382
Interest payable and similar expenses	6	<u>(199)</u>	<u>(218)</u>
<b>Profit before taxation</b>		144	232
Tax on profit	7	<u>(27)</u>	<u>(44)</u>
<b>Profit for the financial year</b>		<u>117</u>	<u>188</u>

The above results were derived from continuing operations.

The company has no other Comprehensive Income for the year other than the profit for the financial year stated above.

The notes on pages 12 to 19 form an integral part of these financial statements.

# Marlborough Facilities Limited

## Balance Sheet as at 31 March 2023

	Note	2023 £ 000	2022 £ 000
<b>Current assets</b>			
Debtors: Amounts falling due after more than one year	8	4,514	4,691
Debtors: Amounts falling due within one year	9	261	242
Cash at bank and in hand		447	552
		<u>5,222</u>	<u>5,485</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(466)</u>	<u>(504)</u>
<b>Total assets less current liabilities</b>		4,756	4,981
<b>Creditors: Amounts falling due after more than one year</b>	10	(3,096)	(3,371)
<b>Provisions for liabilities</b>	12	<u>(150)</u>	<u>(217)</u>
<b>Net assets</b>		<u>1,510</u>	<u>1,393</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account		<u>1,510</u>	<u>1,393</u>
<b>Total equity</b>		<u>1,510</u>	<u>1,393</u>

15 November 2023

The financial statements on pages 9 to 19 were approved by the Board of Directors on ..... and signed on its behalf by:



.....

R Little

Director

The notes on pages 12 to 19 form an integral part of these financial statements.

**Marlborough Facilities Limited****Statement of Changes in Equity for the Year Ended 31 March 2023**

	<b>Called up Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
At 1 April 2021	-	1,205	1,205
Profit for the financial year	-	188	188
Total comprehensive income / (expense)	-	188	188
At 31 March 2022	-	1,393	1,393

	<b>Called up Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
At 1 April 2022	-	1,393	1,393
Profit for the financial year	-	117	117
Total comprehensive income / (expense)	-	117	117
At 31 March 2023	-	1,510	1,510

The notes on pages 12 to 19 form an integral part of these financial statements.

## **Marlborough Facilities Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 General information**

The principal activity of the company is the provision of construction and maintenance services to the Savernake Community Hospital at Marlborough, Wiltshire under a Private Finance Initiative ('PFI') contract signed in 2003. The facility has been fully operational for a number of years. The contract expires in April 2035.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The address of its registered office is:

Third Floor  
Broad Quay House  
Prince Street  
Bristol  
BS1 4DJ

The company's functional and presentation currency is the pound sterling.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

## **Marlborough Facilities Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises income when it has fully fulfilled its contractual obligations. 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 cost of sales.

Where appropriate, income received under the PFI contract in respect of services provided during the operational phase of the contract is deferred to future periods in order to match those elements of income with the costs to which they relate. The turnover and cost of sales are recorded in the profit and loss account in the period in which the relevant costs are incurred.

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**

The company has elected to take the exemption under FRS 102 paragraph 35.10 (i) to continue to apply its previous accounting treatment in respect of Service Concession Arrangements entered into prior to the date of transition to FRS 102. This has resulted in the measurement of the finance debtor being different from that which would have resulted had the requirements of FRS 102 Section 34 been fully adopted. The costs incurred in constructing the assets have been treated as a finance debtor. This treatment arose from applying the guidance within previous UK GAAP 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.

##### **Tax**

The tax expense for the period comprises current tax, tax is recognised in profit or loss.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash balances are held in bank accounts which are subject to controls, exercised by the providers of the company's long term debt facilities, under the terms of its facility agreements.

##### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

## **Marlborough Facilities Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial Instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### ***(a) Financial assets***

Basic financial assets, including trade and other receivables, finance debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### ***(b) Financial liabilities***

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.



## Marlborough Facilities Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 2 Accounting policies (continued)

##### *(c) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Called up share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Final dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. Interim dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

##### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions. The exemptions which the company has taken are:

- the requirement to prepare a statement of cash flows;
- the requirement to disclose related party transactions, with the members of the same group, that are wholly owned;

#### 3 Critical accounting judgements and estimation uncertainty

Judgements, estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates made are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Actual results may subsequently differ from these estimates.

Certain critical accounting judgements and estimates as applicable, adopted by management, in applying the company's accounting policies are described below:

##### **Estimates**

##### *Finance debtor and turnover recognition*

The accounting for service concession contracts and finance debtors requires estimation of service margins (being forecast of contract income less estimates of operating and major maintenance replacement costs), finance debtor interest rates and associated amortisation profile which are based on the forecast results of the PFI contracts over the respective concession length. See notes 8 and 9 for the carrying value of the finance debtor and note 10 for amounts of turnover deferred to future periods.

## Marlborough Facilities Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 3 Critical accounting judgements and estimation uncertainty (continued)

##### Impairment of debtors

Management makes an estimate of the likely recoverable value of trade and other debtors by considering factors including the current credit rating, the ageing profile and the historical experience of the respective debtor. See notes 8 and 9 for the carrying value of the debtors.

##### Provisions for other liabilities

Where management become aware of contractual or other disputes, with either customers or suppliers, or of potentially onerous contract arrangements, they make an estimate of the likely outcome of each situation by considering factors including, the likelihood and timing of any cash flows, and the historical experience of similar situations. See note 12 for the disclosures relating to provisions for other liabilities.

##### Lifecycle

The accounting for life cycle and major maintenance expenditure requires estimation of forecast replacement costs, based on asset condition surveys, so as to maintain the accommodation at the required statutory and contractual standards throughout, and at the end, of the concession. See note 10 for amounts of turnover deferred to future periods, to be recorded in the profit and loss account in the period in which the relevant costs are incurred.

#### 4 Operating (loss)/profit

The company had no employees during the year (2022: 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 £nil (2022: £nil) to the company in respect of these services.

The audit fee in respect of the company was £4,595 for the year (2022: £3,959).

#### 5 Interest receivable and similar income

	2023 £ 000	2022 £ 000
Imputed interest receivable on finance debtor	372	382
	<u>372</u>	<u>382</u>

#### 6 Interest payable and similar expenses

	2023 £ 000	2022 £ 000
Interest on bank borrowings	199	218
	<u>199</u>	<u>218</u>

## Marlborough Facilities Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 7 Tax on profit

##### (a) Tax expense included in profit or loss

	2023 £ 000	2022 £ 000
<b>Current taxation</b>		
UK corporation tax	27	44
Tax on profit	27	44

##### (b) Reconciliation of tax charge

The tax on profit for the year is the same as the standard rate of corporation tax in the UK (2022: the same as the standard rate of corporation tax in the UK) of 19% (2022: 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Profit before taxation	144	232
Corporation tax at standard rate	27	44
Total tax charge	27	44

##### (c) Tax rate changes

On the 3 March 2021 the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from 19%. This new law was substantively enacted on 24 May 2021.

#### 8 Debtors: Amounts falling due after more than one year

	2023 £ 000	2022 £ 000
Finance debtor	4,514	4,691
	4,514	4,691

#### 9 Debtors: Amounts falling due within one year

	2023 £ 000	2022 £ 000
Trade debtors	14	-
Finance debtor	177	151
Group relief receivable	30	12
Prepayments and accrued income	40	79
	261	242

# Marlborough Facilities Limited

## Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

### 10 Creditors

	Note	2023 £ 000	2022 £ 000
<b>Amounts falling due within one year</b>			
Senior debt	11	301	280
Trade creditors		12	24
Other creditors including taxation and social security		23	5
Accruals and deferred income		130	195
		<u>466</u>	<u>504</u>
<b>Amounts falling due after more than one year</b>			
Senior debt	11	2,401	2,702
Accruals and deferred income		695	669
		<u>3,096</u>	<u>3,371</u>

### 11 Loans and borrowings

	2023 £ 000	2022 £ 000
<b>Loans and borrowings falling due within one year</b>		
Senior debt	301	280
	<u>301</u>	<u>280</u>
<b>Loans and borrowings falling due between one and five years</b>		
Senior debt	1,436	1,339
	<u>1,436</u>	<u>1,339</u>
<b>Loans and borrowings falling due after more than five years</b>		
Senior debt	965	1,363
	<u>965</u>	<u>1,363</u>

## Marlborough Facilities Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 11 Loans and borrowings (continued)

The bank loan is repayable by June 2030 with monthly principal repayments having commenced in June 2005. The interest rate has been fixed at a rate of 6.98% per annum. The debt is secured by way of a first fixed charge over the finance debtor.

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

#### 12 Provisions for liabilities

	Latent defect £ 000
At 1 April 2022	217
Additions dealt with in profit or loss	74
Utilised during the year	(141)
At 31 March 2023	<u>150</u>

The latent defect provision is for the professional fees and other costs relating to the resolution of defects identified at the facility. The provision is expected to be fully utilised in the next period, once investigations have been concluded and firm costs have been established. The provision is the directors' current best estimate of the costs of rectifying the identified defects and/or asserting contractual rights, however given the status of the investigations a level of estimation uncertainty remains over the provision.

#### 13 Called up share capital

##### Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 14 Related party transactions

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under FRS 102 - paragraph 33.1A of the requirement to disclose transactions between it and other group companies.

#### 15 Parent and ultimate parent undertaking

The company's immediate parent is Chiltern Securities Limited, incorporated in England and Wales.

The ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited, incorporated in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited. These financial statements are available upon request from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.