

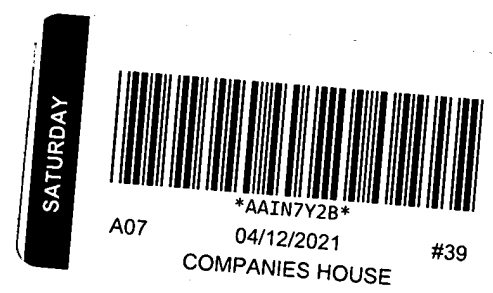
## CCP Fundco 1 Limited

Directors' Report and Financial Statements

Year Ended

31 March 2021

Company Number 05030524



# CCP Fundco 1 Limited

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## Company Information

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<b>Directors</b>	G R Marsh E E L Siew C S E Douglass M W Grinonneau D Vermeer
<b>Registered number</b>	05030524
<b>Registered office</b>	9th Floor Cobalt Square 83-85 Hagley Road Birmingham B16 8QG
<b>Independent auditors</b>	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ

# CCP Fundco 1 Limited

## Directors' Report For the Year Ended 31 March 2021

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The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption and the company has taken advantage of the exemption from the requirement to prepare a strategic report.

### Principal activities

CCP Fundco 1 Limited ("CCP"), a subsidiary of Arden Estate Partnerships Limited ("AEP"), was established under the NHS Local Improvement Finance Trust (LIFT) directive to engage in the provision of integrated health and community accommodation within Coventry and adjacent areas, with the objective of promoting the improvement of public services.

The company was established in 2004 and completed two properties in early 2006: Keresley Green Medical Centre and Longford Health Centre. Both properties are fully operational.

The Clay Lane Health Centre was handed over on 29 April 2013 and is fully operational. It consists of three GP practices, including treatment rooms, GP training rooms, a pharmacy, dialysis facility and a community meeting room.

### Dividends

The profit for the year, after taxation, amounted to £241,000 (2020: £140,000).

Dividends of £35,000 (2020: £86,000) were paid during the year. No further dividends are proposed.

### Directors

The directors who served during the year were:

G R Marsh  
E E L Siew  
C S E Douglass  
M W Grinonneau  
R L J Deeley (resigned 9 February 2021)  
D Vermeer (appointed 9 February 2021)

### Going concern

At the year-end, the company has net assets of £1,486,000 (2020: £1,280,000). The company has net current assets (excluding debtors due after more than one year) of £1,133,000 (2020: £1,281,000 as restated), including cash of £1,618,000 (2020: £1,568,000).

The COVID-19 pandemic is continuing to have a significant impact on the UK economy which creates uncertainty in respect of all future business plans. At the time of writing, the Directors continue to believe that there is limited going concern risk to the company, as its major Tenant, Community Health Partnerships (CHP) has continued to follow the Government's procurement policy ensuring all lease payments were made during the year and will continue to be paid going forward.

There is a small possibility that the FM service provider struggles to comply with its contractual obligations as a result of the pandemic due to a shortage of maintenance staff or issues in their materials supply chain. This situation has been closely monitored during the year and has not presented any significant issues. The Directors continue to monitor the situation closely and are fully up to date with any developments that may impact on their service delivery and that their Business Continuity Plan is regularly reviewed and updated as necessary.

# **CCP Fundco 1 Limited**

## **Directors' Report (continued) For the Year Ended 31 March 2021**

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### **Going concern (continued)**

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. The company produces long-term financial forecasts which show the company is able to operate and meet its financial obligations as they fall due, including compliance with all loan covenants. Based on this review and the future business prospects of the company, the directors believe the company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **Qualifying third party indemnity provisions**

The company has put in place qualifying third party indemnity provisions for all the directors of the company which was in force at the date of approval of this report.

### **Directors' responsibilities statement**

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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 to 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.

# CCP Fundco 1 Limited

## Directors' Report (continued) For the Year Ended 31 March 2021

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### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 30 September 2021 and signed on its behalf.



**E E L Siew**  
Director

# CCP Fundco 1 Limited

## Independent Auditor's report to the members of CCP Fundco 1 Limited

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### Opinion

We have audited the financial statements of CCP Fundco 1 Limited for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

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.

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

### Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

# CCP Fundco 1 Limited

## Independent Auditor's report to the members of CCP Fundco 1 Limited (continued)

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

### Auditor's 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 auditor's 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:

# CCP Fundco 1 Limited

## Independent Auditor's report to the members of CCP Fundco 1 Limited (continued)

### Auditor's responsibilities for the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. The further removed instances of non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

*Goodman Jones LLP*

30-09-21

**Paul Bailey** (Senior Statutory Auditor)  
For and on behalf of Goodman Jones LLP, Statutory Auditor  
London  
United Kingdom

Goodman Jones LLP is a limited liability partnership registered in England and Wales (with registered number OC313156).



# CCP Fundco 1 Limited

## Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £000	2020 £000
Revenue	4	732	802
Cost of sales		(451)	(501)
<b>Gross profit</b>		<b>281</b>	<b>301</b>
Administrative expenses		(158)	(155)
<b>Operating profit</b>	5	<b>123</b>	<b>146</b>
Interest receivable and similar income	7	724	718
Interest payable and similar expenses	8	(587)	(602)
<b>Profit before tax</b>		<b>260</b>	<b>262</b>
Tax on profit	9	(19)	(122)
<b>Profit for the financial year</b>		<b>241</b>	<b>140</b>
<b>Total comprehensive income for the year</b>		<b>241</b>	<b>140</b>

The results for the current and previous financial year derive from continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

**CCP Fundco 1 Limited**  
Registered number:05030524

**Balance Sheet**  
**As at 31 March 2021**

	Note	2021 £000	2021 £000	2020 £000 As restated	2020 £000 As restated
<b>Fixed assets</b>					
Investments	10		-		-
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	11	10,229		10,505	
Debtors: amounts falling due within one year	11	318		272	
Cash at bank and in hand	12	1,618		1,568	
		<u>12,165</u>		<u>12,345</u>	
Creditors: amounts falling due within one year	13	(803)		(559)	
<b>Net current assets</b>			<u>11,362</u>		<u>11,786</u>
<b>Total assets less current liabilities</b>			<u>11,362</u>		<u>11,786</u>
Creditors: amounts falling due after more than one year	14		(9,420)		(10,004)
<b>Provisions for liabilities</b>					
Deferred tax	16	(456)		(502)	
<b>Net assets</b>			<u>1,486</u>		<u>1,280</u>
<b>Capital and reserves</b>					
Profit and loss account			<u>1,486</u>		<u>1,280</u>
			<u>1,486</u>		<u>1,280</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2021.



**E E L Siew**  
Director

The notes on pages 10 to 22 form part of these financial statements.

# CCP Fundco 1 Limited

## Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2020	-	1,280	1,280
<b>Comprehensive income for the year</b>			
Profit for the year	-	241	241
<b>Total comprehensive income for the year</b>	-	241	241
<b>Contributions by and distributions to owners</b>			
Dividends paid	-	(35)	(35)
<b>Total transactions with owners</b>	-	(35)	(35)
<b>At 31 March 2021</b>	<b>-</b>	<b>1,486</b>	<b>1,486</b>

Dividends of £35,000 per share were paid during the year. No further dividends are proposed.

## Statement of Changes in Equity For the Year Ended 31 March 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2019	-	1,226	1,226
<b>Comprehensive income for the year</b>			
Profit for the year	-	140	140
<b>Total comprehensive income for the year</b>	-	140	140
<b>Contributions by and distributions to owners</b>			
Dividends paid	-	(86)	(86)
<b>Total transactions with owners</b>	-	(86)	(86)
<b>At 31 March 2020</b>	<b>-</b>	<b>1,280</b>	<b>1,280</b>

Dividends of £86,000 per share were paid during the year. No further dividends were proposed.

The notes on pages 10 to 22 form part of these financial statements.

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 1. General information

CCP Fundco 1 Limited is incorporated in England and Wales. The registered office is 9th Floor Cobalt Square, 83-85 Hagley Road, Birmingham, B16 8QG.

The principal accounting policies applied in the preparation of these financial statements are set out below:

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, under the historical cost convention and in accordance with the Companies Act 2006.

The functional currency is pounds sterling and rounded to the nearest £'000.

The financial statements have been prepared using the reduced disclosure exemptions as permitted by FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The following disclosure exemptions have been taken:

- No cash flow statement has been presented for the company;
- The company has taken advantage of exemption, not to disclose related party transactions between members wholly owned members of the group.

#### 2.2 Basis of consolidation

Consolidated financial statements have not been prepared for the company and its subsidiaries under the exemption granted by Section 398 of the Companies Act 2006. Accordingly, these financial statements present information about the company and not about its group.

#### 2.3 Going concern

At the year-end, the company has net assets of £1,486,000 (2020: £1,280,000). The company has net current assets (excluding debtors due after more than one year) of £1,133,000 (2020: £1,281,000 as restated), including cash of £1,618,000 (2020: £1,568,000).

The COVID-19 pandemic is continuing to have a significant impact on the UK economy which creates uncertainty in respect of all future business plans. At the time of writing, the Directors continue to believe that there is limited going concern risk to the company, as its major Tenant, Community Health Partnerships (CHP) has continued to follow the Government's procurement policy ensuring all lease payments were made during the year and will continue to be paid going forward.

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.3 Going concern (continued)

There is a small possibility that the FM service provider struggles to comply with its contractual obligations as a result of the pandemic due to a shortage of maintenance staff or issues in their materials supply chain. This situation has been closely monitored during the year and has not presented any significant issues. The Directors continue to monitor the situation closely and are fully up to date with any developments that may impact on their service delivery and that their Business Continuity Plan is regularly reviewed and updated as necessary.

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. The company produces long-term financial forecasts which show the company is able to operate and meet its financial obligations as they fall due, including compliance with all loan covenants. Based on this review and the future business prospects of the company, the directors believe the company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### 2.4 Revenue

##### 2.4.1 Public to private concession arrangements

A substantial portion of the company's assets are used within the framework of concession contracts granted by public sector customers ('grantors'). Under these contracts, the company constructs primary care centres that are leased to the NHS on 25 year leases.

In order to fall within the scope of FRS 102 S34.12, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement.

Pursuant to FRS 102 S34. 14, such infrastructures are not recognised in assets of the operator as property, plant and equipment but in financial assets ('financial asset model').

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.4 Revenue (continued)

##### 2.4.2 'Financial asset model'

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor.

In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of

- amounts specified or determined in the contract; or
- the shortfall, if any, between amounts received from users of the public service and amounts specified or determined in the contract.

Financial assets resulting from the application of FRS 102 S34. 14 are recorded in the Balance Sheet under the heading finance debtors and measured at amortised cost.

An impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate.

The portion falling due within less than one year is presented in current assets, while the portion falling due after more than one year is presented in the non-current heading.

Revenue associated with the financial model comprised revenue determined on a completion basis in the case of the construction of operating financial assets, and service remuneration. The stage of completion of construction is determined by comparing independently certified costs incurred to date to total contracted costs. Costs of construction include directly attributable borrowing costs.

##### 2.4.3 Other revenue items

Other revenue items comprise 'Property management and related services', Rental income' and 'Other income'.

Property management and related service revenue relates to lifecycle maintenance and facilities management income and ad hoc property related services income. The former relates to work performed by the company under concession arrangements to maintain and repair the primary care centres that it operates. Consideration received in respect of property management and related services revenue is only recorded as revenue to the extent that the company has performed its contractual obligations in respect of that consideration, and revenue attributable to costs in future periods is deferred.

Rental and premium lease income from operating leases is recognised in income on a straight-line basis over the lease term.

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax income is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

#### 2.6 Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial assets measured at amortised cost comprise cash at bank, trade debtors, finance debtors, other debtors and amounts owed to group undertakings.

#### 2.7 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Financial liabilities measured at amortised cost comprise bank and other loans, trade creditors, other creditors, amounts owed to group undertakings and accruals.

#### 2.8 Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are as follows:

#### 3.1 Key sources of estimation uncertainty

(a) Finance debtors (Note 11):

**Residual values** - The calculation of the amortised cost of finance debtors requires an estimate of the residual value of the property at the end of the lease term. This estimate has been based on the residual value allocated to the property in the financial models, which form the basis for the calculation of rent charged to the lessees.

**RPI Index** - The finance debtors predict a level of RPI increases for future receipts. This represents a degree of judgement and uncertainty given the nature of RPI. Where RPI differs from the estimated rate, this will impact future receipts and thus increase/reduce the floating rate of interest on finance debtors, which affects the amount of income recognised in any given period.

(b) Construction and operating revenue (note 4) - Where properties are constructed by the company and are disposed of on finance debtors, construction and operating revenue is recognised at the estimated fair value of those services in the context of these arrangements. The proportion of receipts attributed to operating services is based on the original modelled costs, to which no profit mark up was applied based on the directors assessment of the nature of subcontract arrangements in place.

#### 3.2 Critical judgements

(a) Concession arrangements - The concession arrangements undertaken by the company are considered to fall within the scope of FRS 102 S34.12, as described in note 2.3.1. This judgement has been based on a consideration of the nature and terms of the agreements and, in all contracts, the existence of an option for the grantor to purchase the properties at any time.

(b) Finance debtors - The lease agreements with Community Health Partnerships includes provision for the annual uplift of rentals with reference to movements in the RPI index. As a result, the finance debtors have been treated as floating rate assets.



# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 4. Revenue

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Property management and related services	646	718
Rental income	81	79
Other income	5	5
	<u>732</u>	<u>802</u>

### 5. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>6</u>	<u>6</u>

### 6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2020 - £Nil).

### 7. Interest receivable and similar income

	2021 £000	2020 £000
Interest income on finance debtors	<u>724</u>	<u>718</u>

### 8. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	484	496
Loan note interest payable	103	106
	<u>587</u>	<u>602</u>

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 9. Taxation

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax on profits for the year	65	65
<b>Deferred tax (note 16)</b>		
Current year	2	4
Changes to tax rates	-	53
Adjustment in respect of prior periods	(48)	-
<b>Total deferred tax</b>	<u>(46)</u>	<u>57</u>
<b>Taxation on profit on ordinary activities</b>	<u><b>19</b></u>	<u><b>122</b></u>

#### Factors affecting tax charge for the year

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £000	2020 £000
Profit on ordinary activities before tax	<u>260</u>	<u>262</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	49	50
<b>Effects of:</b>		
Expenses not deductible	18	19
Change in tax rate	-	53
Adjustment in respect of prior periods	(48)	-
<b>Total tax charge for the year</b>	<u><b>19</b></u>	<u><b>122</b></u>

#### Factors that may affect future tax charges

The Finance Bill 2021, published on 11 March 2021, increases the main rate of Corporation tax to 25% for the year commencing 1 April 2023. These changes have not been reflected in the carrying value of the deferred tax asset at the balance sheet date since the rates changes were not enacted at that date.

The deferred taxation liability has therefore been calculated at 19%, being the rate substantively enacted at the Balance Sheet date.

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 10. Fixed asset investments

At 31 March 2021 and 31 March 2020 the company held a £1 investment in the share capital of the following company:

**Coventry Care Partnership (No 1) Limited**

Registered office: UK

Proportion of ownership: 100%

Nature of business: Property development and investment

The registered address of the company above is the same as the parent company's registered office listed on the contents page.

The aggregate of the share capital and reserves as at March 2021 and the profit and loss for the year ended on that date for the subsidiary undertaking was £889,000 and £143,000 respectively.

### 11. Debtors

	2021 £000	2020 £000
<b>Due after more than one year</b>		
Finance debtors	10,229	10,505
	2021 £000	2020 £000
<b>Due within one year</b>		
Amounts owed by related undertakings	28	20
Amounts owed by group undertakings	1	-
Finance debtors	272	229
Other debtors	1	22
Corporation tax recoverable	8	-
Prepayments and accrued income	8	1
	318	272

### 12. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	1,618	1,568

Included within cash at bank is an amount of £900,000 (2020: £1,059,000) which is held for the settlement of repairs under the lifecycle maintenance agreement.

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 13. Creditors: Amounts falling due within one year

	2021 £000	2020 £000 As restated
Bank loans	267	245
Unsecured loan notes - owed to parent company	34	30
Trade creditors	29	12
Amounts owed to group undertakings	58	48
Corporation tax	-	65
Accruals and deferred income	415	159
	<u>803</u>	<u>559</u>

### 14. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000 As restated
Bank loans	7,913	8,180
Unsecured loan notes - owed to parent company	749	784
Deferred income	758	1,040
	<u>9,420</u>	<u>10,004</u>

Bank loans are secured by a first mortgage over the land and buildings legally held by the company, but treated as having been sold under finance receivables in accordance with FRS102 S.34.12. These bank loans are repayable by quarterly instalments over a period of 25 years. The interest rates are fixed at 6.18% and 4.61% per annum. There have been no defaults or breaches of interest payment terms during the current or prior period.

Unsecured loan notes are in respect of loan notes issued by CCP Fundco 1 Limited's parent company, the proceeds of which are then passed down to CCP Fundco 1 Limited on the same terms. Interest accrues daily on loan notes at rates of 13% and 12.33% per annum. Interest is payable half yearly in arrears on 31 March and 30 September each year. Interest shall cease to accrue on the principal amount of the loan note from the date it is due for redemption.

Unsecured loan notes rank pari passu with all other unsecured obligations of the company.

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 14. Creditors: Amounts falling due after more than one year (continued)

The maturity of sources of debt finance are as follows:

	2021 £000	2020 £000
<b>Amounts falling due within one year</b>		
Bank loans	267	245
Unsecured loan notes	34	30
	<u>301</u>	<u>275</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	256	267
Unsecured loan notes	39	34
	<u>295</u>	<u>301</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	945	842
Unsecured loan notes	151	133
	<u>1,096</u>	<u>975</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	6,712	7,071
Unsecured loan notes	559	617
	<u>7,271</u>	<u>7,688</u>
	<u><u>8,963</u></u>	<u><u>9,239</u></u>

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 15. Financial instruments

	2021 £000	2020 £000
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>12,156</u>	<u>12,374</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>9,100</u>	<u>9,299</u>

### 16. Deferred taxation

	2021 £000
At beginning of year	(502)
Charged to profit or loss	46
<b>At end of year</b>	<u>(456)</u>

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Finance receivables timing differences	(135)	(138)
Capital allowances in excess of depreciation	(321)	(364)
	<u>(456)</u>	<u>(502)</u>

### 17. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 18. Related party transactions

The company has taken advantage of the exemption provided in FRS 102 not to disclose transactions with companies within the group of which it is a member, where these transactions occur between entities which are 100% owned members of that group.

The company is a wholly owned subsidiary of Arden Estate Partnerships Limited, which is registered in England and Wales.

Arden Estate Partnerships Limited is owned by Gbconsortium 2 Limited (60%) and Community Health Partnerships (40%), which are both registered in England and Wales.

The directors are of the opinion that there is no ultimate controlling parent undertaking or controlling party by virtue of the company's joint ownership and control.

	2021 £000	2020 £000
<b>Sales to:</b>		
Entities with joint control over the parent company	1,685	1,762
<b>Purchases from:</b>		
Entities with significant influence over the parent company	30	30
<b>Balances due from:</b>		
Entities with joint control over the parent company	<u>28</u>	<u>20</u>

Amounts owed by and to related parties except loans due to related parties ("unsecured loan notes" in note 13 and 14), are unsecured, interest-free and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received. No provisions for doubtful debts have been raised against amounts outstanding and no expense has been recognised during the year in respect of bad or doubtful debts due from related parties.

The directors are remunerated by shareholder companies and their associates. The directors do not believe it is possible to accurately apportion their remuneration between the many entities they are directors of. In both years, there were no directors to whom retirement benefits were accruing.

### 19. Other commitments

On completion of the buildings, under terms of contracts made, the company is committed to fixed payments for Facilities Management and Lifecycle Maintenance for the period of the lease. The average annual payment for the buildings (excluding indexation) amounts in total to £183,000. The amount charged to the Statement of Comprehensive Income for the year ended 31 March 2021 was £326,000 (2020: £398,000).

Under the terms of management agreements with its parent company, Arden Estate Partnerships Limited, the company is committed to the payment of fixed and variable fees based on services provided in the contract term which includes services provided during the period of construction. The charges to the Statement of Comprehensive Income for the year ended 31 March 2021 were £89,000 (2020: £87,000).

# CCP Fundco 1 Limited

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 20. Prior year restatement

During the year, the underlying basis on which the split of the deferred income in relation to lifecycle works has changed consequently, changing amounts due within one year and after one year. The comparatives have been amended to reflect this, moving £856,000 from amounts due within one year to amounts due after more than one year. There was no effect on prior year profits and reserves as a result of the restatement.