
**BRADFORD & AIREDALE COMMUNITY
SOLUTIONS LIMITED**
Company Registration No. 05075985

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

TUESDAY



A2E6KZGY

A44

06/08/2013

#267

COMPANIES HOUSE

**Report and Financial Statements
For the year ended 31 March 2013**

Contents	Page
COMPANY INFORMATION	1
DIRECTORS' REPORT	2-3
INDEPENDENT AUDITOR'S REPORT	4-5
PROFIT AND LOSS ACCOUNT	6
BALANCE SHEET	7
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	8
PRINCIPAL ACCOUNTING POLICIES	9-10
NOTES TO THE FINANCIAL STATEMENTS	11-18

Directors' Report
For the year ended 31 March 2013

The directors present their annual report and the audited financial statements for the year ended 31 March 2013

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption

Principal activities

The principal activity of the Company is to provide management services to its subsidiaries, Bradford & Airedale Community Solutions – Fundco 1 Limited, Bradford & Airedale Community Solutions - Fundco 2 Limited and Bradford & Airedale Community Solutions – Fundco 3 Limited. The results for the period are in line with expectations

Dividends

The directors do not recommend the payment of a final dividend (2012 £nil)

Going concern

The directors have a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future, for the reasons as outlined in Principal Accounting Policies. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Directors

The directors who served throughout the year unless stated otherwise, are shown on page 1

Bradford & Airedale Community Solutions Limited has adopted Articles of Association, the provisions of which do not require the directors to retire by rotation or to retire at the first Annual General Meeting after their appointment

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

Directors' Report (continued)
For the year ended 31 March 2013

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the persons who are directors of the Company at the date when this report is approved, the directors confirm that

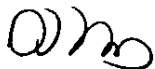
- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Grant Thornton UK LLP have indicated their willingness to continue in office as the Company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

On behalf of the board



David Harding

Director

25 July 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADFORD & AIREDALE COMMUNITY SOLUTIONS LIMITED

We have audited the financial statements of Bradford & Airedale Community Solutions Limited for the year ended 31 March 2013 which comprise the Profit and loss account, Balance sheet, Reconciliation of movements in shareholders' funds, Principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADFORD & AIREDALE COMMUNITY SOLUTIONS LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report

Grant Thornton UK LLP

Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
25 July 2013

Profit and Loss Account
For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Turnover	1	297	291
Cost of sales		<u>(238)</u>	<u>(221)</u>
Gross profit		59	70
Administrative expenses		(42)	(49)
Operating profit	2	<u>17</u>	<u>21</u>
Interest receivable and similar income	4	583	588
Interest payable and similar charges	5	(583)	(588)
Profit on ordinary activities before taxation		<u>17</u>	<u>21</u>
Tax on profit on ordinary activities	6	(10)	(17)
Profit for the financial year	14	<u>7</u>	<u>4</u>

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

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 11 to 18 form part of these financial statements

BRADFORD & AIREDALE COMMUNITY SOLUTIONS LIMITED
COMPANY REGISTRATION NUMBER - 05075985

Balance Sheet
As at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible fixed assets	7	379	379
Investments	8	17	17
		<u>396</u>	<u>396</u>
Current assets			
Debtors - due after more than one year	9(a)	4,917	5,000
Debtors - due within one year	9(b)	741	526
Cash at bank and in hand		865	582
		<u>6,523</u>	<u>6,108</u>
Creditors			
Amounts falling due within one year	10(a)	(1,054)	(537)
Net current assets		<u>5,469</u>	<u>5,571</u>
Total assets less current liabilities		5,865	5,967
Creditors			
Amounts falling due after more than one year	10(b)	(5,459)	(5,568)
Net assets		<u>406</u>	<u>399</u>
Capital and reserves			
Called up share capital	13	16	16
Profit and loss account	14	390	383
Shareholders' funds		<u>406</u>	<u>399</u>

The financial statements of Bradford & Airedale Community Solutions Limited, registered number 05075985, were approved by the Board of Directors and authorised for issue on 25 July 2013

Signed on behalf of the Board of Directors


David Harding

Director

The notes on pages 11 to 18 form part of these financial statements

Reconciliation of movements in shareholders' funds
For the year ended 31 March 2013

	2013 £'000	2012 £'000
Profit for the financial year	7	4
Opening shareholders' funds	399	395
Closing shareholders' funds	406	399

Principal Accounting Policies
For the year ended 31 March 2013

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. Consolidated financial statements have not been prepared for the Company and its subsidiaries since the Group satisfies the definition of a small group and has applied the exemption available under the Companies Act 2006. Accordingly, these financial statements present information about the Company and not about its group.

Going concern

On 1 April 2013, Bradford City Teaching Primary Care Trust, the principal tenant of the group, was abolished under the provisions of the Health and Social Care Act 2012. Under a statutory property transfer scheme, the head leases were transferred to Community Health Partnerships Limited, a company whose entire share capital is owned by the Secretary of State for Health. The directors note there are on-going discussions between the Department of Health and a number of funders to ensure the covenant strength of the tenant has not diminished by the transfer. At the time of signing the accounts, these discussions had not been concluded. The directors do not consider there to be significant uncertainty in connection with this and expect the matter to be successfully resolved in the near future.

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company and the group. Based on this review and the future business prospects of the company and group, despite the current economic conditions, the directors believe the company and the group 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 and the group 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.

Cash flow statement

A cash flow statement is not presented since the Company satisfies the definition of a small company in accordance with Financial Reporting Standard No. 1 (revised).

Investments

Fixed asset investments are recorded at cost less amounts written off or provided to reflect impairment losses.

Turnover

Turnover represents income received in the ordinary course of business for services provided and excludes value added tax originated in the United Kingdom. There is one class of revenue and it is recognised in line with the period to which the service relates.

Fixed assets

All fixed assets are initially recorded at cost. The value of tangible fixed assets includes costs that are directly attributable to bringing the asset into working condition.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

Principal Accounting Policies (continued)
For the year ended 31 March 2013

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Land is not depreciated

Taxation policy

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements
For the year ended 31 March 2013

1. Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit on ordinary activities before taxation relates to one class of business, the Company's principal activity carried out in the UK

2. Operating profit

	2013 £'000	2012 £'000
Operating profit is stated after charging		
Auditor's remuneration – audit services	10	4
Auditor's remuneration – other services	9	5
	<u>19</u>	<u>9</u>

The audit fee for Bradford & Airedale Community Solutions - Fundco 1 Limited, Bradford & Airedale Community Solutions - Fundco 2 Limited and Bradford & Airedale Community Solutions - Fundco 3 Limited is borne by Bradford & Airedale Community Solutions Limited for 2013

3. Emoluments of directors

The directors did not receive any remuneration from the Company for their services to the Company during the current year (2012 £nil) A total fee of £17,102 (2012 £17,102) was paid to David Richardson during the year with regard to the provision of Chairman's services

4. Interest receivable and similar income

	2013 £'000	2012 £'000
Interest receivable on subordinated loan from group undertakings	<u>583</u>	<u>588</u>

5. Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable on subordinated loan	<u>583</u>	<u>588</u>

Notes to the Financial Statements
For the year ended 31 March 2013

6. Tax on profit on ordinary activities

	2013 £'000	2012 £'000
a) Current tax		
UK corporation tax charge at 24% (2012 26%)	-	-
	-	-
<i>Deferred tax</i> (note 12)		
Origination and reversal of timing differences	10	17
Tax on profit on ordinary activities	<u>10</u>	<u>17</u>

The tax assessed for the year is charged at 24% (2012 26%) The differences are explained below

	2013 £'000	2012 £'000
b) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	<u>17</u>	<u>21</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 24% (2012 26%)	4	5
Effects of		
Unutilised tax loss in period	1	-
Taxation on lease premium	(5)	(28)
Group relief	-	23
Current tax charge for the year	<u>-</u>	<u>-</u>

The change in tax rate from 24% to 23% from 1 April 2013 is not expected to materially affect the future tax charge

Notes to the Financial Statements
For the year ended 31 March 2013

7. Tangible fixed assets

	Land £'000	Total £'000
Cost		
As at 1 April 2012 and 31 March 2013	<u>379</u>	<u>379</u>
Accumulated depreciation		
As at 1 April 2012 and 31 March 2013	<u>-</u>	<u>-</u>
Net book value		
As at 31 March 2013	<u>379</u>	<u>379</u>
As at 31 March 2012	<u>379</u>	<u>379</u>

Notes to the Financial Statements
For the year ended 31 March 2013

8. Fixed asset investments

<div> <div>Cost</div> <div>At 31 March 2013 and 31 March 2012</div> </div>			Investments in group undertakings £'000	
			17	
The principal undertakings are				
Name of subsidiary	Shareholding	Nature of business	Aggregate capital and reserves £'000	Profit/(loss) for the year £'000
Bradford & Airedale Community Solutions – Holdco 1 Limited	100% of £1 ordinary shares	Non trading company Parent of Bradford & Airedale Community Solutions - Fundco 1 Limited	17	-
Bradford & Airedale Community Solutions – Holdco 2 Limited	100% of £1 ordinary shares	Non trading company Parent of Bradford & Airedale Community Solutions - Fundco 2 Limited	-	-
Bradford & Airedale Community Solutions – Holdco 3 Limited	100% of £1 ordinary shares	Non trading company Parent of Bradford & Airedale Community Solutions - Fundco 3 Limited	-	-
Bradford & Airedale Community Solutions - Fundco 1 Limited	100% of £1 ordinary shares	Construction and facilities management	5	217
Bradford & Airedale Community Solutions - Fundco 2 Limited	100% of £1 ordinary shares	Construction and facilities management	(180)	137
Bradford & Airedale Community Solutions - Fundco 3 Limited	100% of £1 ordinary shares	Construction and facilities management	(504)	(32)

All companies are registered in England & Wales

Notes to the Financial Statements
For the year ended 31 March 2013

9. Debtors

	2013	2012
	£'000	£'000
(a) Due after more than one year		
Amounts owed by subsidiary undertaking (note 11)	4,459	4,520
Prepayments	458	480
	<u>4,917</u>	<u>5,000</u>
(b) Due within one year		
Trade debtors	8	10
Amounts owed from related party (note 11/16)	3	-
Amounts owed by subsidiary undertaking (note 11)	279	44
Prepayments and accrued income	316	321
Deferred tax (note 12)	135	145
Other taxation	-	6
	<u>741</u>	<u>526</u>

10. Creditors

	2013	2012
	£'000	£'000
(a) Amounts falling due within one year		
Subordinated loan to related party (note 11/16)	64	32
Amounts owed to subsidiary undertaking	195	138
Accruals and deferred income	730	367
Other taxation	65	-
	<u>1,054</u>	<u>537</u>
(b) Amounts falling due after more than one year		
Subordinated loan to related party (note 11/16)	4,459	4,520
Accruals and deferred income	1,000	1,048
	<u>5,459</u>	<u>5,568</u>

Deferred income is a pharmacy lease premium received in advance. This amount is being released in equal amounts to the profit and loss account over the 25 year term of the lease.

Notes to the Financial Statements
For the year ended 31 March 2013

11. Loans

Subordinated loan due to parent undertaking

	2013	2012
	£'000	£'000
The loans are repayable as follows		
Within one year	64	32
Between one and two years	67	60
Between two and five years	195	198
Over five years	4,197	4,262
	<u>4,523</u>	<u>4,552</u>

The amounts falling due after more than one year represent loan notes provided by the Joint Venture shareholders. The loan notes enabled Bradford & Airedale Community Solutions Limited to provide subordinated debt investment within its underlying subsidiaries. Further details on the Loan Note Agreements for each subsidiary are outlined below.

Bradford & Airedale Community Solutions - Fundco 1 Limited loan notes are repayable in 2031. Interest of £210,971 (2012: £213,340) was charged during the year. The interest rate for the year was 12.5% (2012: 12.5%). £1,681,888 (2012: £1,696,820) is outstanding at 31 March 2013 and is included in debtors.

Bradford & Airedale Community Solutions - Fundco 2 Limited loan notes are repayable in 2033. Interest of £218,620 (2012: £220,404) was charged during the year. The interest rate for the year was 13.5% (2012: 13.5%). £1,615,354 (2012: £1,624,878) is outstanding at 31 March 2013 and is included in debtors.

Bradford & Airedale Community Solutions - Fundco 3 Limited loan notes are repayable in 2035. Interest of £153,690 (2012: £154,188) was charged during the year, of which £1,924 (2012: £9,384) was rolled up into the subordinated loan. The interest rate for the year was 12.5% (2012: 12.5%). £1,225,917 (2012: £1,230,885) is outstanding at 31 March 2013 and is included in debtors.

12. Deferred tax

	2013	2012
	£'000	£'000
Deferred tax is provided as follows		
Balance at 1 April	(145)	(162)
Deferred tax charge for the year	10	17
Balance at 31 March (note 9)	<u>(135)</u>	<u>(145)</u>
Analysis of deferred taxation provided in the financial statements is as follows		
Short Term timing differences	<u>(135)</u>	<u>(145)</u>

Notes to the Financial Statements
For the year ended 31 March 2013

13. Called up share capital

	2013 £'000	2012 £'000
Authorised		
3,000 Ordinary Class A shares of £1 each	3	3
3,000 Ordinary Class B shares of £1 each	3	3
10,000 Ordinary Class C shares of £1 each	10	10
	<u>16</u>	<u>16</u>
	No.	No
Allotted, called up and fully paid		
Ordinary Class A shares of £1 each	3,000	3,000
Ordinary Class B shares of £1 each	3,000	3,000
Ordinary Class C shares of £1 each	10,000	10,000
	<u>16,000</u>	<u>16,000</u>

The classes of shares above relate to the different shareholders of the Company. Class A are owned by Community Health Partnerships, class B by Bradford & Airedale PCT and class C by Bradford & Airedale (LIFT) Investments Limited.

The different classes of shares carry the same voting rights. However, the Shareholders' Agreement stipulates certain decisions that must be unanimously agreed by all shareholder classes in order for them to take effect.

14. Reserves

	Profit and loss account £'000
At beginning of the financial year	383
Profit for the financial year	7
At end of the financial year	<u>390</u>

Notes to the Financial Statements
For the year ended 31 March 2013

15. Ultimate parent company

During the year, Bradford & Airedale Community Solutions Limited is owned 60% by Bradford & Airedale (LIFT) Investments Limited, 20% by Community Health Partnerships Limited, and 20% by Bradford City Teaching PCT

On 1 April 2013, Bradford City Teaching PCT was abolished by the Secretary of State for Health, with its entire shareholding in the Company transferring to Community Health Partnerships Limited

Bradford & Airedale (Lift) Investments Limited is a Joint Venture between Community Solutions Investment Partners Limited, Equitix Limited and Equitix Healthcare Limited

The directors do not consider that the Company is controlled by any one party

16. Related party transactions

The Company is a 100% subsidiary and has taken advantage of the exemption available under FRS 8 not to disclose transactions entered into between members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group

	2013 £'000	2012 £'000
Sales to Bradford City Teaching PCT	<u>408</u>	<u>31</u>
Purchases from Community Solutions Management Services Limited	<u>73</u>	<u>199</u>

The transactions are at arm's length and relate to rental income and provision of facilities management, and management services

Amounts due to Bradford & Airedale (LIFT) Investments Limited at 31 March 2013 were £2,706,359 (2012 £2,724,014)

Amounts due to Bradford City Teaching PCT at 31 March 2013 were £914,541 (2012 £920,426)

Amounts due to Community Health Partnerships Limited at 31 March 2013 were £902,260 (2012 £908,145)