



Grant Thornton

Financial statements  
Bradford and Airedale  
Care Partnerships  
Limited

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For the Year Ended 31 March 2010



Company No. 05075985

## Officers and professional advisers

|                                    |   |
|------------------------------------|---|
| <b>Company registration number</b> | 05075985  |
| <b>Registered office</b>           | Charlestown House<br>Acorn Park Industrial Estate<br>Charlestown<br>Shipley<br>West Yorkshire<br>BD17 7SW                             |
| <b>Directors</b>                   | D Richardson<br>S Brain England<br>P Garland<br>I Heaven<br>H Hurst<br>R Maden<br>D Royston<br>M Sugden<br>S Whyte                    |
| <b>Secretary</b>                   | M Sugden  |
| <b>Bankers</b>                     | Royal Bank of Scotland Plc<br>45-47 Bank Street<br>Bradford<br>West Yorkshire<br>BD1 1TS  |
| <b>Auditor</b>                     | Grant Thornton UK LLP<br>Chartered Accountants<br>Statutory Auditor<br>No 1 Whitehall Riverside<br>Whitehall Road<br>Leeds<br>LS1 4BN |

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## Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 March 2010

### **Principal activities**

The principal activity of the company and its subsidiaries during the year was the design, construction and facilities management of primary healthcare centres in the Bradford and Airedale region

### **Results and dividends**

The group loss of £221,000 (2009 £87,000 loss in the period) is appropriate at this stage of the group's development and is in line with the twenty five year business plan assumption. The parent company loss of £167,000 (2009 £219,000 profit in the period) is also in line with business plan expectations. The Directors are satisfied with the results. The directors have not recommended a dividend.

### **Business review**

During the trading year the group has further extended its presence within the local health and social care market place by continuing to develop and operate state of the art purpose built facilities within the Bradford and Airedale region.

The three Fundco 1 schemes have now successfully operated for over four years since the start of the twenty five year operational phase. Our buildings at Haworth, Low Moor and Westbourne Green continue to provide first class environments for the enhanced delivery of health and social care services. Haworth Medical Centre has again been recognised for outstanding design by receiving the 'Best Healthcare Building' award at the Bradford & District Design Awards, whilst also receiving a commendation at the National Civic Awards.

Fundco 2 began trading on 27 July 2006 when a successful financial close enabled construction to commence on three buildings at Hillside Bridge, Undercliffe and Thornbury. All three buildings were delivered on time and against the agreed programme, and were opened to the public between late 2007 and early 2008.

Fundco 3 was established on 17 June 2008 when construction of the company's seventh development at Bingley was formally allowed to proceed. The building successfully reached practical completion during December 2009 and was opened for public use on 1 February 2010.

Formal instructions, from NHS Bradford & Airedale PCT, have been received to develop proposals for the building of three further significant developments in the area and planning and development matters in relation to these three schemes are ongoing.

The directors are pleased with the performance of the group and are encouraged by the operational performance to date and that further pipeline developments are now in place.

## Report of the directors

### **Directors**

The directors who served the company during the year were as follows

D Richardson  
S Brain England  
P Garland  
I Heaven  
H Hirst  
A Macready  
R Maden  
R North  
D Royston  
M Sugden  
S Whyte

H Hirst was appointed as a director on 25 September 2009

R North resigned as a director on 25 September 2009

A Macready resigned as a director on 12 May 2010

### **Directors' responsibilities**

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

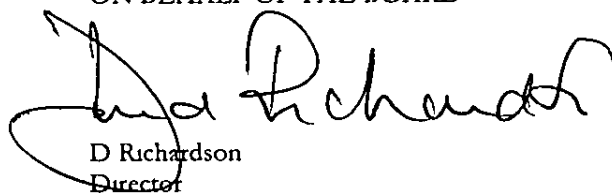
- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

## Report of the directors

### **Auditor**

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'D Richardson', is written over the printed name and title. The signature is fluid and cursive, with a large loop at the start of the first name.

D Richardson  
Director

4 June 2010



## Independent auditor's report to the members of Bradford and Airedale Care Partnerships Limited

We have audited the financial statements of Bradford and Airedale Care Partnerships Limited for the year ended 31 March 2010 which comprise the group and parent company profit and loss accounts, the group and parent company balance sheets, the group cash flow statement 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2010 and of the group's and the parent company's loss 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 and Airedale Care Partnerships Limited

### **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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

*Grant Thornton UK LLP*

GRAHAM NUNNS (Senior Statutory Auditor)  
For and on behalf of  
GRANT THORNTON UK LLP  
STATUTORY AUDITOR  
CHARTERED ACCOUNTANTS

**4 June 2010**



## Accounting policies

### Basis of accounting

The financial statements have been prepared under the historical cost convention

The directors consider the business to be a going concern, having considered the available funding facilities and financial projections that are agreed as part of the twenty five year business plan model agreed at each financial close. In addition the group has in place SWAP arrangements with the funders that protect against Retail Price Index and Interest rate fluctuations

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively

### Investments

Investments in subsidiaries are stated at cost less provision for impairment where necessary to reduce book value to recoverable amount. Cost is purchase price including acquisition expenses

### Turnover

Turnover represents rental income in accordance with the 25 year lease plus agreement, which includes rental income, recharges for certain property costs, pharmacy lease premium, client variations and retail price index swap agreements, if applicable. Revenue is recognised in line with the leaseplus agreements and the period to which it 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. Finance costs have been capitalised over the period of construction. Capitalisation of finance costs ceases when the assets reach practical completion

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

### 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

|                         |   |          |
|-------------------------|---|----------|
| Freehold Property       | - | 80 years |
| Long leasehold Property | - | 80 years |

Land is not depreciated

## Accounting policies

### Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### Pensions

Pension costs are assessed in accordance with the advice of an independent actuary. Costs include the regular cost of providing benefits which it is intended should remain at a substantially level percentage of current and expected future earnings of the employees covered. Variations from regular pension costs are spread evenly through the profit and loss account over the average remaining service lives of current employees.

## Group profit and loss account

|  | Note | 2010<br>£000 | 2009<br>£000 |
|--|------|--------------|--------------|
| <b>Group turnover</b>                              | 1    | 3,757        | 3,774        |
| Cost of sales                                      |      | (827)        | (975)        |
| Gross profit                                       |      | 2,930        | 2,799        |
| Other operating charges                            | 2    | (886)        | (880)        |
| <b>Operating profit</b>                            | 3    | 2,044        | 1,919        |
| Interest receivable                                |      | 5            | 406          |
| Interest payable and similar charges               | 6    | (2,255)      | (2,466)      |
| <b>Loss on ordinary activities before taxation</b> |      | (206)        | (141)        |
| Tax on loss on ordinary activities                 | 7    | (15)         | 55           |
| <b>Loss for the financial year</b>                 |      | (221)        | (87)         |
| Accumulated loss brought forward                   |      | (347)        | (261)        |
| <b>Accumulated loss carried forward</b>            |      | (568)        | (347)        |

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

**The accompanying accounting policies and notes form part of these financial statements.**

## Company profit and loss account

|   | Note | 2010<br>£000 | 2009<br>£000 |
|---|------|--------------|--------------|
| <b>Turnover</b>   | 1    | 533          | 435          |
| Cost of sales   |      | (157)        | —            |
| Gross profit  |      | 376          | 435          |
| Other operating charges                                     | 2    | (464)        | (422)        |
| <b>Operating (loss)/profit</b>                              | 4    | (88)         | 13           |
| Interest receivable   |      | -            | 9            |
| <b>(Loss)/profit on ordinary activities before taxation</b> |      | (88)         | 22           |
| Tax on (loss)/profit on ordinary activities                 | 7    | (79)         | 197          |
| <b>(Loss)/profit for the financial period</b>               |      | (167)        | 219          |
| Balance brought forward                                     |      | 555          | 336          |
| Balance carried forward                                     |      | 388          | 555          |

All of the activities of the company are classed as continuing

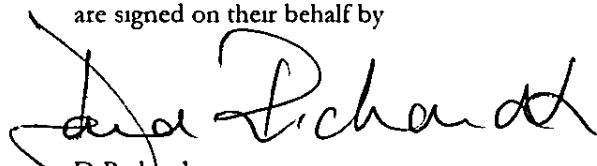
The company has no recognised gains or losses other than the results for the year as set out above

**The accompanying accounting policies and notes form part of these financial statements.**

## Group balance sheet

|  | Note | 2010<br>£000    | 2009<br>£000    |
|--|------|-----------------|-----------------|
| <b>Fixed assets</b>  |      |                 |                 |
| Tangible assets  | 8    | <u>41,078</u>   | <u>35,547</u>   |
| <b>Current assets</b>  |      |                 |                 |
| Debtors after more than one year                               | 10   | 524             | 550             |
| Debtors due within one year                                    | 10   | 392             | 301             |
| Cash at bank   |      | <u>2,686</u>    | <u>3,953</u>    |
|  |      | 3,602           | 4,804           |
| <b>Creditors' amounts falling due within one year</b>          | 11   | <u>(484)</u>    | <u>(857)</u>    |
| <b>Net current assets</b>                                      |      | <u>3,118</u>    | <u>3,947</u>    |
| <b>Total assets less current liabilities</b>                   |      | <u>44,196</u>   | <u>39,494</u>   |
| <b>Creditors' amounts falling due after more than one year</b> | 12   | <u>(44,748)</u> | <u>(39,825)</u> |
| <b>Net liabilities</b>   |      | <u>(552)</u>    | <u>(331)</u>    |
| <b>Capital and reserves</b>                                    |      |                 |                 |
| Called-up equity share capital                                 | 16   | 16              | 16              |
| Profit and loss account  | 17   | <u>(568)</u>    | <u>(347)</u>    |
| <b>Shareholders' deficit</b>                                   | 18   | <u>(552)</u>    | <u>(331)</u>    |

These financial statements were approved by the directors and authorised for issue on 4 June 2010, and are signed on their behalf by

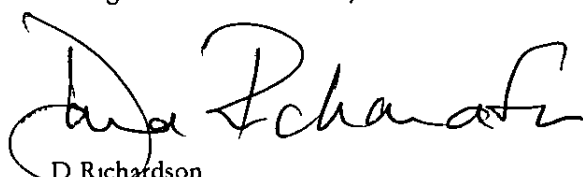
  
D Richardson  
Director

The accompanying accounting policies and notes form part of these financial statements.

## Company balance sheet

|  | Note | 2010<br>£000   | 2009<br>£000   |
|--|------|----------------|----------------|
| <b>Fixed assets</b>  |      |                |                |
| Tangible fixed assets  | 8    | 371            | -              |
| Investments  | 9    | 17             | 17             |
|  |      | <u>388</u>     | <u>17</u>      |
| <b>Current assets</b>  |      |                |                |
| Debtors due after more than one year                           | 10   | 5,084          | 5,008          |
| Debtors due within one year                                    | 10   | 300            | 375            |
| Cash at bank   |      | 418            | 295            |
|  |      | <u>5,802</u>   | <u>5,678</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 11   | <u>(82)</u>    | <u>(65)</u>    |
| <b>Net current assets</b>                                      |      | <u>5,720</u>   | <u>5,613</u>   |
| <b>Total assets less current liabilities</b>                   |      | <u>6,108</u>   | <u>5,630</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 12   | <u>(5,704)</u> | <u>(5,059)</u> |
| <b>Net assets</b>  |      | <u>404</u>     | <u>571</u>     |
| <b>Capital and reserves</b>                                    |      |                |                |
| Called-up equity share capital                                 | 16   | 16             | 16             |
| Profit and loss account  | 17   | 388            | 555            |
| <b>Shareholders' funds</b>                                     |      | <u>404</u>     | <u>571</u>     |

These financial statements were approved by the directors and authorised for issue on 4 June 2010, and are signed on their behalf by

  
D Richardson  
Director

Company Registration Number 05075985

## Group cash flow statement

|   | Note | 2010<br>£000   | 2009<br>£000   |
|---|------|----------------|----------------|
| Net cash inflow from operating activities       | 19   | 2,401          | 3,739          |
| Returns on investments and servicing of finance | 19   | (2,250)        | (2,322)        |
| Taxation  | 19   | 3              | -              |
| Capital expenditure and financial investment    | 19   | (5,898)        | (6,112)        |
| Cash outflow before financing                   |      | <u>(5,743)</u> | <u>(4,695)</u> |
| Financing                                       | 19   | 4,478          | 6,783          |
| (Decrease)/increase in cash                     | 19   | <u>(1,266)</u> | <u>2,089</u>   |

The accompanying accounting policies and notes form part of these financial statements.

## Notes to the financial statements

### 1 Turnover

The analysis of turnover by geographical market is as follows

Turnover by geographical market

|                | Group        |              | Company    |            |
|----------------|--------------|--------------|------------|------------|
|                | 2010         | 2009         | 2010       | 2009       |
|                | £000         | £000         | £000       | £000       |
| United Kingdom | <u>3,757</u> | <u>3,774</u> | <u>533</u> | <u>435</u> |

### 2 Other operating charges

|                         | Group      |            | Company    |            |
|-------------------------|------------|------------|------------|------------|
|                         | 2010       | 2009       | 2010       | 2009       |
|                         | £000       | £000       | £000       | £000       |
| Administrative expenses | <u>886</u> | <u>880</u> | <u>464</u> | <u>422</u> |

### 3 Operating profit

Operating profit is stated after charging

|                                    | Group    |          | Company  |          |
|------------------------------------|----------|----------|----------|----------|
|                                    | 2010     | 2009     | 2010     | 2009     |
|                                    | £000     | £000     | £000     | £000     |
| Directors' emoluments              | 18       | 17       | 18       | 17       |
| Depreciation of owned fixed assets | 367      | 356      | -        | -        |
| Auditor's remuneration             |          |          |          |          |
| Audit fees                         | <u>8</u> | <u>8</u> | <u>2</u> | <u>2</u> |

### 4 Particulars of employees

Average monthly number of employees, including executive directors

|                | Group    |          | Company  |          |
|----------------|----------|----------|----------|----------|
|                | 2010     | 2009     | 2010     | 2009     |
|                | No       | No       | No       | No       |
| Administration | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> |

Staff costs, including directors

|                       | Group      |            | Company    |            |
|-----------------------|------------|------------|------------|------------|
|                       | 2010       | 2009       | 2010       | 2009       |
|                       | £000       | £000       | £000       | £000       |
| Wages and salaries    | 217        | 226        | 217        | 226        |
| Social security costs | 22         | 22         | 22         | 22         |
| Other pension costs   | 4          | 3          | 4          | 3          |
|                       | <u>243</u> | <u>251</u> | <u>243</u> | <u>251</u> |



## Notes to the financial statements

### 5 Directors' emoluments

Remuneration of the directors

|            | Group     |           | Company   |           |
|------------|-----------|-----------|-----------|-----------|
|            | 2010      | 2009      | 2010      | 2009      |
|            | £000      | £000      | £000      | £000      |
| Emoluments | <u>18</u> | <u>17</u> | <u>18</u> | <u>17</u> |

There were no directors accruing retirement benefits (2009 nil)

### 6 Interest payable and similar charges

|  | Group        |              |
|--|--------------|--------------|
|  | 2010         | 2009         |
|  | £000         | £000         |
| Interest payable on bank borrowing     | 1,794        | 2,009        |
| Interest payable to group undertakings | <u>461</u>   | <u>457</u>   |
|  | <u>2,255</u> | <u>2,466</u> |

### 7 Taxation on ordinary activities

Analysis of charge in the year

|  | Group      |             | Company   |              |
|--|------------|-------------|-----------|--------------|
|  | 2010       | 2009        | 2010      | 2009         |
|  | £000       | £000        | £000      | £000         |
| UK corporation tax based on the results for the year at 28% (2009 - 28%) | -          | -           | -         | -            |
| Over provision in respect of prior years                                 | <u>(3)</u> | <u>-</u>    | <u>-</u>  | <u>-</u>     |
| Total current tax  | <u>(3)</u> | <u>-</u>    | <u>-</u>  | <u>-</u>     |
| Deferred taxation  |            |             |           |              |
| Origination and reversal of timing differences                           | <u>18</u>  | <u>(55)</u> | <u>79</u> | <u>(197)</u> |
| Tax on profit on ordinary activities                                     | <u>15</u>  | <u>(55)</u> | <u>79</u> | <u>(197)</u> |

## Notes to the financial statements

### 7 Taxation on ordinary activities (continued)

#### Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

|   | Group<br>2010<br>£000 | 2009<br>£000 | Company<br>2010<br>£000 | 2009<br>£000 |
|---|-----------------------|--------------|-------------------------|--------------|
| (Loss)/profit on ordinary activities before taxation      | (206)                 | (141)        | (88)                    | 22           |
| Theoretical tax at UK corporation tax rate 28% (2009 28%) | (58)                  | (39)         | (25)                    | 6            |
| Effects of  |                       |              |                         |              |
| Expenses not deductible for tax purposes                  | 67                    | 61           | 4                       | -            |
| Capital allowances for period in excess of depreciation   | (197)                 | (250)        | -                       | -            |
| Utilisation of tax losses                                 | 391                   | (85)         | -                       | -            |
| Capitalised interest                                      | (289)                 | (66)         | -                       | 18           |
| Taxation on lease premium                                 | 86                    | 199          | 86                      | -            |
| Group relief  | -                     | -            | (65)                    | (204)        |
| Assignment of lease                                       | -                     | 182          | -                       | 182          |
| Short term timing differences                             | -                     | (2)          | -                       | (2)          |
| Over provision in respect of prior years                  | (3)                   | -            | -                       | -            |
| Total current tax   | (3)                   | -            | -                       | -            |

### 8 Tangible fixed assets

| Group               | Buildings<br>£000 | Land<br>£000 | Assets under<br>construction<br>£000 | Total<br>£000 |
|---------------------|-------------------|--------------|--------------------------------------|---------------|
| Cost                |                   |              |                                      |               |
| At 1 April 2009     | 28,369            | 3,102        | 4,829                                | 36,300        |
| Additions           | -                 | 371          | 5,527                                | 5,898         |
| Transfers           | 10,064            | 292          | (10,356)                             | -             |
| At 31 March 2010    | 38,433            | 3,765        | -                                    | 42,198        |
| Depreciation        |                   |              |                                      |               |
| At 1 April 2009     | 753               | -            | -                                    | 753           |
| Charge for the year | 367               | -            | -                                    | 367           |
| At 31 March 2010    | 1,120             | -            | -                                    | 1,120         |
| Net book value      |                   |              |                                      |               |
| At 31 March 2010    | 37,313            | 3,765        | -                                    | 41,078        |
| At 31 March 2009    | 27,616            | 3,102        | 4,829                                | 35,547        |

## Notes to the financial statements

### 8 Tangible fixed assets (continued)

Included in the above are £2,265,000 (2009 £1,667,000) of capitalised finance costs of which £598,000 were capitalised in the year (2009 £714,000)

Costs were capitalised in line with rates described in note 12

| Company             | Land<br>£000 | Total<br>£000 |
|---------------------|--------------|---------------|
| Cost                |              |               |
| At 1 April 2009     | —            | —             |
| Additions           | 371          | 371           |
| At 31 March 2010    | <u>371</u>   | <u>371</u>    |
| Depreciation        |              |               |
| At 1 April 2009     | —            | —             |
| Charge for the year | —            | —             |
| At 31 March 2010    | <u>—</u>     | <u>—</u>      |
| Net book value      |              |               |
| At 31 March 2010    | <u>371</u>   | <u>371</u>    |
| At 31 March 2009    | <u>—</u>     | <u>—</u>      |

### 9 Investments

| Company                            | Group<br>companies<br>£000 |
|------------------------------------|----------------------------|
| Cost                               |                            |
| At 1 April 2009 and 31 March 2010  | <u>17</u>                  |
| Net book value                     |                            |
| At 31 March 2010 and 31 March 2009 | <u>17</u>                  |

### Subsidiary undertakings

|  | Country of<br>incorporation | Holding         | Proportion of<br>voting rights<br>and shares held | Nature of business                     |
|--|-----------------------------|-----------------|---|--|
| All held by the company                                  |                             |                 |   |  |
| Bradford and Airedale Care Partnerships Fundco 1 Limited | England                     | Ordinary shares | 100%  | Construction and facilities management |
| Bradford and Airedale Care Partnerships Fundco 2 Limited | England                     | Ordinary shares | 100%  | Construction and facilities management |
| Bradford and Airedale Fundco 3 Limited                   | England                     | Ordinary shares | 100%  | Construction and facilities management |

## Notes to the financial statements

### 10 Debtors

|                                      | Group      |            | Company      |              |
|--------------------------------------|------------|------------|--------------|--------------|
|                                      | 2010       | 2009       | 2010         | 2009         |
|                                      | £000       | £000       | £000         | £000         |
| Amounts due after more than one year |            |            |              |              |
| Loans to subsidiaries                | –          | –          | 4,560        | 4,458        |
| Prepayment                           | 524        | 550        | 524          | 550          |
|                                      | <u>524</u> | <u>550</u> | <u>5,084</u> | <u>5,008</u> |
| Amounts due within one year          |            |            |              |              |
| Trade debtors                        | 102        | 11         | –            | 5            |
| Amounts owed by group undertakings   | 9          | –          | 26           | 69           |
| Other debtors                        | 67         | 39         | 67           | 39           |
| Prepayments and accrued income       | 62         | 81         | 29           | 5            |
| Deferred tax debtor (note 13)        | 152        | 170        | 178          | 257          |
|                                      | <u>392</u> | <u>301</u> | <u>300</u>   | <u>375</u>   |

### 11 Creditors: amounts falling due within one year

|                                    | Group      |            | Company   |           |
|------------------------------------|------------|------------|-----------|-----------|
|                                    | 2010       | 2009       | 2010      | 2009      |
|                                    | £000       | £000       | £000      | £000      |
| Subordinated loan notes            | 19         | 18         | 19        | 18        |
| Bank loans                         | 204        | 139        | –         | –         |
| Amounts owed to group undertakings | –          | 485        | –         | –         |
| Other taxation                     | 71         | –          | –         | –         |
| Accruals and deferred income       | 190        | 215        | 63        | 47        |
|                                    | <u>484</u> | <u>857</u> | <u>82</u> | <u>65</u> |

The above loans are secured by a fixed charge against the assets of the company, see note 12 for further details

### 12 Creditors: amounts falling due after more than one year

|                                     | Group         |               | Company      |              |
|-------------------------------------|---------------|---------------|--------------|--------------|
|                                     | 2010          | 2009          | 2010         | 2009         |
|                                     | £000          | £000          | £000         | £000         |
| Subordinated loan notes             | 4,560         | 4,458         | 4,560        | 4,458        |
| Bank loan - senior debt             | 30,831        | 28,892        | –            | –            |
| Bank loan - residual value facility | 7,055         | 4,685         | –            | –            |
|                                     | <u>42,446</u> | <u>38,035</u> | <u>4,560</u> | <u>4,458</u> |
| Accruals and deferred income        | 2,302         | 1,790         | 1,144        | 601          |
|                                     | <u>44,748</u> | <u>39,825</u> | <u>5,704</u> | <u>5,059</u> |

## Notes to the financial statements

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

In accordance with FRS 4 capital instrument charges of £355,503 (2009 £365,000) have been offset against the bank loans, of which £13,430 is due within one year (2009 £8,000) and £342,073 due in more than one year (2009 £357,000)

Unsecured subordinated loan notes repayable in 2031 were issued to certain shareholders in 2004. These loan notes accrue interest currently at the rate of 12.5% (2009 12.5%) per annum. In 2006 additional unsecured loan notes repayable in 2033 were issued. The loan notes accrue interest at 13.5% per annum. In 2008 additional unsecured loan notes repayable in 2035 were issued. The loan notes accrue interest at 12.5% per annum.

The proceeds of the distribution of loan notes have been loaned by Bradford and Airedale Care Partnerships Limited to the company's subsidiaries. The loans are unsecured and interest is charged at the same rate as is payable on the loan notes.

The senior debt bank loan is made up of three loans taken out by subsidiary companies. The first tranche of £11.3m (2009 £11.7m) is a variable rate loan repayable in 2030. Interest of £719,495 (2009 £839,271) has been charged by the bank and paid in the year. The average interest rate in the year was 6.3% (2009 7.2%). The second tranche of £11.4m (2009 £11.7m) is a variable rate loan repayable in 2032. Interest of £674,872 (2009 £830,000) has been charged by the bank and paid in the year. The average interest rate in the year was 5.9% (2009 7.2%). The third tranche of £8.3m (2009 £6.1m) is a variable rate loan repayable in 2035. Interest of £428,972 (2009 £160,000) was charged by the bank and added to the principal in the year. Interest of £91,445 (2009 £nil) has been charged by the bank and paid in the year. The interest rate in the year was 7.72% (2009 5.22%).

The residual value facility is a variable rate loan repayable in 2035. Interest of £24,667 (2009 £nil) has been charged by the bank and paid in the year. Interest of £48,215 (2009 £nil) was charged by the bank and added to the principal in the year. The average interest rate in the year was 6.24% (2009 nil).

The bank loans are secured by a fixed charge against the assets of Bradford and Airedale Care Partnerships Fundco 1 Limited, Bradford and Airedale Care Partnerships Fundco 2 Limited and Bradford and Airedale Care Partnerships Fundco 3 Limited.

The inter-company loan is an unsecured variable rate loan repayable in 2035. Interest of £23,478 (2009 £nil) has been charged in the year. Interest of £120,999 (2009 £102,790) was added to the principal in the year. The interest rate for the year was 12.5% (2009 12.5%).

Total debt is repayable as follows

|                            | Group         |               | Company  |          |
|----------------------------|---------------|---------------|----------|----------|
|                            | 2010          | 2009          | 2010     | 2009     |
|                            | £000          | £000          | £000     | £000     |
| Within one year            | 237           | 165           | —        | —        |
| Within one and two years   | 349           | 237           | —        | —        |
| Between two and five years | 1,079         | 1,665         | —        | —        |
| After five years           | 41,362        | 36,490        | —        | —        |
|                            | <u>43,027</u> | <u>38,557</u> | <u>—</u> | <u>—</u> |

Deferred income is 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

### 13 Deferred taxation

The movement in the deferred taxation provision during the year was

|  | Group        |              | Company      |              |
|--|--------------|--------------|--------------|--------------|
|  | 2010         | 2009         | 2010         | 2009         |
|  | £000         | £000         | £000         | £000         |
| Asset brought forward                      | (170)        | (115)        | (257)        | (60)         |
| Charge/(credit) to profit and loss account | 18           | (55)         | 79           | (197)        |
| Asset carried forward                      | <u>(152)</u> | <u>(170)</u> | <u>(178)</u> | <u>(257)</u> |

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

| Group   | 2010         |             | 2009         |             |
|---|--------------|-------------|--------------|-------------|
|   | Provided     | Unprovided  | Provided     | Unprovided  |
|   | £000         | £000        | £000         | £000        |
| Excess of taxation allowances over depreciation on fixed assets | 1,204        | -           | 1,008        | -           |
| Tax losses available  | (1,848)      | (37)        | (1,011)      | (99)        |
| Other timing differences  | 492          | -           | (167)        | -           |
|   | <u>(152)</u> | <u>(37)</u> | <u>(170)</u> | <u>(99)</u> |

| Company                  | 2010         |            | 2009         |            |
|--------------------------|--------------|------------|--------------|------------|
|                          | Provided     | Unprovided | Provided     | Unprovided |
|                          | £000         | £000       | £000         | £000       |
| Other timing differences | (178)        | -          | (257)        | -          |
|                          | <u>(178)</u> | <u>-</u>   | <u>(257)</u> | <u>-</u>   |

## Notes to the financial statements

### 14 Derivatives

In accordance with Companies Act 2006 requirements, the fair value of the Group's derivatives are disclosed below. SWAPS are in place to enable the group to manage interest rate risk whilst taking out long term contracts.

#### Group

|  | 2010<br>£000   | 2009<br>£000   |
|--|----------------|----------------|
| Interest rate swap senior debt             | (3,647)        | (4,682)        |
| Interest rate swap residual value facility | (823)          | (1,174)        |
| Interest rate swap retail price index      | (2,372)        | (1,465)        |
|  | <u>(6,842)</u> | <u>(7,321)</u> |

#### Company

The company has no derivatives at the year end (2009 nil)

### 15 Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with its entities that are part of the group on the basis that consolidated financial statements in which the company is included are publicly available.

During the year the group and company entered into transactions with its shareholders. Details of the transactions are shown below.

|  | Group        |              | Company      |              |
|--|--------------|--------------|--------------|--------------|
|  | 2010<br>£000 | 2009<br>£000 | 2010<br>£000 | 2009<br>£000 |
| Purchases from Accent Foundation Limited         | 5,686        | 4,309        | –            | –            |
| Purchases from Accent Corporate Services Limited | 81           | 56           | 81           | 56           |
| Purchases from Bradford and Airedale PCT         | 8            | –            | 8            | –            |
| Purchases from Community Health Partnerships     | 8            | –            | 8            | –            |
|  | <u>5,783</u> | <u>4,365</u> | <u>97</u>    | <u>56</u>    |
| Sales to Accent Foundation Limited               | 27           | –            | –            | –            |
| Sales to Bradford and Airedale PCT               | 3,555        | 2,402        | 184          | –            |
| Sales to subsidiary                              | –            | –            | –            | 41           |
|  | <u>9,365</u> | <u>6,767</u> | <u>281</u>   | <u>41</u>    |

Accent Foundation Limited is the controlling shareholder of the company owning 60%. The group purchases various management and administrative support services from Accent Foundation Limited and other companies within the Accent Group for which it pays fees in accordance with defined contracts.

Bradford and Airedale PCT are a 20% shareholder in the company, they are the leaseholders of the facilities built by the group and pay a lease plus fee for the use of the buildings and hard facilities management services.

## Notes to the financial statements

### 15 Related party transactions (continued)

The transactions are at arms length and relate to rental income and associated property costs in accordance with the lease plus agreements

Amounts due from Bradford and Airedale PCT at 31 March 2010 were £82,621 (2009 £26,518)

Amounts due to Accent Foundation Limited at 31 March 2010 were £1,870 (2009 £555,849)

### 16 Share capital

Authorised share capital

|   | 2010<br>£000 | 2009<br>£000 |
|---|--------------|--------------|
| 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>    |

Allotted, called up and fully paid

|                                    | 2010          |           | 2009          |           |
|------------------------------------|---------------|-----------|---------------|-----------|
|                                    | No            | £000      | No            | £000      |
| Ordinary Class A shares of £1 each | 3,000         | 3         | 3,000         | 3         |
| Ordinary Class B shares of £1 each | 3,000         | 3         | 3,000         | 3         |
| Ordinary Class C shares of £1 each | 10,000        | 10        | 10,000        | 10        |
|                                    | <u>16,000</u> | <u>16</u> | <u>16,000</u> | <u>16</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 and Airedale PCT and Class C by Accent Foundation 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

### 17 Reserves

| Group             | Profit and loss<br>account<br>£000 |
|-------------------|------------------------------------|
| At 1 April 2009   | (347)                              |
| Loss for the year | <u>(221)</u>                       |
| At 31 March 2010  | <u>(568)</u>                       |

| Company           | Profit and loss<br>account<br>£000 |
|-------------------|------------------------------------|
| At 1 April 2009   | 555                                |
| Loss for the year | <u>(167)</u>                       |
| At 31 March 2010  | <u>388</u>                         |



## Notes to the financial statements

### 18 Reconciliation of movements in shareholders' funds

#### Group

|                               | 2010<br>£000 | 2009<br>£000 |
|-------------------------------|--------------|--------------|
| Loss for the financial year   | (221)        | (86)         |
| Opening shareholders' deficit | (331)        | (245)        |
| Closing shareholders' deficit | <u>(552)</u> | <u>(331)</u> |

#### Company

|                                      | 2010<br>£000 | 2009<br>£000 |
|--------------------------------------|--------------|--------------|
| (Loss)/profit for the financial year | (167)        | 219          |
| Opening shareholders' funds          | 571          | 352          |
| Closing shareholders' funds          | <u>404</u>   | <u>571</u>   |

### 19 Notes to the cash flow statement

#### Reconciliation of operating profit to net cash inflow from operating activities

|   | 2010<br>£000 | 2009<br>£000 |
|---|--------------|--------------|
| Operating profit                          | 2,044        | 1,919        |
| Depreciation                              | 367          | 356          |
| Increase in debtors                       | (83)         | (290)        |
| Increase in creditors                     | 73           | 1,512        |
| Loan arrangement fee                      | —            | 242          |
| Net cash inflow from operating activities | <u>2,401</u> | <u>3,739</u> |

#### Returns on investments and servicing of finance

|   | 2010<br>£000   | 2009<br>£000   |
|---|----------------|----------------|
| Interest received   | 5              | 406            |
| Interest paid   | (2,255)        | (2,728)        |
| Net cash outflow from returns on investments and servicing of finance | <u>(2,250)</u> | <u>(2,322)</u> |

## Notes to the financial statements

### 19 Notes to the cash flow statement (continued)

#### Taxation

|          | 2010<br>£000 | 2009<br>£000 |
|----------|--------------|--------------|
| Taxation | <u>3</u>     | <u>—</u>     |

#### Capital expenditure

|   | 2010<br>£000   | 2009<br>£000   |
|---|----------------|----------------|
| Payments to acquire tangible fixed assets | (5,898)        | (6,112)        |
| Net cash outflow from capital expenditure | <u>(5,898)</u> | <u>(6,112)</u> |

#### Financing

|                                     | 2010<br>£000 | 2009<br>£000 |
|-------------------------------------|--------------|--------------|
| Increase in subordinated loan notes | 103          | 1,062        |
| New bank loans                      | <u>4,375</u> | <u>5,722</u> |
| Net cash inflow from financing      | <u>4,478</u> | <u>6,784</u> |

#### Reconciliation of net cash flow to movement in net debt

|  | 2010<br>£000    | 2009<br>£000    |
|--|-----------------|-----------------|
| (Decrease)/increase in cash in the period        | (1,266)         | 2,089           |
| Net cash (inflow) from bank loans                | (4,375)         | (6,950)         |
| Net cash (inflow)/outflow from subordinated debt | <u>(103)</u>    | <u>166</u>      |
|  | <u>(4,478)</u>  | <u>(6,784)</u>  |
| Change in net debt                               | (5,744)         | (4,694)         |
| Net debt at 1 April                              | <u>(34,239)</u> | <u>(29,545)</u> |
| Net debt at 31 March                             | <u>(39,983)</u> | <u>(34,239)</u> |

## Notes to the financial statements

### 19 Notes to the cash flow statement (continued)

#### Analysis of changes in net debt

|                          | At<br>1 Apr 2009<br>£000 | Cash flows<br>£000 | At<br>31 Mar 2010<br>£000 |
|--------------------------|--------------------------|--------------------|---------------------------|
| Net cash                 |                          |                    |                           |
| Cash in hand and at bank | 3,953                    | (1,266)            | 2,687                     |
| Debt                     |                          |                    |                           |
| Debt due within 1 year   | (157)                    | (67)               | (224)                     |
| Debt due after 1 year    | (38,035)                 | (4,411)            | (42,446)                  |
|                          | <u>(38,192)</u>          | <u>(4,478)</u>     | <u>(42,670)</u>           |
| Net debt                 | <u>(34,239)</u>          | <u>(5,744)</u>     | <u>(39,983)</u>           |

### 20 Ultimate parent company

The company is 60% owned by Accent Foundation Limited. Accent Foundation Limited is a wholly owned subsidiary of Accent Group Limited.

The ultimate parent company is Accent Group Limited, an Industrial and Provident Society registered in England No 30444R. This is the largest group into which the results of the company are consolidated. The registered office of Accent Group Limited, from where copies of the consolidated financial statements may be obtained is Charlestown House, Acorn Park Industrial Estate, Charlestown, Shipley, BD17 7SW.