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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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**Report and Financial Statements
For the year ended 31 March 2014**

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Company Information

Directors

David George Richardson (Chairman)
Andrew John Powell
David John Harding
Helen Jane Hirst (appointed 02/05/2013)
Mark Day
Martin Paul Rooney
Richard Daniel Knight (resigned 28/03/2014)
Rory William Christie (resigned 25/07/2013)
Warren Thomas Taylor (appointed 29/04/2013)
Jane Catherine Hazelgrave (appointed 31/10/2013)
Peter John Cox (resigned 29/04/2013)
Philip Would (appointed 28/03/2014)
Gavin William Mackinlay (appointed 02/08/2013, resigned 02/08/2013)

Secretary

Asset Management Solutions Limited

Registered Office

46 Charles Street
Cardiff
CF10 2GE

Auditor

BDO LLP
London
W1U 7EU

Directors' Report
For the year ended 31 March 2014

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

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 (2013: £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 2014

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.

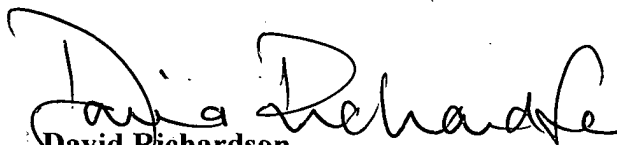
In the case of each of the persons who are directors of the Company at the date when this report is approved; the directors confirm that:

- 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.

During the year, Grant Thornton UK LLP resigned as auditors and BDO LLP were appointed as auditors in their place. BDO LLP have expressed their willingness to continue in office.

On behalf of the board


David Richardson
Director
28/11/2014

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 2014 which comprise the Profit and loss account, Balance sheet 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, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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; or
- the directors were not entitled to prepare the financial statements and the director's report in accordance with the small companies regime and from the requirement to prepare a strategic report.



Alexander Tapp (Senior statutory auditor)

For and on behalf of BDO LLP, Statutory auditor

55 Baker Street

London

W1U 7EU

3/12/2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account
For the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Turnover	1	774	297
Cost of sales		<u>(688)</u>	<u>(238)</u>
Gross profit		86	59
Administrative expenses		(52)	(42)
Operating profit	2	<u>34</u>	<u>17</u>
Interest receivable and similar income	4	577	583
Interest payable and similar charges	5	(577)	(583)
Profit on ordinary activities before taxation		<u>34</u>	<u>17</u>
Tax on profit on ordinary activities	6	(22)	(10)
Profit for the financial year	14	<u><u>12</u></u>	<u><u>7</u></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 10 to 16 form part of these financial statements.

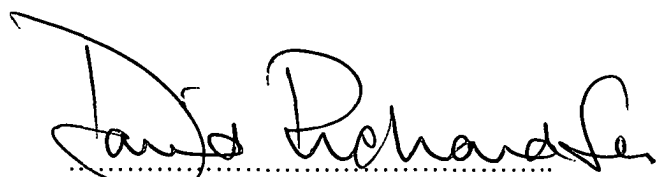
BRADFORD & AIREDALE COMMUNITY SOLUTIONS LIMITED
COMPANY REGISTRATION NUMBER - 05075985

Balance Sheet
As at 31 March 2014

	Note	2014 £'000	2013 £'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)	4,851	4,917
Debtors - due within one year	9(b)	553	741
Cash at bank and in hand		669	865
		<u>6,073</u>	<u>6,523</u>
Creditors			
Amounts falling due within one year	10(a)	<u>(706)</u>	<u>(1,054)</u>
Net current assets		<u>5,367</u>	<u>5,469</u>
Total assets less current liabilities		5,763	5,865
Creditors			
Amounts falling due after more than one year	10(b)	<u>(5,345)</u>	<u>(5,459)</u>
Net assets		<u>418</u>	<u>406</u>
Capital and reserves			
Called up share capital	13	16	16
Profit and loss account	14	402	390
Shareholders' funds		<u>418</u>	<u>406</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 28/11/2014.

Signed on behalf of the Board of Directors


David Richardson
 Director

Principal Accounting Policies
For the year ended 31 March 2014

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

The company has net assets of £418,000 (2013: £406,000) and cash of £669,000 (2013: £865,000) at 31 March 2014.

On 1 April 2013, Bradford City Teaching Primary Care Trust, the principal tenant of the Company, was abolished under the provisions of the Health and Social Care Act 2012. Under a statutory property transfer scheme, the head lease was transferred to Community Health Partnerships Limited, a company whose entire share capital is owned by the Secretary of State for Health. The directors are satisfied that the transfer will not have a material impact on the business.

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

Where it has been deemed that the company has acted as an agent, the income has been presented net of the costs incurred.

Principal Accounting Policies (continued)
For the year ended 31 March 2014

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.

Depreciation

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 2014

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

	2014 £'000	2013 £'000
Operating profit is stated after charging:		
Auditor's remuneration – audit services	9	10
Auditor's remuneration – other services	9	9
	<u>18</u>	<u>19</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.

3. Emoluments of directors

The directors did not receive any remuneration from the Company for their services to the Company during the current year (2013: £nil). A total fee of £17,000 (2013: £17,000) was paid to David Richardson during the year with regard to the provision of Chairman's services.

4. Interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable on subordinated loan from group undertakings	<u>577</u>	<u>583</u>

5. Interest payable and similar charges

	2014 £'000	2013 £'000
Interest payable on subordinated loan	<u>577</u>	<u>583</u>

Notes to the Financial Statements
For the year ended 31 March 2014

6. Tax on profit on ordinary activities

	2014 £'000	2013 £'000
a) Current tax		
UK corporation tax charge at 23% (2013: 24%)	-	-
<i>Deferred tax (note 12)</i>		
Origination and reversal of timing differences	5	10
Changes to tax rates and laws	17	-
Tax on profit on ordinary activities	22	10

The tax assessed for the year is charged at 23% (2013: 24%). The differences are explained below:

	2014 £'000	2013 £'000
b) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	34	17
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 23% (2013: 24%)	8	4
Effects of:		
Unutilised tax loss in period	-	1
Taxation on lease premium	-	(5)
Short term timing differences	(5)	-
Group relief	(3)	-
Current tax charge for the year	-	-

The change in tax rate from 23% to 21% from 1 April 2014 is not expected to materially affect the future tax charge.

7. Tangible fixed assets

	Land £'000
Cost	
As at 1 April 2013 and 31 March 2014	379
Accumulated depreciation	
As at 1 April 2013 and 31 March 2014	-
Net book value	
As at 31 March 2014	379
As at 31 March 2013	379

Notes to the Financial Statements
For the year ended 31 March 2014

8. Fixed asset investments

Cost	Investments in group undertakings £'000
At 31 March 2014 and 31 March 2013	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	-	-
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	80	75
Bradford & Airedale Community Solutions - Fundco 2 Limited	100% of £1 ordinary shares	Construction and facilities management	(198)	(18)
Bradford & Airedale Community Solutions - Fundco 3 Limited	100% of £1 ordinary shares	Construction and facilities management	(593)	(89)

All companies are registered in England & Wales.

Notes to the Financial Statements
For the year ended 31 March 2014

9. Debtors

	2014 £'000	2013 £'000
(a) Due after more than one year		
Amounts owed by subsidiary undertaking (note 11)	4,393	4,459
Prepayments	458	458
	<u>4,851</u>	<u>4,917</u>
(b) Due within one year		
Trade debtors	26	8
Amounts owed from related party (note 11/17)	19	3
Amounts owed by subsidiary undertaking (note 11)	370	279
Prepayments and accrued income	3	316
Deferred tax (note 12)	113	135
Other taxation	22	-
	<u>553</u>	<u>741</u>

10. Creditors

	2014 £'000	2013 £'000
(a) Amounts falling due within one year		
Subordinated loan to related party (note 11/17)	370	64
Amounts owed to subsidiary undertaking	-	195
Trade creditors	32	-
Accruals and deferred income	94	730
Other taxation	-	65
Other creditors	210	-
	<u>706</u>	<u>1,054</u>
(b) Amounts falling due after more than one year		
Subordinated loan to related party (note 11/17)	4,393	4,459
Accruals and deferred income	952	1,000
	<u>5,345</u>	<u>5,459</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 2014

11. Loans

Subordinated loan due to parent undertaking

	2014	2013
	£'000	£'000
The loans are repayable as follows		
Within one year	370	64
Between one and two years	80	67
Between two and five years	224	195
Over five years	4,089	4,197
	4,763	4,523

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 £208,000 (2013: £211,000) was charged during the year. The interest rate for the year was 12.5% (2013: £12.5%). £1,770,000 (2013: £1,682,000) is outstanding at 31 March 2014 and is included in debtors.

Bradford & Airedale Community Solutions - Fundco 2 Limited loan notes are repayable in 2033. Interest of £217,000 (2013: £220,000) was charged during the year. The interest rate for the year was 13.5% (2013: £13.5%). £1,704,000 (2013: £1,615,000) is outstanding at 31 March 2014 and is included in debtors.

Bradford & Airedale Community Solutions - Fundco 3 Limited loan notes are repayable in 2035. Interest of £152,000 (2013: £154,000) was charged during the year, of which £nil (2013: £2,000) was rolled up into the subordinated loan. The interest rate for the year was 12.5% (2013: £12.5%). £1,289,000 (2013: £1,226,000) is outstanding at 31 March 2014 and is included in debtors.

12. Deferred tax

	2014	2013
	£'000	£'000
Deferred tax is provided as follows:		
Balance at 1 April	(135)	(145)
Deferred tax charge for the year	22	10
Balance at 31 March (note 9)	(113)	(135)
Analysis of deferred taxation provided in the financial statements is as follows:		
Short Term timing differences	(113)	(135)

Notes to the Financial Statements
For the year ended 31 March 2014

13. Called up share capital

	2014 £'000	2013 £'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 Community Health Partnerships 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	390
Profit for the financial year	12
At end of the financial year	<u>402</u>

15. Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial year	12	7
Opening shareholders' funds	406	399
Closing shareholders' funds	<u>418</u>	<u>406</u>

Notes to the Financial Statements
For the year ended 31 March 2014

16. Ultimate parent company

During the year, Bradford & Airedale Community Solutions Limited is owned 60% by Bradford & Airedale (LIFT) Investments Limited, and 40% by Community Health Partnerships Limited.

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

17. 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.

	2014 £'000	2013 £'000
Sales to Community Health Partnerships (shareholder)	19	-
Sales to Bradford City Teaching PCT (primary tenant)	-	408
Purchases from Community Solutions Management Services Limited (shareholder)	-	73

Amounts due to Community Health Partnerships Limited at 31 March 2014 were £1,790,000 (2013: £902,000). During the year there was an interest charge of £231,000 including an interest accrual of £115,000.

Amount due to Bradford & Airedale (LIFT) Investments Limited at 31 March 2014 were £2,686,000 (2013: £2,706,000). During the year there was an interest charge of £346,000 including an interest accrual of £172,000.

Amounts due to Bradford City Teaching PCT at 31 March 2014 were £nil (2013: £915,000).