

Company Registration No. 05091441 (England and Wales)

**NORLIFE FUNDCO 1 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**



# NORLIFE FUNDCO 1 LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	A J Fowles D J Hudson B J Jenkins M W Grinonneau Lord Sawyer of Darlington
<b>Secretary</b>	G M Gatty
<b>Company number</b>	05091441
<b>Registered office</b>	128 Buckingham Palace Road London SW1W 9SA
<b>Auditor</b>	Wilkins Kennedy Audit Services 2nd Floor Regis House 45 King William Street London United Kingdom EC4R 9AN

---

# **NORLIFE FUNDCO 1 LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 17

---

# **NORLIFE FUNDCO 1 LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

The directors present their annual report and financial statements for the year ended 30 September 2019.

#### **Principal activities**

The principal activity of the company continued to be that of property development and management.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A J Fowles  
D J Hudson  
B J Jenkins  
M W Grinonneau  
Lord Sawyer of Darlington

#### **Post reporting date events**

The COVID 19 pandemic is a non adjusting event as at 30 September 2019 for the purposes of these financial statements. The company has assessed the impact of COVID 19 on its ability of continue as a going concern. The COVID 19 outbreak has developed rapidly in 2020 and has caused disruption to business, economic activities and impacted global markets. Since the balance sheet date, the company has continued to deliver public services as part of the public sector response amid the COVID 19 emergency and unitary charge payments and facilities management payments by the public sector continue.

Management continues to consider the potential implications of the COVID 19 pandemic, however consider there has been no impact on the results of the company for the year ended 30 September 2019 and consider the company can continue to remain a going concern for at least the 12 month period following the signing of these financial statements.

#### **Statement of directors' responsibilities**

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# **NORLIFE FUNDCO 1 LIMITED**


## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

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

On behalf of the board



B J Jenkins  
Director

Date: 24 June 2020

# NORLIFE FUNDCO 1 LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NORLIFE FUNDCO 1 LIMITED

---

#### Opinion

We have audited the financial statements of Norlife Fundco 1 Limited (the 'company') for the year ended 30 September 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

# **NORLIFE FUNDCO 1 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NORLIFE FUNDCO 1 LIMITED**

---

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

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

We have nothing to report in respect of the following matters 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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# NORLIFE FUNDCO 1 LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NORLIFE FUNDCO 1 LIMITED

---

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Wilkins Kennedy Audit Services*

Michael Wesley FCA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy Audit Services

24 / 6 / 2020

Statutory Auditor

2nd Floor  
Regis House  
45 King William Street  
London  
United Kingdom  
EC4R 9AN



# NORLIFE FUNDCO 1 LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

	2019 £	2018 £
<b>Turnover</b>	455,915	406,107
Administrative expenses	(557,823)	(573,972)
	<hr/>	<hr/>
<b>Operating loss</b>	(101,908)	(167,865)
 Interest receivable and similar income	 1,593,316	 1,604,452
Interest payable and similar expenses	(997,850)	(1,019,741)
	<hr/>	<hr/>
<b>Profit before taxation</b>	493,558	416,846
 Tax on profit	 -	 -
	<hr/>	<hr/>
<b>Profit for the financial year</b>	<u>493,558</u>	<u>416,846</u>

---

# NORLIFE FUNDCO 1 LIMITED

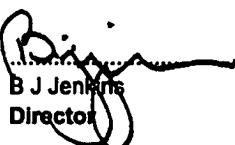
## BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Financial assets	4		14,427,135		14,542,161
<b>Current assets</b>					
Debtors	5	610,756		607,056	
Cash at bank and in hand		1,082,908		1,089,221	
		1,693,664		1,676,277	
Creditors: amounts falling due within one year	6	(562,078)		(528,928)	
<b>Net current assets</b>			1,131,586		1,147,349
<b>Total assets less current liabilities</b>			15,558,721		15,689,510
Creditors: amounts falling due after more than one year	7		(14,509,959)		(14,934,306)
<b>Net assets</b>			1,048,762		755,204
<b>Capital and reserves</b>					
Called up share capital	8		6,000		6,000
Profit and loss reserves			1,042,762		749,204
<b>Total equity</b>			1,048,762		755,204

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 24 June 2020 and are signed on its behalf by:

  
B J Jenkins  
Director

Company Registration No. 05091441

# NORLIFE FUNDCO 1 LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2017</b>		6,000	482,358	488,358
<b>Year ended 30 September 2018:</b>				
Profit and total comprehensive income for the year		-	416,846	416,846
Dividends		-	(150,000)	(150,000)
<b>Balance at 30 September 2018</b>		6,000	749,204	755,204
<b>Year ended 30 September 2019:</b>				
Profit and total comprehensive income for the year		-	493,558	493,558
Dividends		-	(200,000)	(200,000)
<b>Balance at 30 September 2019</b>		6,000	1,042,762	1,048,762

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

#### Company information

Norlife Fundco 1 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 128 Buckingham Palace Road, London, SW1W 9SA.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### Disclosure exemptions

Exemption has been taken from preparing cash flow statement on the grounds that the company is considered to be small under the provisions of the Companies Act 2006.

#### 1.2 Going concern

The company is a Special Purpose Vehicle for a development under the Local Improvement Finance Trust and accordingly losses are anticipated during the early years of the contracts.

The company has long term funding in place and has a detailed financial model on which its future operations are based. The directors have considered the company's projected income and cash flows in the short and medium term and the potential emerging impact of the COVID 19 virus on the future viability of the company.

The company's operating cash inflows are largely dependent on unitary charge receipts from NHS Property Services and the directors expect these amounts to be received even in severe but plausible downside scenarios.

The directors have assessed the viability of its main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the company, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by the company or its sub-contractors arising from COVID 19. However, in the unlikely event of a subcontractor failure, the company has its own business continuity plans to ensure that service provision will continue.

The directors consider that these projections, together with the available loan finance, as a PFI contractor continuing to deliver public services in response to the current COVID 19 emergency will enable the company to have sufficient funds to enable the company to continue to provide these services and meet their liabilities as they fall due. The company therefore continues to adopt the going concern basis.

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

##### Public to private concession arrangements

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

To be classified as a Service Concession Arrangement under section 34 of FRS 102, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide using the infrastructure, to whom, and at what price; and
- the grantor controls, through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the terms of the arrangement.

Pursuant to section 34 of FRS 102, such infrastructure is not recognised as assets of the operator as property, plant and equipment but as financial assets ( 'financial asset model').

##### Financial asset model

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

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

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

Financial assets resulting from the application of section 34 of FRS 102 are recorded in the balance sheet under the heading financial assets and measured at amortised cost.

Pursuant to section 23 of FRS 102, revenue associated with this financial model comprises of service remuneration which relates to the lifecycle maintenance and facilities income and ad hoc property related services income.

#### 1.4 Financial assets

The financial asset is stated at amortised cost using the effective rate of interest. The effective rate of interest method is a method of calculating the amortised costs of a financial asset and of allocating interest expense over the relevant period. The effective interest rate is the rate which exactly discounts estimated future cash payments through the expected life of the financial asset.

#### 1.5 Impairment of financial assets

At each reporting period end date, the company reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Concession arrangements**

The concession arrangements undertaken by the company, are considered to fall within the scope of section 34 of FRS 102 'Service Concession Arrangements'. The judgement has been based on a consideration of the nature and terms of the agreements and contracts.

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Financial asset

The calculation of the amortised costs of the financial asset requires an estimate of the residual value of the property at the end of the lease term. This estimate has been based on the residual value allocated to the contract in the financial models, taking into account the unitary payments, facilities management fees, lifecycle costs and inflation.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	-	-

### 4 Financial asset

	Financial assets £
<b>Cost</b>	
At 1 October 2018	14,542,161
<b>Income recognised in the profit or loss</b>	
Service remuneration	450,192
Interest income	1,589,253
	<b>2,039,445</b>
<b>Other movements</b>	
Cash received	(2,154,471)
	<b>(115,026)</b>
<b>Fair value</b>	
At 30 September 2019	14,427,135
At 30 September 2018	14,542,161



# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	148,776	130,786
Amounts owed by group undertakings	453,145	467,414
Other debtors	8,835	8,856
	<u>610,756</u>	<u>607,056</u>

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

	2019 £	2018 £
Bank loans	398,914	346,246
Trade creditors	61,178	57,732
Amounts owed to group undertakings	-	7,549
Taxation and social security	61,927	61,230
Other creditors	40,059	56,171
	<u>562,078</u>	<u>528,928</u>

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

	2019 £	2018 £
Bank loans and overdrafts	13,616,046	14,014,962
Other creditors	893,913	919,344
	<u>14,509,959</u>	<u>14,934,306</u>

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

(Continued)

The bank loans of £14,014,960 (2018: £14,361,208) are secured by a Mortgage Debenture and a Deed of Assignment, both dated 21 May 2004, as a fixed and floating charge over all the company's assets. They are also secured by a Deed of Assignment and a Supplemental Debenture, both dated 26 August 2005, comprising a mortgage charge over the company's property and fixed assets and rights over all monies received by the company in the event of default. The bank loans are also secured by way of a Working Capital Facility Deed of Assignment dated 21 May 2004 over all of the companies assets and by a Deed of Charge over Shares, also dated 21 May 2004, as a first fixed charge over the company's shares.

The land and buildings of the operator were derecognised under section 34 of FRS 102 and recognised as a financial asset, the above security continues to remain in place.

A supplemental Mortgage Debenture and a supplemental Deed of Assignment, dated 6 March 2008, were issued, being supplemental to the Mortgage Debenture and Deed of Assignment, dated 21 May 2004.

The Working Capital Facility is further secured by a Deed of Accession, Amendment and Restatement dated 26 August 2005.

The subordinated debt of £919,340 (2018: £941,313) is secured by a Junior Mortgage Debenture and a Junior Deed of Assignment, both dated 21 May 2004, also as a fixed and floating charge over all the company's assets.

A supplemental subordinated Debenture, dated 6 March 2008, was issued, supplemental to the Junior Mortgage Debenture, dated 21 May 2004.

A supplemental subordinated Deed of Assignment, dated 27 May 2008, was issued, supplemental to the Junior Deed of Assignment, dated 21 May 2004.

Other creditors relate to subordinated debt, due to the immediate parent company, Norlife Limited. The Subordinated debts, bear interest at a rate of 14% per annum and the loans are repaid on a six monthly basis.

Creditors which fall due after five years are as follows:

	2019 £	2018 £
Payable by instalments	12,483,285	13,012,447

#### 8 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 6,000 Ordinary of £1 each	6,000	6,000

Called up share capital - this represents the nominal value of shares that have been issued.

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 9 Financial commitments, guarantees and contingent liabilities

The company is part of a group that is subject to Corporate Interest Restriction legislation. An election has been submitted for the company to be a Qualifying Infrastructure Company. At the date of approving these financial statements, the decision on the election was outstanding. The company's corporation tax charge has been calculated on the basis that the company is a Qualifying Infrastructure Company. If the election is not successful, the corporation tax liability of the company may increase. The timing or amount of the possible increase in the corporation tax liability cannot be provided due to there being no timescale for the decision on the election to be provided, and if the election is unsuccessful, any increase in the corporation tax liability will be dependent on the application of the Corporate Interest Restriction across the group.

### 10 Events after the reporting date

The COVID 19 pandemic is a non adjusting event as at 30 September 2019 for the purposes of these financial statements. The company has assessed the impact of COVID 19 on its ability of continue as a going concern. The COVID 19 outbreak has developed rapidly in 2020 and has caused disruption to business, economic activities and impacted global markets. Since the balance sheet date, the company has continued to deliver public services as part of the public sector response amid the COVID 19 emergency and unitary charge payments and facilities management payments by the public sector continue.

Management continues to consider the potential implications of the COVID 19 pandemic, however consider there has been no impact on the results of the company for the year ended 30 September 2019 and consider the company can continue to remain a going concern for at least the 12 month period following the signing of these financial statements.

### 11 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

#### Norlife Limited

During the year, the company was charged site management and administration fees of £162,484 (2018: £157,694) and repairs and renewals costs of £3,124 (2018: £14,081) by Norlife Limited, its immediate parent undertaking. At the balance sheet date the company was owed £203,145 (2018: £217,413) by Norlife Limited.

During the year, the company paid interest on loan notes of £131,048 (2018: £133,811) to Norlife Limited. At the balance sheet date loan notes totalling £919,342 (2018: 941,313) were outstanding, repayable in instalments. The company also paid dividends totalling £200,000 (2018: £150,000) to Norlife Limited.

#### Guildhouse UK (PPP) Limited

During the year, the company received interest of £4,063 (2018: £6,226) on a loan to Guildhouse UK (PPP) Limited, an intermediate parent company. At the balance sheet date, the balance on the loan was £250,000 (2018: £250,000). The loan is repayable within 30 days written notice on demand and interest is charged at 2.5% per annum over the bank base rate.

# NORLIFE FUNDCO 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 11 Related party transactions

(Continued)

#### **Accuro FM Limited**

During the year, the company was charged facilities management fees of £267,125 (2018: £259,729) and repairs and renewals costs of £44,668 (2018: £54,347) from Accuro FM Limited, a company in which Mr D J Hudson is ultimate controlling party. At the balance sheet date the company owed £60,721 (2018: £57,732) to Accuro FM Limited.

#### **Norlife Services Limited**

During the year, the company was charged repairs and renewals costs of £14,355 (2018: £25,172) from Norlife Services Limited, a fellow subsidiary of Norlife Limited. At the balance sheet date the company owed £nil (2018: £7,549) to Norlife Services Limited.

#### **Community Health Partnerships Limited**

During the year, the company received financial interest of £1,170,246 (2018: £1,180,225) and facilities management fees of £319,530 (2018: £353,785) from Community Health Partnerships Limited, a shareholder in Norlife Limited.

### 12 Parent company

The company is a wholly owned subsidiary of Norlife Limited, a company registered in England and Wales.

The results of the company are included in the consolidated financial statements of Guildhouse Holdings Limited. Norlife Limited, is a subsidiary of Guildhouse UK (PPP) Limited, which is a wholly owned subsidiary of Guildhouse UK Limited, which is a wholly owned subsidiary of Guildhouse Holdings Limited. The consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.