

St James's Oncology SPC Holdings Limited

Annual Report and Financial Statements

Registered number 05094407

31 December 2016

SATURDAY



A69QT4MP

A12

01/07/2017

#287

COMPANIES HOUSE

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	5
Independent Auditors' Report to the Members of St James's Oncology SPC Holdings Limited	5
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Company Information

Non-Executive Directors

KW Gillespie
GS Jackson (resigned 27 February 2017)
BP Millsom
JH Potgieter (resigned 27 February 2017)
CT Solley

Registered Office

3rd Floor
3-5 Charlotte Street
Manchester
M1 4HB

Registered Auditor

PricewaterhouseCoopers LLP
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Solicitor

DLA LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

Banker

Bank of Scotland
11 Earl Grey Street
Edinburgh
EH3 9BN

Company Secretary

AL Mitchell ACIS
3rd Floor
3-5 Charlotte Street
Manchester
M1 4HB

Strategic report

Company objectives

The objectives of the company are to invest in a PFI project company to provide long-term returns for its investors.

The objectives of the subsidiary company are to successfully design, construct, finance and operate certain facilities and provide non-clinical services at the new Oncology Wing at St. James's University Hospital, Leeds for a period of 33 years and three months under a concession agreement with the Leeds Teaching Hospitals National Health Service Trust.

Company's strategy

To ensure that the company achieves its objective, the strategy is to implement processes, policies and procedures to provide effective oversight and governance of the company in which it has invested, through direct representation on the boards of the subsidiary company. This includes minimising performance and availability deductions, cash monitoring and maintenance of good working relationships between all stakeholders.

Principal risks and uncertainties

The subsidiary company's project is currently in its operational phase and operational risks are monitored closely. This takes the form of full-time representation on site through the Company's management services agent and periodic reporting by the independent Technical Assessor, plus regular dialogue with the executive team of the Leeds Teaching Hospitals National Health Service Trust.

Whilst the main elements of cash flow (unitary payments, facilities management costs and lifecycle costs) are contractually linked to the RPI index, a relatively small proportion of total costs are not protected from inflation increases via the RPI swap instrument. A rise in these costs above the general rate of inflation would reduce debt service cover ratios. The most significant of these costs is insurance, though claims history so far is good and current premium renewals have not been excessive.

A small proportion of cash flow is derived from bank interest on cash balances. The reduction in credit interest rates is therefore a risk to the business and its compliance with debt covenants.

Key performance indicators

The company does not have any key performance indicators as it is a holding company. The subsidiary company's key performance indicators are as follows:

The level of performance and availability deductions arising from failures to achieve specified levels of contract service is a key performance indicator. These are reported quarterly to the Board and have been extremely small in relation to total unitary payments.

Another key indicator is the ratio of operating cash flow to the senior debt service amount. This ratio is tested at six-monthly intervals and each time it has been to the satisfaction of the credit provider.

Review of the business and future developments

The company made no pre-tax profit for the year (2015: £nil).

The delivery of operational services in the subsidiary company is generally running well.

By order of the board



A L Mitchell LLB ACIS
Company Secretary

31 MAY 2017

3rd Floor
3-5 Charlotte Street
Manchester
M1 4HB

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Results and dividend

The results of the company for the year are set out in the profit and loss account on page 7.

The company made a dividend payment of £nil in the year (2015: £nil).

Key performance indicators

The company does not have any key performance indicators as it is a holding company. The subsidiary company's key performance indicators are as follows:

The level of performance and availability deductions arising from failures to achieve specified levels of contract service is a key performance indicator. These are reported quarterly to the Board and have been extremely small in relation to total unitary payments.

Another key indicator is the ratio of operating cash flow to the senior debt service amount. This ratio is tested at six-monthly intervals and each time it has been to the satisfaction of the credit provider.

Directors and directors' interests

The directors who held offices during the year and up to the date of this report are set out on page 1.

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditors' are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors' are aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

By order of the board



A L Mitchell LLB ACIS
Company Secretary

31 MAY 2017

3rd Floor
3-5 Charlotte Street
Manchester
M1 4HB

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), 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;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors' Responsibilities were approved by the board on **31 MAY 2017** and signed on its behalf by:

BP Millson



Director

Independent auditors' report to the members of St James's Oncology SPC Holdings Limited

Report on the financial statements

Our opinion

In our opinion, St James's Oncology SPC Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result 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.
-

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of St James's Oncology SPC Holdings Limited
(continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Hazel Macnamara (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
31 May 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Interest receivable and similar income	4	2,577	2,557
Interest payable and similar charges	5	(2,577)	(2,557)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the financial year and total comprehensive income		-	-

The results for the year arise wholly from continuing operations.

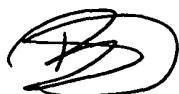
The notes on pages 10 to 15 form an integral part of the Financial Statements.

Balance Sheet
at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	6	50	50
Current assets			
Debtors (including £20,142,000 (2015: £19,156,000 due after more than one year)	7	21,300	20,732
Cash at bank and in hand		-	-
		<u>21,300</u>	<u>20,732</u>
Creditors: amounts falling due within one year	8	<u>(1,158)</u>	<u>(1,576)</u>
Net current assets		<u>20,142</u>	<u>19,156</u>
Total assets less current liabilities		<u>20,192</u>	<u>19,206</u>
Creditors: amounts falling due after more than one year	9	<u>(20,142)</u>	<u>(19,156)</u>
Net assets		<u><u>50</u></u>	<u><u>50</u></u>
Capital and reserves			
Called up share capital	//	50	50
Profit and loss account	//	-	-
Total shareholders' funds		<u><u>50</u></u>	<u><u>50</u></u>

These financial statements were approved by the board of directors on 31 May 2017 and were signed on its behalf by

BP Millson



Director

The notes on pages 10 to 15 form an integral part of the Financial Statements.
Company registered number: 05094407

Statement of Changes in Equity
for the year ended 31 December 2016

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 1 January 2015	50	-	50
Total comprehensive income for the year			
Profit for the financial year	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Balance at 31 December 2015	50	-	50
	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 1 January 2016	50	-	50
Total comprehensive income for the year			
Profit for the financial year	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Balance at 31 December 2016	50	-	50

The notes on pages 10 to 15 form an integral part of the Financial Statements.

Notes to the financial statements

1 Accounting policies

St James's Oncology SPC Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102, issued in July 2015 and effective immediately, have been applied. The presentational currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Consolidated Investment Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Consolidated Investment Holdings Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Consolidated Investment Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by Sections 11 and 12 of FRS 102 (Basic Financial Instruments and Other Financial Instrument Issues respectively) in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors are of the opinion that there are no judgements in the application of these accounting policies that have significant effect on the financial statements.

1.1 Measurement convention and basis of preparation

The financial statements are prepared on the historical cost basis.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company acts as a holding company for St James's Oncology SPC Limited. It has no immediate requirement for funding. The directors have reviewed the forecast cash flows for a period of twelve months from the date of this report and have concluded the company is able to meet its working capital requirements.

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

1.3 Investments

Investments in subsidiaries and other undertakings are stated at cost less impairment in profit or loss.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

In accordance with Section 22 of FRS 102, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Other debtors / creditors

Other debtors are recognised initially at transaction price less attributable transaction costs. Other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.6 Interest

Interest receivable and Interest payable

Interest payable and similar charges include interest payable on borrowings and associated ongoing financing fees.

Interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy above.

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Interest receivable and similar income is recognised in profit or loss as it accrues.

Notes to the financial statements (continued)

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.8 Dividend income

Dividend income is recognised in the profit and loss account on the date the company's right to receive payment is established.

2 Staff costs and directors' remuneration

No staff are directly employed by the company (2015: none). None of the directors' received emoluments directly from the company (2015: £nil).

3 Auditors' remuneration:

	2016 £000	2015 £000
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	-	-

Auditors' remuneration of £2,000 (2015: £2,000) was borne by the company's subsidiary in both the current and prior year.

4 Interest receivable and similar income

	2016 £000	2015 £000
Interest on inter-company debt	2,577	2,557

5 Interest payable and similar charges

	2016 £000	2015 £000
Interest on loan notes	2,577	2,557

Notes to the financial statements (continued)

6 Investments

	Shares in group undertakings
Cost and net book value	2016
At beginning and end of year	£000
	50

The company has the following investments in subsidiaries:

Subsidiary undertakings	Principal activity	Class of share	Ownership % (2015 and 2016)
-------------------------	--------------------	----------------	--------------------------------

St James's Oncology SPC Limited	PFI contractor	Ordinary	100
---------------------------------	----------------	----------	-----

The above company is incorporated in England and Wales and its registered office is at 3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB.

	2016 £000	2015 £000
Profit for the year of the subsidiary company	2,613	2,948
Aggregate capital and reserves of the subsidiary company	(16,560)	(9,850)

The net liabilities of the subsidiary company are as a result of accounting for the fair value of an interest rate swap agreement, the majority of which do not crystallise as liabilities for a number of years. The carrying amount of the investment is considered supported by the underlying profitability of the subsidiary undertaking.

7 Debtors

	2016 £000	2015 £000
Inter-company debtor – amounts due from subsidiary	21,300	20,732

The amounts due from subsidiary includes £20,142,000 (2015: £19,156,000) due after more than one year. Interest is charged at a rate of 12.53% p.a. (2015: 12.53%) to the subsidiary company.

8 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Loan notes	1,158	1,576

9 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Loan notes	20,142	19,156

Notes to the financial statements (continued)

10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2016 £000	2015 £000
Creditors falling due after more than one year		
Loan notes	20,142	19,156
	<hr/>	<hr/>
	2016 £000	2015 £000
Creditors falling due within one year		
Loan notes	1,158	1,576
	<hr/>	<hr/>

Included within the above loan notes are amounts repayable after five years of £20,142,000 (2015: 19,156,000).

Terms and debt repayment schedule

The total cash repayable on the loan is as follows:

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2016 £000	2015 £000
Loan notes	GBP	12.53%	2036	Semi-annual	20,648	21,367

The loan notes are unsecured.

11 Capital and reserves

Called up share capital

	2016 £000	2015 £000
Allotted, called up and fully paid		
Equity: 50,000 Ordinary shares of £1 each (2015: 50,000)	50	50
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The company paid no dividend in the current year (2015: £0).

Profit and loss account

The profit and loss account records retained earnings and accumulated losses.

12 Related parties

The company is wholly owned by Consolidated Investment Holdings Limited and has therefore taken the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Consolidated Investment Holdings Limited, which is the ultimate holding company incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Consolidated Investment Holdings Limited. No other group financial statements include the results of the company. Copies of the group financial statements of Consolidated Investment Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.