

Company Registration No. 05192076 (England and Wales)

MEDWAY FUNDCO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015



MEDWAY FUNDCO LIMITED

COMPANY INFORMATION

Directors

A. B. West
D. A. Foot
R. J. Newton
R. W. Driver
W. R. Jones
J. Andrews

Secretary

N. R. Dodds

Company number

05192076

Registered office

55 Station Road
Beaconsfield
Buckinghamshire
HP9 1QL

Auditors

Rouse Audit LLP
55 Station Road
Beaconsfield
Bucks
HP9 1QL

MEDWAY FUNDCO LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

MEDWAY FUNDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the company is the provision of facilities under the NHS LIFT scheme.

Directors

The following directors have held office since 1 April 2014:

A. B. West

D. A. Foot

J. R. Bawn

(Resigned 1 July 2015)

R. J. Newton

R. W. Driver

W. R. Jones

J. Andrews

(Appointed 1 July 2015)

Auditors

The auditors, Rouse Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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.

MEDWAY FUNDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



17.9.2015

R.W. DRIVER

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MEDWAY FUNDCO LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MEDWAY FUNDCO LIMITED

We have audited the financial statements of Medway Fundco Limited for the year ended 31 March 2015 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

MEDWAY FUNDCO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF MEDWAY FUNDCO LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 directors' report in accordance with the small companies regime.

Rouse Audit LLP

Susan Drummond (Senior Statutory Auditor)
for and on behalf of Rouse Audit LLP

22nd September 2015

Chartered Accountants
Statutory Auditor

55 Station Road
Beaconsfield
Bucks
HP9 1QL

MEDWAY FUNDCO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover		2,701,885	2,632,556
Administrative expenses		(1,083,011)	(1,048,608)
Operating profit	2	<u>1,618,874</u>	<u>1,583,948</u>
Other interest receivable and similar income	3	16,039	14,133
Interest payable and similar charges		(1,687,253)	(1,707,133)
Loss on ordinary activities before taxation		<u>(52,340)</u>	<u>(109,052)</u>
Tax on loss on ordinary activities	4	(46,229)	(23,540)
Loss for the year	11	<u><u>(98,569)</u></u>	<u><u>(132,592)</u></u>

MEDWAY FUNDCO LIMITED

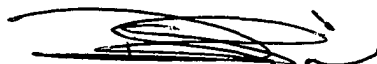
BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	5	18,391,033		18,909,270	
Current assets					
Debtors	6	15,277		11,093	
Cash at bank and in hand		3,070,614		2,873,742	
		<u>3,085,891</u>		<u>2,884,835</u>	
Creditors: amounts falling due within one year	7	<u>(636,654)</u>		<u>(497,271)</u>	
Net current assets		2,449,237		2,387,564	
Total assets less current liabilities		20,840,270		21,296,834	
Creditors: amounts falling due after more than one year	8	(23,025,142)		(23,429,366)	
Provisions for liabilities	9	(156,757)		(110,528)	
		<u>(2,341,629)</u>		<u>(2,243,060)</u>	
Capital and reserves					
Called up share capital	10	1,000		1,000	
Profit and loss account	11	(2,342,629)		(2,244,060)	
Shareholders' funds		<u>(2,341,629)</u>		<u>(2,243,060)</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 17.9.2015



R. W. DRIVER

Director

Company Registration No. 05192076

MEDWAY FUNDCO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared on the going concern basis and the directors confirm the company's ability to continue as a going concern for the period of at least 12 months from the date of approval of these financial statements.

The deficiency of net assets is fully funded by bank debt which is standard procedure for LIFT projects as part of the borrowing arrangements. The Company operates within the facility limits and the directors have no reason to believe that this will change throughout the term of the project nor have they any reason to believe that the bank financing will not continue.

The company has taken advantage of the exemption, under Financial Reporting Standard No. 1, from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents lease plus charges receivable net of VAT from Community Health Partnerships. The charge is increased by annual inflation each year and is charged evenly on a monthly basis in accordance with the contract terms. Income is recognised in the period to which it relates.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Property costs are capitalised in accordance with Application Note F of FRS 5, and comprise design, building and initial development costs.

Depreciation is applied when the property transfers from the development phase to the operational phase, and is provided so as to write off property costs less residual values over their estimated economic useful lives.

The building project was completed in October 2006 and has been fully operational since then. Depreciation is provided over the operational period of the sites, which is 25 years from the start of operations on a residual value basis.

Sinking fund costs which individually exceed £25,000 are capitalised and depreciated over 6 years. Sinking fund costs below £25,000 are written off to the profit and loss account as incurred.

1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	518,237	518,237
Auditors' remuneration	5,000	5,000

MEDWAY FUNDCO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2015

3	Investment income	2015	2014
		£	£
	Bank interest	16,039	14,133
		<u>16,039</u>	<u>14,133</u>
4	Taxation	2015	2014
		£	£
	Deferred tax		
	Deferred tax charge current year	46,229	23,540
		<u>46,229</u>	<u>23,540</u>

The company has estimated losses of £6,780,631 (2014 - £7,078,307) available for carry forward against future trading profits and these are included in the deferred tax provision within note 9.

5	Tangible fixed assets	Land and buildings
		£
	Cost	
	At 1 April 2014 & at 31 March 2015	22,901,878
	Depreciation	
	At 1 April 2014	3,992,608
	Charge for the year	518,237
	At 31 March 2015	4,510,845
	Net book value	
	At 31 March 2015	18,391,033
	At 31 March 2014	18,909,270

Included in fixed assets is capitalised interest of £955,486 (2014 - £955,486).

6	Debtors	2015	2014
		£	£
	Trade debtors	2,788	3,177
	Other debtors	12,489	7,916
		<u>15,277</u>	<u>11,093</u>

MEDWAY FUNDCO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2015

7	Creditors: amounts falling due within one year	2015	2014
		£	£
	Bank loans and overdrafts	357,560	255,538
	Trade creditors	45,122	33,042
	Amounts owed to group undertakings	46,665	33,350
	Taxation and social security	100,445	103,686
	Other creditors	86,862	71,655
		<u>636,654</u>	<u>497,271</u>
8	Creditors: amounts falling due after more than one year	2015	2014
		£	£
	Bank loans	20,367,924	20,725,484
	Amounts owed to group undertakings	2,657,218	2,703,882
		<u>23,025,142</u>	<u>23,429,366</u>
	Analysis of loans		
	Not wholly repayable within five years by instalments	18,595,196	19,058,731
	Wholly repayable within five years	2,130,288	1,922,291
		<u>20,725,484</u>	<u>20,981,022</u>
	Included in current liabilities	(357,560)	(255,538)
		<u>20,367,924</u>	<u>20,725,484</u>

The bank loan bears interest between 5.72% and 5.87% per annum. The loan is secured on the fixed assets of the company.

MEDWAY FUNDCO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2015

9 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2014	110,528
Profit and loss account	46,229
Balance at 31 March 2015	<u>156,757</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	1,512,883	1,526,189
Tax losses available	(1,356,126)	(1,415,661)
	<u>156,757</u>	<u>110,528</u>

10 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2014	(2,244,060)
Loss for the year	(98,569)
Balance at 31 March 2015	<u>(2,342,629)</u>

MEDWAY FUNDCO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2015

12 Control

The immediate parent company is Medway Community Estates Limited, a company registered in England and Wales.

The ultimate controlling company is RBLH Limited, a company registered in England and Wales.

The ultimate parent company in the current and preceding year is HICL Infrastructure Company Limited, a company registered in Guernsey.

There is no ultimate controlling party in either the current or preceding year.

13 Related party transactions

The company's transactions during the year under review included the following:

Name of Related Party	Nature of Related Party	Transaction Type	(Income) /Expense Transaction Value	Debtor /(Creditor) balance as at 31 March 2015
			£	£
Medway Community Estates Limited	Immediate parent	Management fees	219,749	-
		Sub Debt Interest	361,510	
		Loan Repayment	33,350	
		Intercompany		(2,703,883)
Community Health Partnerships Limited	Shareholder of immediate parent	Sales	(2,701,687)	
		Debtors		1,246