

Registered No: 05389607

**Classic Hospitals Property Limited**  
**Annual Report and Audited Financial Statements**  
**For the Year Ended 31 December 2017**

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**Classic Hospitals Property Limited**  
**Registered No: 05389607**

### **Company Information**

**Directors**

D F Toner

J J Ash

P J Corfield

**Company secretary**

D F Toner

**Registered office**

3 Dorset Rise  
London  
EC4Y 8EN

**Auditors**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
RG1 1YE

**Classic Hospitals Property Limited**

Registered No: 05389607

**Strategic Report  
for the Year Ended 31 December 2017**

The directors present their strategic report for the year ended 31 December 2017.

**1. Principal activities and review of the business**

The principal activity of the Company is the ownership and leasing of private hospitals.

The Company leases its private hospitals to other group undertakings under long leases.

**Results**

The profit for the year, after taxation amounted to £3,854,000 (2016: £2,655,000).

**Key performance indicators**

As a result of the nature of the business, the Directors do not consider the use of key performance indicators necessary to provide an understanding of the development, performance or position of the business.

**2. Principal risks and uncertainties**

*Credit risk*

Credit risk arises principally from the Company's receivables of rent from Spire Healthcare Limited, a fellow group undertaking of Spire Healthcare Group plc.

*Interest rate risk*

The Company is exposed to interest rate risk arising from fluctuations in market rates. This affects the future cost of borrowings.

*Overall risk management*

Overall risk is managed with reference to Spire Healthcare Group plc and its subsidiaries (the "Group") and the principal risks and uncertainties facing the Company are therefore integrated with those facing the Group as a whole. Further information is provided in the Annual Report of Spire Healthcare Group plc, which is available at [www.spirehealthcare.com](http://www.spirehealthcare.com).

Approved by the Board on 26 September 2018 and signed on its behalf by:

  
D F Toher  
Company secretary and director

**Classic Hospitals Property Limited**  
**Registered No: 05389607**

**Directors' Report**  
**for the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

**Directors' of the company**

The directors, who held office during the year, were as follows:

S Gordon (resigned 1 March 2018)

D F Toner - Company secretary and director

A W N White (resigned 22 July 2017)

C L Mason (appointed 6 February 2017 and resigned 13 October 2017)

A C Goldsmith (appointed 27 June 2017 and resigned 27 October 2017)

J J Ash (appointed 30 October 2017)

The following director was appointed after the year end:

P J Corfield (appointed 22 March 2018)

**Dividends**

No ordinary dividend has been proposed for the year (2016: £nil).

**Future developments**

The Directors do not anticipate any significant changes in the activities of the Company in the foreseeable future.

**Going concern**

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future performance. On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**Directors' indemnity**

As at the date of this report and during the year, the Company had in force an indemnity provision in favour of one or more directors of the Company, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Reappointment of auditors**

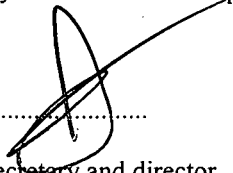
The auditor, Ernst & Young LLP, was the Company's auditor during the year and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Classic Hospitals Property Limited**  
**Registered No: 05389607**

**Directors' Report**  
**for the Year Ended 31 December 2017 (continued)**

Approved by the Board on 26 September 2018 and signed on its behalf by:

.....  
D F Toner  
Company secretary and director

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke, is written over the dotted line and the name 'D F Toner'.

## **Classic Hospitals Property Limited**

**Registered No: 05389607**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the 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.

# **Independent Auditor's Report to the Members of Classic Hospitals Property Limited**

## **Opinion**

We have audited the financial statements of Classic Hospital Property Limited for the year ended 31 December 2017 which comprise the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 16, 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **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 below. 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report to the Members of Classic Hospitals Property Limited (continued)**

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 the 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 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 directors' report have been prepared in accordance with applicable legal requirements.

### **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 strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5 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.



## **Independent Auditor's Report to the Members of Classic Hospitals Property Limited (continued)**

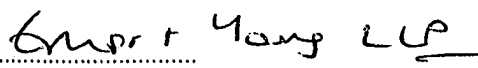
### **Auditor's responsibilities for the audit of the financial statements**

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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.

  
.....  
Debbie O'Hanlon (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor

Apex Plaza  
Forbury Road  
Reading  
RG1 1YE

28 September 2018

**Classic Hospitals Property Limited**  
**Registered No: 05389607**

**Income Statement**  
**for the Year Ended 31 December 2017**

	Note	2017 £ 000	2016 £ 000
Rental income		5,107	3,737
Depreciation	8	(436)	(436)
Operating profit		4,671	3,301
Interest receivable and similar income	5	164	73
Dividends received	5	43	43
Net finance income		207	116
Profit before taxation		4,878	3,417
Taxation	7	(1,024)	(762)
Profit for the year		3,854	2,655

The above results were derived from continuing operations.

**Classic Hospitals Property Limited**  
**Registered No: 05389607**

**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2017**

	<b>2017</b> <b>£ 000</b>	<b>2016</b> <b>£ 000</b>
Profit for the year	3,854	2,655
Total comprehensive income for the year	3,854	2,655

**Classic Hospitals Property Limited**  
**Registered No: 05389607**

**Statement of Financial Position**  
**as at 31 December 2017**

	Note	2017 £ 000	2016 £ 000
<b>Fixed assets</b>			
Investment properties	8	25,125	25,561
Investments	9	29,007	29,007
		<u>54,132</u>	<u>54,568</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	11	18,468	13,968
Other financial assets	10	473	430
		<u>18,941</u>	<u>14,398</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(1,015)</u>	<u>(762)</u>
<b>Net current assets</b>		<u>17,926</u>	<u>13,636</u>
<b>Net assets</b>		<u>72,058</u>	<u>68,204</u>
<b>Capital and reserves</b>			
Share capital	12	28,649	28,649
Retained earnings		<u>43,409</u>	<u>39,555</u>
<b>Equity shareholders' funds</b>		<u>72,058</u>	<u>68,204</u>

Approved by the Board on 26 September 2018 and signed on its behalf by:

  
 J J Ash  
 Director

**Classic Hospitals Property Limited**  
**Registered No: 05389607**

**Statement of Changes in Equity for the Year Ended 31 December 2017**

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2017	28,649	39,555	68,204
Profit for the year	-	3,854	3,854
Total comprehensive income	-	3,854	3,854
At 31 December 2017	28,649	43,409	72,058

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2016	28,649	36,900	65,549
Profit for the year	-	2,655	2,655
Total comprehensive income	-	2,655	2,655
At 31 December 2016	28,649	39,555	68,204

## **Classic Hospitals Property Limited**

Registered No: 05389607

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **1 General information**

##### **Statement of compliance**

Classic Hospitals Property Limited ("the Company") is a limited company incorporated and domiciled in England and Wales. The address of its registered office and principal place of business is disclosed in the Company Information.

These financial statements were prepared in accordance with 'Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)' and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have, unless otherwise stated, been consistently applied to all periods presented.

#### **2 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' and the Companies Act 2006.

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IAS 7 Statement of Cash Flows;
- (b) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (c) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

##### **Departures from Companies Act requirements**

The Company itself is a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

##### **Going concern**

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future performance. On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

##### **Rental income**

Rent arising on leased properties is accounted for on a straight line basis over the lease term.

## **Classic Hospitals Property Limited**

Registered No: 05389607

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Interest Income**

Interest is recognised on an effective interest rate basis.

##### **Investments**

Investments in subsidiaries are held at historical cost less provisions for impairment.

##### **Tax**

Current tax assets and liabilities are measured at the amount expected to be received from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

However, for taxable temporary differences associated with investment in subsidiaries, branches, associates and interests in joint ventures, a deferred tax liability shall be recognised in accordance with IAS 12.39.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured in an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

##### **Investment property**

Certain of the company's properties are held as investment properties for long-term rental yields.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties continue to be accounted for at cost less accumulated depreciation, depreciated over their useful economic lives, as follows:

Freehold buildings - 10-50 years

Leasehold land and buildings - lower of useful life and remaining life of lease

##### **Interest bearing borrowing and loans**

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

## **Classic Hospitals Property Limited**

Registered No: 05389607

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Impairment of non-financial assets**

Investment property is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

##### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are deducted from share premium.

##### **Significant judgements and estimates**

In the application of the Company's accounting policies, the directors are required to make estimates about the carrying amounts 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 following accounting policies have been identified as involving particularly complex judgements or subjective estimates:

##### **Leases**

In the determination of the classification of the lease as an operating lease, assumptions have been made about the discount rate applied to minimum lease payments over the remainder of the lease term and of the useful economic life of the hospitals.

##### **Investment property disclosed values**

In valuing investment properties judgements are required about the assumptions, in particular regarding the market rent and market yield. Further details are provided in note 8.

#### **3 Parent and ultimate parent undertaking**

The Company's immediate parent undertaking is Classic Hospitals Group Limited, a company is registered in England and Wales. The Company's ultimate parent undertaking is Spire Healthcare Group plc, a company registered in England and Wales. The largest and smallest group in which the results of the Company are consolidated is that held by Spire Healthcare Group plc. Copies of the consolidated financial statements of Spire Healthcare Group plc may be obtained from the Spire Healthcare website or Company Secretary ([www.spirehealthcare.com](http://www.spirehealthcare.com) or 3 Dorset Rise, London EC4Y 8EN)



**Classic Hospitals Property Limited**

Registered No: 05389607

**Notes to the Financial Statements  
for the Year Ended 31 December 2017 (continued)****4 Staff costs and directors' remuneration**

The company had no employees during the year (2016: nil) and consequently incurred no staff costs.

Emoluments for the directors of the Company are paid for by Spire Healthcare Limited, a fellow subsidiary of Spire Healthcare Group plc. Spire Healthcare Limited has not recharged any amount to the Company (2016: £nil) on the basis that the amount attributable to the Company is negligible.

**5 Interest receivable and similar income**

	<b>2017</b> <b>£ 000</b>	<b>2016</b> <b>£ 000</b>
Dividend income	43	43
Receivable from other Group undertakings	164	73
	<u>207</u>	<u>116</u>

**6 Auditors' remuneration**

	<b>2017</b> <b>£ 000</b>	<b>2016</b> <b>£ 000</b>
Estimated money value of benefits in kind for audit services	3	3
Fees for the audit of the company are borne by other group companies.		

**7 Income tax****(i) Analysis of tax charge in year**

Tax charged/(credited) in the income statement

	<b>2017</b> <b>£ 000</b>	<b>2016</b> <b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax on profits of the year	1,015	762
UK corporation tax adjustment to prior periods	<u>9</u>	<u>-</u>
Tax credit on profit on ordinary activities	<u>1,024</u>	<u>762</u>

**Classic Hospitals Property Limited**  
**Registered No: 05389607**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2017 (continued)**

**7 Income tax (continued)**

**(ii) Factors affecting the tax charge**

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

	<b>2017</b> <b>£ 000</b>	<b>2016</b> <b>£ 000</b>
Profit before tax	4,835	3,374
Corporation tax at standard rate	939	683
Increase (decrease) in current tax from adjustment for prior periods	9	-
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	84	88
Increase (decrease) from effect of dividends from UK companies	(8)	(9)
Total tax charge	1,024	762

**8 Investment properties**

	<b>2017</b> <b>£ 000</b>
<b>Cost</b>	
At 1 January	30,761
<b>Depreciation</b>	
At 1 January	5,200
Charge for the year	436
At 31 December	5,636
<b>Carrying amount</b>	
At 31 December	25,125

**Classic Hospitals Property Limited**

Registered No: 05389607

**Notes to the Financial Statements  
for the Year Ended 31 December 2017 (continued)****8 Investment properties (continued)****Fair value of investment property**

Valuations are the responsibility of the directors. They are prepared and reviewed internally by senior management and property managers within the Spire Group, after taking advice from external advisors about key market conditions, including yields. This includes discussions of the key assumptions used, as well as a review of the resulting valuations.

The fair value of investment properties is determined using the income capitalisation approach. Under this approach, forecast earnings are used to estimate the sustainable market rents applicable to the hospital property, which together with the estimated costs are discounted at market derived capitalisation rates to produce the director's opinion of the fair value of the property.

The capitalisation rate which, if applied to rental cash flows would produce the fair value, is described as the equivalent yield.

The company considers its investment property falls within 'Level 3', as defined by IFRS 13. There has been no transfer of the property within the fair value hierarchy in the financial year.

The table below summarises the key unobservable inputs used in the valuation of the company's wholly owned investment property at 31 December 2017.

	<b>Market value</b>	<b>Estimated rental</b>	<b>Equivalent</b>
	<b>2017</b>	<b>value</b>	<b>yield</b>
	<b>£ 000</b>	<b>2017</b>	<b>2017</b>
		<b>£ 000</b>	<b>%</b>
<b>Hospital property:</b>			
Spire Dunedin Hospital	16,481	1,030	6.25%
Spire Elland Hospital	42,115	2,316	5.5%
Spire Liverpool Hospital	60,219	3,538	5.88%
Spire Methley Park Hospital	29,355	1,615	5.5%
Spire Regency Hospital	19,035	1,118	5.88%
Former site of Spire St Saviour's Hospital	2,000	-	0%
Spire Yale Hospital	17,070	1,024	6%

**Classic Hospitals Property Limited**

Registered No: 05389607

**Notes to the Financial Statements  
for the Year Ended 31 December 2017 (continued)****8 Investment properties (continued)**

	<b>Market value</b>	<b>Estimated rental</b>	<b>Equivalent</b>
	<b>2016</b>	<b>value</b>	<b>yield</b>
	<b>£ 000</b>	<b>2016</b>	<b>2016</b>
		<b>£ 000</b>	<b>%</b>
<b>Hospital property:</b>			
Spire Dunedin Hospital	21,492	1,377	6%
Spire Elland Hospital	35,247	2,117	5.63%
Spire Liverpool Hospital	50,401	3,230	6%
Spire Methley Park Hospital	25,073	1,573	5.88%
Spire Regency Hospital	18,835	1,207	6%
Former site of Spire St Saviour's Hospital	2,000	-	0%
Spire Yale Hospital	15,398	1,007	6.13%

**9 Investments**

The subsidiary undertakings of the company as at balance sheet date are shown below, which, unless otherwise indicated, are wholly owned and are registered in England and Wales.

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
Ordinary share capital	28,649
Preference shares	358
At 01 January 2017 and 31 December 2017	29,007
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 December 2017	29,007

Details of the subsidiaries as at 31 December 2017 are as follows:

<b>Name of subsidiary</b>	<b>Principal activity</b>	<b>Registered office</b>	<b>Class of Share</b>
Classic Hospitals Limited	Non trading	England and Wales	Ordinary

The registered office for the investments registered in England and Wales is 3 Dorset Rise, London, EC4Y 8EN.

**10 Other financial assets**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current financial assets</b>		
Dividends receivable on preference shares	473	430

**Classic Hospitals Property Limited**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 December 2017 (continued)**

**11 Debtors**

	2017 £ 000	2016 £ 000
<b>Amounts falling due within one year:</b>		
Amounts owed by other Group undertakings	9,150	4,777
Accrued income relating to intercompany rent	9,317	9,191
Other debtors	1	-
	<u>18,468</u>	<u>13,968</u>

Included within accrued income is £9,317,000 (2016: £9,191,000) that will reverse in more than one year.

Amounts owed by Group and subsidiary undertakings are unsecured and repayable on demand.

**12 Share capital**

**Allotted, called up and fully paid shares**

	2017 £ 000	2016 £ 000
28,648,943 Ordinary shares of £1 each	28,649	28,649

**13 Operating lease arrangements - as lessor**

The company has entered into an operating lease on each of its investment properties. The leases have a term of 35 years up to August 2040, subject to renewal or extension. Rent is indexed annually by reference to RPI, subject to a floor 2.5%.

The total future value of minimum lease rentals receivable is as follows:

	2017 £ 000	2016 £ 000
Within one year	5,104	5,215
After one year but not more than five years	19,203	20,859
In over five years	83,520	99,079
	<u>107,827</u>	<u>125,153</u>

**14 Creditors - amounts falling due within one year**

	2017 £ 000	2016 £ 000
Corporation tax	1,015	762

**Classic Hospitals Property Limited****Registered No: 05389607****Notes to the Financial Statements  
for the Year Ended 31 December 2017 (continued)****15 Contingent liabilities**

On 11 July 2014, Spire Healthcare Group plc entered into a Senior Facility Agreement in the amount of £525,000,000 which has been guaranteed by the Company and other material subsidiaries of the Group. In addition, the Company and a number of those other material subsidiaries have charged their shareholdings, by way of a first fixed charge, in favour of HSBC Bank plc as Security Agent for and on behalf of the Lenders. The loan amounts outstanding at the balance sheet date were £425,000,000 (2016: £425,000,000).

Under the lease agreements entered into on 26 January 2010 by Classic Hospitals Limited, a subsidiary undertaking of the Company, the Company has given certain undertakings relating to obligations in the lease documentation and consequently the assets of the Company are subject to a fixed and floating charge. These liabilities were transferred to Spire Healthcare Limited in 2016 when the Classic Hospital operations were hived up.

**16 Events after the reporting period**

There are no events arising after the reporting date that require recognition or disclosure in the financial statements for the year ended 31 December 2017.