

**Healthcare (Barts) Limited**

**Directors' report and financial  
statements**

**Registered number 5489821**

**31 December 2012**

THURSDAY



\*A2HPPN4P\*

A44

26/09/2013

#4

COMPANIES HOUSE

## Contents

|   |   |
|---|---|
| Directors and advisers  | 1 |
| Directors' report   | 2 |
| Statement of directors' responsibilities in respect of the Directors' Report and the financial statements | 3 |
| Independent auditor's report to the members of Healthcare (Barts) Limited                                 | 4 |
| Profit and Loss Account   | 6 |
| Balance Sheet   | 7 |
| Notes   | 8 |

## **Directors and advisers**

### **Directors**

G Beazley-Long

P Nash

A L Roshier      Appointed 8 July 2013

M Steenbergen   Resigned 8 July 2013

### **Company secretary and registered office**

Pario Ltd

Tubs Hill House

London Road

Sevenoaks

Kent

TN13 1BL

### **Auditor**

KPMG LLP

100 Temple Street

Bristol

BS1 6AG

### **Principal bankers**

National Westminster Bank Plc

Brecon Branch

27 High Street

Brecon

Powys

LD3 7LF

## Directors' report

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2012

The Directors' report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The Company is jointly owned and controlled by Innisfree PFI Secondary Fund LP and DIF Infrastructure II UK Limited and therefore has no parent or ultimate parent undertaking

### Business review and principal activities

The Company is an investment company whose sole business is the holding of a 25% interest in Capital Hospital (Holdings) Limited via which it holds 25% in Capital Hospitals Limited

Financial Close was achieved on 27 April 2006 in Capital Hospitals Limited for the redevelopment of Britain's biggest hospital scheme under the United Kingdom Government's Private Finance Initiative (PFI) and is now in its seventh year of a ten year construction term

The PFI project known as Barts and The London Hospital has a concession period of 42 years and includes a construction programme, worth approximately £1 billion, to be undertaken by Skanska. The first phase, the Cancer Centre at Barts was completed on schedule in February 2010, and during 2011 and 2012, further phases were completed in accordance with the contractual timetable. All construction is scheduled for completion in 2016. The hospitals will remain in operation during the entire construction period.

The key performance indicator for Capital Hospitals Limited is the level of performance and availability deductions levied by the client, since this reflects the quality of service being provided. During the year Capital Hospitals Limited suffered deductions of £542,000 (2011: £94,000), but these are passed on to the service provider.

Capital Hospitals Limited's exposure to interest rate risk is mitigated as it is funded by index-linked borrowings and its unitary contract with Barts and The London National Health Service Trust is also index-linked, therefore all risk is transferred. Healthcare (Barts) Limited is not exposed to any other significant risks.

There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

### Results and dividends

The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend (2011: £Nil).

### Directors

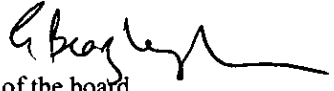
The Directors who served throughout the year, except as noted, are shown on page 1.

### 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 auditor is 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 auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and KPMG LLP will therefore continue in office.

  
By order of the board  
G Beazley-Long  
Director

Tubs Hill House  
London Road  
Sevenoaks  
Kent  
TN13 1BL

23 September 2013

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

## **Independent auditor's report to the members of Healthcare (Barts) Limited**

We have audited the financial statements of Healthcare (Barts) Limited for the year ended 31 December 2012 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeprivate](http://www.frc.org.uk/auditscopeprivate).

### **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 December 2012 and of its loss for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Healthcare (Barts) Limited**  
*(continued)*

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Amanda Moses (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
100 Temple Street  
Bristol  
BS1 6AG

**25** September 2013

**Profit and Loss Account**  
*for the year ended 31 December 2012*

|  | <i>Note</i> | <b>2012</b><br>£   | 2011<br>£   |
|--|-------------|--------------------|-------------|
| <b>Turnover</b>                                    | <i>1</i>    | <b>23,941</b>      | 23,176      |
| Administrative expenses                            |             | <b>(24,574)</b>    | (29,396)    |
| <b>Operating loss</b>                              | <i>2</i>    | <b>(633)</b>       | (6 220)     |
| Interest receivable                                | <i>3</i>    | <b>1,658,449</b>   | 1,075,028   |
| Interest payable                                   | <i>4</i>    | <b>(1,658,449)</b> | (1,075,028) |
| <b>Loss on ordinary activities before taxation</b> |             | <b>(633)</b>       | (6,220)     |
| Tax on loss on ordinary activities                 | <i>5</i>    | -                  | -           |
| <b>Loss for the financial year</b>                 |             | <b>(633)</b>       | (6220)      |

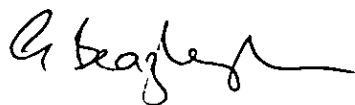
There is no material difference between the results stated in the profit and loss account and their historical cost equivalents

All gains and losses are recognised in the profit and loss account in the current and prior years, and therefore no separate statement of total recognised gains and losses has been presented

**Balance Sheet**  
**at 31 December 2012**

|   | <i>Note</i> | 2012<br>£               | 2011<br>£               |
|---|-------------|-------------------------|-------------------------|
| <b>Fixed assets</b>   |             |                         |                         |
| Investment in joint ventures  | 6           | 25,000                  | 25,000                  |
| <b>Current assets</b>   |             |                         |                         |
| Debtors (including £14,462,730 (2011 £12,001,909) due after more than one year) | 7           | 14,902,769              | 12,359,617              |
| Cash at bank and in hand  |             | 1,604                   | 923                     |
| <b>Creditors, amounts falling due within one year</b>                           | 8           | 14,904,373<br>(441,268) | 12,360,540<br>(357,623) |
| <b>Net current assets</b>   |             | 14,463,105              | 12,002,917              |
| <b>Total assets less current liabilities</b>                                    |             | 14,488,105              | 12,027,917              |
| <b>Creditors: amounts falling due after more than one year</b>                  | 9           | (14,462,730)            | (12,001,909)            |
| <b>Net assets</b>   |             | 25,375                  | 26,008                  |
| <b>Capital and reserves</b>   |             |                         |                         |
| Called up share capital   | 10          | 25,000                  | 25,000                  |
| Profit and loss account   | 11          | 375                     | 1,008                   |
| <b>Shareholders' funds</b>  | 12          | 25,375                  | 26,008                  |

These financial statements were approved by the board of directors on 23 September 2013 and were signed on its behalf by



**G Beazley-Long**  
*Director*

Company registered number 5489821

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

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

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate as the Company's forecasts and projections, taking account of reasonably possible changes in counterparty performance, show that the Company expects to be able to continue to operate and to settle its liabilities as they fall due for payment for the foreseeable future

#### ***Investments***

Investments in joint ventures are stated at cost

As the Company does not have subsidiaries, it is not required to produce consolidated financial statements. The company has taken advantage of the exemption contained in FRS9 paragraph 48 pertaining to small companies and has therefore not prepared a separate set of financial statements or shown the relevant amounts pertaining to its joint venture as additional information to its own financial statements

#### ***Turnover***

All turnover is derived entirely in the United Kingdom and is net of VAT. Turnover consists of management fees charged

#### ***Taxation***

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

## Notes (continued)

### 2 Operating Loss

*Operating loss is stated after charging*

|   | 2012<br>£ | 2011<br>£ |
|---|-----------|-----------|
| Fees payable to the company's auditors for the audit of the company's annual accounts | 9,000     | 9,000     |

None of the directors received any remuneration in respect of services provided to the group during the year (2010 £Nil) The directors receive their remuneration directly from shareholder companies

The Company had no employees during the year (2011 Nil)

### 3 Other interest receivable and similar income

|                               | 2012<br>£000 | 2011<br>£000 |
|-------------------------------|--------------|--------------|
| Receivable from joint venture | 1,658,449    | 1,075,028    |

### 4 Interest payable and similar charges

|                                   | 2012<br>£000 | 2011<br>£000 |
|-----------------------------------|--------------|--------------|
| On loans from controlling parties | 1,658,449    | 1,075,028    |

### 5 Tax on loss on ordinary activities

Analysis of charge in the period

|                    | 2012<br>£ | 2011<br>£ |
|--------------------|-----------|-----------|
| <b>Current tax</b> |           |           |
| UK corporation tax | -         | -         |

The current tax credit for the period is lower (2010 lower) than the standard rate of corporation tax in the UK (20%) The differences are explained below

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| Loss on ordinary activities before taxation  | (633)     | (6,220)   |
| Loss on ordinary activities multiplied by the applicable rate of corporation tax in the UK of 24% (2011 20%) | 152       | 1,244     |
| <i>Effects of</i><br>Unrecognised tax losses   | (152)     | (1,244)   |
| <b>Total current tax charge for the year</b>   | -         | -         |

Deferred tax assets of £1,451 (2011 £1,419) have not been recognised on the grounds that the directors do not believe that the availability of future taxable profits is sufficiently certain

## Notes (continued)

### 6 Investments

The company's investments comprises 25% of the ordinary share capital of Capital Hospitals (Holdings) Limited, which holds 100% of the shares in Capital Hospitals Limited a project company which is set up to design build and operate hospital facilities for Barts and London National Health Service Trust. The acquisition cost was £25,000 which was wholly satisfied in cash.

The investment is considered a joint venture because the company has joint control over the financial and operating policies of Capital Hospitals (Holdings) Limited.

The profit of Capital Hospitals (Holdings) Limited for the year ended 31 December 2012 was £63,000 (2011: loss £125,000). The aggregate amount of Capital Hospitals (Holdings) Limited's capital and reserves at 31 December 2012 was a surplus of £564,000 (2011: £501,000).

The directors have reviewed the Capital Hospitals (Holdings) Limited's projected profits and cash flows by reference to a financial model covering accounting periods up to 31 March 2048. They have also examined the current status of its principal contracts and likely developments in the foreseeable future. The directors are satisfied that the loss noted above arises from the early phase of Capital Hospitals (Holdings) Limited's concession contract and that there is no impairment to the carrying value of the investment in Capital Hospitals (Holdings) Limited.

### 7 Debtors

|   | 2012<br>£         | 2011<br>£         |
|---|-------------------|-------------------|
| <b>Debtors due within one year</b>          |                   |                   |
| Other receivables                           | 12,116            | 11,766            |
| Prepayments and accrued income              | 427,923           | 345,942           |
|   | <u>440,039</u>    | <u>357,708</u>    |
| <b>Debtors due after more than one year</b> |                   |                   |
| Unsecured loan notes (note 9)               | 14,462,730        | 12,001,909        |
|   | <u>14,902,769</u> | <u>12,359,617</u> |

During the year the Company issued at par additional 9.5% Unsecured Subordinated Loan Notes due 2047, with an aggregate principal value of £2,460,821 on 29 February 2012, in equal proportions to Innisfree PFI Secondary Fund LP and DIF Infrastructure II UK Partnership.

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

|                              | 2012<br>£      | 2011<br>£      |
|------------------------------|----------------|----------------|
| Accruals and deferred income | 13,345         | 11,681         |
| Accrued interest             | 427,923        | 345,942        |
|                              | <u>441,268</u> | <u>357,623</u> |

## Notes (continued)

### 9 Creditors: amounts falling due after one year

|                               | 2012<br>£  | 2011<br>£  |
|-------------------------------|------------|------------|
| Unsecured loan notes (note 7) | 14,462,730 | 12,001,909 |

During the year, Capital Hospitals (Issuer) PLC issued a further £ 9,843,283 on 29 February 2012, of 9.5% Unsecured Subordinated Loan Notes due 2047. Healthcare (Barts) Limited subscribed for 25% of these loan notes for £2,460,821 in cash.

Capital Hospitals (Issuer) PLC is a wholly owned subsidiary of Capital Hospitals (Holdings) Limited.

### 10 Called up share capital

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| <i>Allotted, called up and fully paid</i><br>25,000 ordinary shares of £1 each | 25,000    | 25,000    |

### 11 Movement in reserves

|                             | 2012<br>£  | 2011<br>£    |
|-----------------------------|------------|--------------|
| At 1 January 2012           | 1,008      | 7,228        |
| Loss for the financial year | (633)      | (6,220)      |
| <b>At 31 December 2012</b>  | <b>375</b> | <b>1,008</b> |

### 12 Reconciliation of movements in shareholders' funds

|                                    | 2012<br>£     | 2011<br>£     |
|------------------------------------|---------------|---------------|
| Opening shareholders' funds        | 26,008        | 32,228        |
| Loss for the financial year        | (633)         | (6,220)       |
| <b>Closing shareholders' funds</b> | <b>25,375</b> | <b>26,008</b> |

## Notes (continued)

### 13 Transactions with related parties

| Company name                                   | Service provided            | (Income)/cost<br>2012<br>£ | Outstanding<br>amount<br>2012<br>£ | (Income)/cost<br>2011<br>£ | Outstanding<br>amount<br>2011<br>£ |
|--|-----------------------------|----------------------------|------------------------------------|----------------------------|------------------------------------|
| Innisfree PFI<br>Secondary Fund LP             | Directors fee payable       | 3,000                      | -                                  | 5,640                      | -                                  |
|  | Letter of credit charges    | 63,898                     | 15,896                             | 95,021                     | 20,764                             |
|  | Interest and commitment fee | 765,326                    | 198,066                            | 442,493                    | 152,207                            |
|  |                             | <u>832,224</u>             | <u>213,962</u>                     | <u>543,154</u>             | <u>172,971</u>                     |
| DIF Infrastructure II<br>UK Ltd                | Directors fee payable       | 2,975                      | -                                  | 5,512                      | -                                  |
|  | Letter of credit charges    | 63,898                     | 15,896                             | 95,021                     | 20,764                             |
|  | Interest and commitment fee | 765,326                    | 198,066                            | 442,493                    | 152,207                            |
|  |                             | <u>832,199</u>             | <u>213,962</u>                     | <u>543,026</u>             | <u>172,971</u>                     |
| Capital Hospitals Ltd                          | Directors fee receivable    | (23,941)                   | (12,115)                           | (23,176)                   | (11,766)                           |
|  | Letter of credit charges    | (127,796)                  | (31,792)                           | (190,042)                  | (41,528)                           |
|  | Interest and commitment fee | (1,530,653)                | (396,132)                          | (884,986)                  | (304,414)                          |
|  |                             | <u>(1,682,390)</u>         | <u>(440,039)</u>                   | <u>(1,098,204)</u>         | <u>(357,708)</u>                   |
| <b>Total transactions with related parties</b> |                             | <u>(17,967)</u>            | <u>(12,115)</u>                    | <u>(12,024)</u>            | <u>(11,766)</u>                    |

### 14 Ultimate parent undertaking

The Company is owned and jointly controlled by Innisfree PFI Secondary Fund LP and DIF Infrastructure II UK Limited. The Directors consider there to be no ultimate controlling party or ultimate parent company.