Healthcare (Barts) Limited

Directors' report and financial statements

Registered number 5489821

31 December 2020

Contents

Directors and advisers

Directors

S Sidhu
L J Falero
P W Nash - resigned 24 Nov 2020

Company secretary and registered office

Pario Ltd
Unit 18 Riversway Business Village
Navigation Way
Ashton-on-Ribble
Preston
PR2 2YP

Auditor
BDO LLP
55 Baker Street
London W1U 7EU

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 2020.

Principal activity

The Company is an investment holding company whose sole business is the holding of a 25% interest in Capital Hospitals (Holdings) Limited, via which it therefore indirectly 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). The PFI project known as Barts and The London Hospital ("the Project") has a concession period of 42 years and includes a construction programme, worth £1.3 billion which was undertaken by Skanska. The project reached Global Completion on 29 March 2016, when the final construction phase was handed over and from this point 100% of the unitary charge has been invoiced to the Barts Health NHS Trust ("the Trust").

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.

Business review

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 £169,000 (2019: £278,000), this deduction amounts to only 1% (2019: 1%) of the total fees charged by the service providers and these were passed on to the service provider.

Capital Hospitals Limited's exposure to interest rate risk is mitigated by having an index linked unitary contract with the Trust, as such the directors do not consider this exposure to be significant.

Healthcare (Barts) Limited is not exposed to any other significant risks.

Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate for the reasons set out in note 1 to the financial statements.

The Directors have considered the impact of the Covid-19 pandemic and Brexit. The risks arising from each of these are risks to the subcontracted service providers involved in the Project rather than the Company itself. The Directors have committed to carrying out regular review of the Company's cash flows to monitor the ongoing situation.

Results and dividends

The results for the year are set out on page 7. Dividends of £nil were paid in the year (2019: £nil).

Auditor

BDO LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Directors

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

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

By order of the board

Director 20 /01 /2022

SABRINA SIDHU

Directors' Responsibilities Statement

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.

Independent Auditor's Report to the Members of Healthcare (Barts) limited

Opinion on the 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 2020 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.

We have audited the financial statements of Healthcare (Barts) Limited ("the Company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to The Members of Healthcare (Barts) limited (continued)

Other Companies Act 2006 reporting

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

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

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

We have nothing to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the entity and the industry

in which it operates. We considered the significant laws and regulations to be Companies Act 2006 and the applicable accounting standards.

Independent Auditor's Report to The Members of Healthcare (Barts) limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the Company's assets.

Audit procedures performed by the engagement team included:

- The evaluation of the processes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those processes and controls.
- We challenged assumptions and judgements made by management in areas involving significant estimates, with the key sources of estimation identified as the valuation of investments.
- We made enquiries of Management, those charged with governance and those responsible for legal and compliance procedures as to whether there was any correspondence from regulators in so far as the correspondence related to financial statements; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all
- engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

DocuSigned by:

Laura Pingree

Laura Pingree (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date: 26 January 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Balance Sheet
at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investment in joint ventures	6	**25,000**	25,000
Current assets			
Debtors	7	**1,597,616**	2,703,135
Cash at bank and in hand		**139,456**	29,626
		1,737,072	2,732,761
Creditors: amounts falling due within one year	8	**(2,038,033)**	(2,982,579)
Net current liabilities		**(300,961)**	(249,818)
Total assets less current liabilities		**(275,961)**	(224,818)
Debtors: amounts falling due after more than one year	7	**22,536,868**	22,554,344
Creditors: amounts falling due after more than one year	9	**(22,536,868)**	(22,554,344)
Net liabilities		**(275,961)**	(224,818)
Capital and reserves			
Called up share capital	10	**25,000**	25,000
Profit and loss account		**(300,961)**	(249,818)
Deficit on shareholders' funds		**(275,961)**	(224,818)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the provisions of FRS102 Section 1A- Small entities.

The notes on pages 10 to 16 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 20/01/2022 and were signed on its behalf by:

Director SABRINA SIDHU

Company registered number: 5489821

Profit and Loss Account
for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover		**28,733**	28,386
Administrative expenses		**(30,778)**	(58,116)
Operating loss		**(2,045)**	(29,730)
Interest receivable and similar income	*3*	**2,513,220**	2,657,183
Interest payable and similar expenses	*4*	**(2,562,318)**	(2,687,787)
Loss before taxation		**(51,143)**	(60,334)
Tax on loss	*5*	**-**	154,017
(Loss)/Profit and total comprehensive income for the financial year		**(51,143)**	93,683

The Company has no other comprehensive income

The notes on pages 10 to 16 form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total equity £
Balance as at 1 January 2019	25,000	(343,501)	(318,501)
Profit for the financial year	-	93,683	93,683
Total comprehensive income for the year	-	93,683	93,683
Dividends paid	-	-	-
Balance as at 31 December 2019	**25,000**	**(249,818)**	**(224,818)**
Balance as at 1 January 2020	25,000	(249,818)	(224,818)
Loss for the financial year	-	(51,143)	(51,143)
Total comprehensive income for the year	-	(51,143)	(51,143)
Dividends paid	-	-	-
Balance as at 31 December 2020	**25,000**	**(300,961)**	**(275,961)**

The notes on pages 10 to 16 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Company information

The company is a private company limited by shares and incorporated, domiciled and registered in England and Wales in the UK. The address of its registered office and principal place of business is Unit 18, Riversway Business Village, Navigation Way, Ashton-on-Ribble, Preston, PR2 2YP.

Basis of preparation of accounts

These financial statements have been prepared in accordance with FRS 102 Section 1A for Smaller Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102 Section 1A for Smaller Entities") and the requirements of Companies Act 2006.

The presentation currency of these financial statements is sterling.

The principal accounting policies applied in the preparation of these financial statements are set out below.

Summary of significant judgements and key sources of estimation uncertainty

The directors feel that there are no significant judgements made in the application of these accounting policies that have significant effect on the financial statements, or estimates with a significant risk of material adjustment in the next year.

Going Concern

Notwithstanding net liabilities of £275,961 as at 31 December 2020 and a loss for the year then ended of £51,143, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company's liabilities include loan note interest owed to its two shareholders, Innisfree PFI Secondary Fund LP and DIF Infra Yield 1 Finance B.V. which the company, with the shareholders permission, withheld in 2019 and 2020 for the purposes of settling the company's corporation tax liabilities and related professional advice fees. At 31 December 2020 the amount withheld and included in accrued interest was £447,806 ("the withheld amount"), and this amount is due on demand.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds to meet its liabilities, excluding the withheld amount, as they fall due for that period.

The company holds a 25% interest in Capital Hospitals (Holdings) Limited, via which it holds 25% in Capital Hospitals Limited, and so the company is an integral part of the ultimate shareholders' investment in the PFI project known as Barts and The London Hospital. Therefore, the directors consider it unlikely that the withheld amount will be demanded until the company has sufficient funds to repay it. However, should the shareholders demand the withheld amount, it has access to sufficient funds to settle the demanded amount through its investment in the group headed by Capital Hospitals (Holdings) Limited.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Investments

Fixed asset investments are shown at cost, less any provision for impairment. Income is included in the financial statements for the year in which it is receivable.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. When a review for impairment is conducted the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit, or disposal value if higher. If an asset is impaired, a provision is made to reduce the carrying amount to its estimated recoverable amount.

Notes *(continued)*

1 Accounting policies *(continued)*

Revenue recognition

Revenue represents directors' and management fees in the United Kingdom and is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts and rebates allowed by the company and value added taxes.

Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax. Dividends payable in relation to equity shares are recognised as a liability in the period in which they are declared.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and shareholder loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rates of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and regards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Notes *(continued)*

1 Accounting policies *(continued)*

Financial liabilities

Basic financial liabilities, including trade and other payables and shareholder loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable on loan notes. Interest receivable and similar income includes interest receivable on loan notes. Interest income and interest payable are recognised in profit or loss as they accrue

Dividends

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

2 Expenses and auditor's remuneration

Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual accounts	**8,500**	10,487

None of the directors received any remuneration in respect of services provided to the company during the year *(2019: £Nil)*. The directors receive their remuneration directly from shareholder companies.

The Company had no employees during the year *(2019: Nil)*.

3 Interest receivable and similar income

	2020 £	2019 £
Receivable from joint venture	**2,513,220**	2,654,242
Other interest receivable	**-**	2,941
Total	**2,513,220**	2,657,183

4 Interest payable and similar expenses

	2020 £	2019 £
Other interest payable	**-**	105
On loans from controlling parties	**2,562,318**	2,687,682
Total	**2,562,318**	2,687,787

Notes *(continued)*

5 Taxation

Analysis of charge in the year

	2020	2019
	£	£
Current tax		
Adjustments relating to prior year periods	-	(154,017)
Current year tax relating to current year	-	-
	-	(154,017)

Reconciliation of effective tax rate

	2020	2019
	£	£
Loss before taxation	**(51,143)**	(60,334)
Tax using the UK corporation tax of 19% (2019: 19%)	**(9,717)**	(11,464)
Effects of:		
Tax losses carried forward	**9,717**	11,464
Adjustments relating to prior periods	-	(154,017)
Total tax for the year recorded in the profit and loss account	-	(154,017)

Potential deferred tax assets of £204,943 *(2019: £169,974)* relating to losses and other timing differences have not been recognised on the grounds that the directors do not believe that the availability of future taxable profits is sufficiently certain. The tax credit in the prior year has arisen due a taxable deduction for a prior period being recognised in relation to the late payment of a proportion of the unsecured loan note interest due to the company's loan note holders relating to a prior period, which had been deferred until that interest is paid.

An increase in the UK corporation tax rate to 25% (effective from April 2023) was substantively enacted in May 2021. This is not expected to have a material impact on the company in the current or future financial periods.

Notes *(continued)*

6 Investments

	2020	2019
	£	£
Investment in Joint Ventures	**25,000**	25,000

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, and 100% of the shares in Capital Hospitals (Issuer) Plc, a finance company set up to issue debt to be on-lent to Capital Hospitals Limited. The acquisition cost was £25,000 which was wholly satisfied in cash.

All of these entities are incorporated in England and Wales, their registered address is 8 White Oak Square, London Road, Swanley, Kent BR8 7AG.

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 2020 was profit £3,640,000 (2019: profit £7,084,000). The aggregate amount of Capital Hospitals (Holdings) Limited's capital and reserves at 31 December 2020 was a surplus of £23,874,000 (2019: £20,234,000).

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 there is no impairment to the carrying value of the investment in Capital Hospitals (Holdings) Limited.

7 Debtors

	2020	2019
	£	£
Debtors due within one year		
Prepayments and accrued income	**1,579,618**	2,549,118
Corporation tax receivable	**17,998**	154,017
	1,597,616	2,703,135
Debtors due after more than one year		
Unsecured loan notes	**22,536,868**	22,554,344
	24,134,484	22,554,344

The loan notes are unsecured, subject to an annual interest rate of 11% and due for repayment in 2047.

Notes *(continued)*

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	**8,280**	1,140
Accruals and deferred income	**16,806**	50,803
Accrued interest	**2,012,947**	2,930,636
	2,038,033	2,982,579

9 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Unsecured loan notes	**22,536,868**	22,554,344

The unsecured loan notes are issued by the Company to its shareholders and are subject to an annual interest rate of 11%. The Company has the option, without the consent of the noteholders, to redeem the Notes at any time, and the principal on any notes shall only be payable to the extent that the Company has funds available after payment of all interest under the Notes. In line with the loan note receivable balance, the Company expects to redeem the Notes in 2047 on setting of the receivable balance.

10 Called up share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
25,000 ordinary shares of £1 each	**25,000**	25,000

Notes *(continued)*

11 Reserves

The profit and loss account represents cumulative profits and losses, net of dividends.

12 Transactions and balances with related parties

The Company has the following related party transactions and outstanding balances with related parties:

Company name	**Service provided**	**(Income)/cost**	**Outstanding amount**	(Income)/cost	Outstanding amount
		2020	**2020**	2019	2019
		£	**£**	£	£
Innisfree PFI Secondary Fund LP	Director's fee payable	**3,000**	**(3,000)**	3,000	(3,000)
	Interest	**1,281,159**	**(1,006,473)**	1,343,841	(1,465,318)
	Unsecured loan notes	**-**	**(10,846,375)**	-	(13,408,875)
DIF Infra Yield 1 Finance B.V.	Directors fee payable	**3,000**	**(3,000)**	3,000	(3,000)
	Interest	**1,281,159**	**(1,006,473)**	1,343,841	(1,465,318)
	Unsecured loan notes (principal)	**-**	**(10,846,375)**	-	(13,408,875)
Capital Hospitals Ltd	Directors fee receivable	**(28,733)**	**14,477**	(28,386)	14,354
Capital Hospitals (Issuer) Plc	Interest	**(2,513,220)**	**1,565,141**	(2,654,242)	2,531,928
	Unsecured loan notes (principal)	**-**	**21,692,750**	-	26,817,750

13 Ultimate parent undertaking

The Company is owned and jointly controlled by Innisfree PFI Secondary Fund LP and DIF Infra Yield 1 UK Limited. The Directors consider there to be no ultimate controlling party or ultimate parent company.