Company registration number 05603623 (England and Wales)

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

COMPANY INFORMATION

Directors	Mr N Crowther Mr S Beauchamp Mrs G Birley-Smith
Secretary	Vercity Social Infrastructure (UK) Limited
Company number	05603623
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	BDO LLP 55 Baker Street London W1U 7EU

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

CONTENTS

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Business Review
The principal activity of NewHospitals (St Helens and Knowsley) Limited ("the company") is the financing, design, construction and maintenance of two new hospital facilities at the Whiston and St Helens sites, together with the operation of certain non-clinical services within the existing and new hospital facilities, as part of the strategic redevelopment scheme for the Mersey and West Lancashire Teaching Hospitals NHS Trust ("the Trust") under the UK Government's Private Finance Initiative ("PFI").

The company was incorporated on 26 October 2005 and commenced trading on 7 June 2006.

On 7 June 2006, NewHospitals (St Helens and Knowsley) Finance Plc ("Finance Plc"), a fellow subsidiary undertaking of NewHospitals (St Helens and Knowsley) Holdings Limited, authorised the creation of £178,300,000 of 1.7774% index-linked guaranteed secured bonds due 2047 of which £153,000,000 were issued. It also entered into a loan agreement with European Investment Bank ("EIB") under which EIB granted it £149,186,000 of a 1.743% index-linked guaranteed secured bank loan due 2038. The proceeds from both the bond issue and bank loan were onward loaned to the company with identical terms for payment of interest and principal. The bonds and bank loan have the benefit of an unconditional and irrevocable financial guarantee as to all payments of interest and principal issued by the monoline insurer Assured Guaranty (Europe) Limited ("AG").

On 20 March 2008, £6,800,000 of the remaining £25,300,000 index-linked guaranteed secured bonds created but not issued by Finance Plc were cancelled as they expired on 31 December 2007 in accordance with the terms of the Bond Trust Deed and Collateral Deed.

On 26 May 2009 the shareholders of the company's immediate parent company commenced subscription for tranches of unsecured 11.96% fixed interest subordinated loan stock created, constituted and issued by Finance Plc on 7 June 2006. This subordinated loan stock totalled £29,490,000 and was fully subscribed as at 31 March 2011, the proceeds of which were onward loaned to the company with identical terms for payment of interest and principal.

The financial performance and position is covered in detail in the Key performance indicators section below.

Principal risks and uncertainties
The risk management policy of the company is designed to identify and manage risk at the earliest possible point. Risk management contributes to the success of the business by identifying opportunities and anticipating risks in order to improve business performance and the fulfilment of the company's contractual obligations. The company maintains a detailed risk register which is formally reviewed by the board on a quarterly basis. The directors have policies for managing each of these risks. The principal risks are summarised below:

Sole client
The company operates within a contractual relationship with its primary client, the Trust. Failure to perform obligations under this contract could have a direct and detrimental effect on the company's result and could result in termination of the concession. To manage this risk the company has regular meetings with the Trust including discussions on performance, project progress, future plans and customer requirements. The company's price risk is principally managed through a 41 year Project Agreement, a long-term contract with the Trust, which provides for payments that are fixed, subject to performance and movements in the UK All Items Retail Price Index (the "UK RPI"), and through sub-contracts with suppliers that largely mirror the provisions of the Project Agreement. The PFI hospital concession assets produce revenues which are index-linked to movements in the UK RPI. These revenues generate the cash flows with which the company funds its operating costs, finance costs and repayments due on its financial liabilities.

Lifecycle
The principal risk borne by the company is that lifecycle maintenance costs exceed those forecast in the financial model agreed at financial close. This risk is mitigated by regular management review of actual expenditure against budget and technical evaluations of the physical condition of the facilities.

Principal risks and uncertainties (continued)

Economic outlook
The directors have considered the general economic outlook, taking into account the Ukraine conflict, rising inflation and interest rates, but consider that the company and its ability to continue as a Going Concern is not adversely affected. To date the Ukraine conflict has not adversely impacted the company.

Key performance indicators
Financial performance and position
The loss for the year, after taxation, amounted to £6,909,000 (2022: £1,561,000 profit). Turnover increased by £4,596,000, driven by increased pass-through activity and the margin on the higher costs. Gross profit increased by £980,000 largely as a result of the margin applied to the increased operating costs (excluding pass through). Interest payable increased by £29,132,000 due to the impact of higher UK RPI inflation on bond and loan interest payable as compared to 2022 although this was, to a certain extent, offset by an increase of £19,937,000 in interest receivable due to the same factors. The tax credit on the loss for the year has decreased by £254,000 reflecting the effect of the change in the future tax rate on the calculation of the deferred tax asset in the prior period. The directors do not recommend the payment of a dividend (2022: £nil).

Financial penalties are levied by the Trust in the event of performance standards not being achieved in accordance with the detailed criteria as set out in the Project Agreement. All deductions are passed on to the service providers and the quantum of the penalties is an indication of the level of performance. During the year service performance deductions totalling £8,000 were levied (2022: £7,000). This represents 0.03% (2022: 0.03%) of the total costs from the service providers for the provision of the services.

The company had net liabilities of £42,992,000 as at 31 March 2023 (2022: £36,083,000). The company currently has net liabilities due to the bond and loan debt financing being in excess of the finance debtor which represents the future cash flow receivable. This position will reverse and is primarily driven by operating profits being weighted towards the middle and end of the concession. The increase in net liabilities is attributable to the loss for the year of £6,909,000. Cash balances of £31,046,000 (2022: £27,359,000) include reserve account balances of £28,077,000 (2022: £24,296,000) held in line with contractual requirements.

The directors have modelled the anticipated financial outcome of the Project over the 41-year concession term and this has shown the project to be profitable and cash generative. The directors monitor actual financial performance against this anticipated performance. Financial covenants have been met during the year and, having considered the anticipated future performance and position of the company, the directors are of the opinion that the covenants will continue to be met in the future, and the company will therefore continue in business. Whilst the company is currently in a cumulative loss-making position the financial model forecasts overall profitability until the end of the concession.

Historical performance
The company is obliged to meet the conditions laid down in the Bond Trust Deed and Collateral Deed with AG, EIB and Deutsche Trustee Company Limited. To the best of the directors' knowledge the company has met all of the obligations contained within these Deeds and there have been no events of default, potential events of default or trigger events with regard to the Collateral Deed in the year to 31 March 2023.

SECR Reporting
The provision of services under the contract is not deemed to relate to energy consumed by the company nor within our operational control, we have therefore excluded such activities from our reporting. The company itself is considered to be a low energy user and therefore energy and carbon information for the company has not been disclosed.

Section 172 Companies Act 2006 Statement
The directors have a duty to promote the success of the company for the benefit of the shareholders as a whole and to describe how this duty has been performed with regard to those matters set out in section 172 of the Companies act 2006 ("section 172").

The directors have identified the company's main stakeholders as the following:

i. The company's shareholders, bondholders and credit provider
Principal considerations of the board are whether the investment objective of the company is meeting shareholder and bondholder expectations and how Vercity Social Infrastructure (UK) Limited ("the manager"), who the company has subcontracted its management obligations to, delivers these objectives. These are discussed at all board meetings, which are held regularly throughout the year.

The Bonds are secured by an irrevocable financial guarantee policy issued by Assured Guaranty (Europe) Limited in favour of Deutsche Trustee Company Limited, the Credit Provider. The board regularly discuss the obligations under this policy and how the manager is fulfilling these at board meetings and through engagement with the senior management of the manager. The board frequently engages with the credit provider and keeps them updated on matters as required.

ii. The Trust
The board recognises the importance of working in partnership with the Trust, to successfully deliver a key public infrastructure asset. On behalf of the company, the manager fosters this partnership through regular meetings with the client representatives and other key managers. The manager provides regular monthly reporting to the Trust on the performance of its obligations under the PFI agreement. Periodically the directors will also meet with the Trust to discuss key service delivery matters.

iii. The subcontractors
On behalf of the company, the manager seeks to maintain a constructive relationship with the subcontractors by meeting regularly. The subcontractors reports provided to the company contain service provision information and relevant information about the performance of the PFI contract. These reports are reviewed by both the manager and the board. Periodically the directors will also meet with the subcontractors to discuss key service delivery matters.

iv. The manager
The delivery by the manager of its services is fundamental to the long term success of the company. The board seeks to engage regularly with the manager through a number of forums, including at board meetings, portfolio briefings and through engagement with the manager's senior leadership team. Regular reporting is provided to the board by the manager, which will alert the board to changes to regulation or market practice, which will inform the board's decision making.

Throughout the year the board has made due consideration during its discussions and decision-making of the matters set out in section 172 and below is a description of how the directors have had regard to these matters when performing their duties:

(a) The likely consequences of any decision in the long term
The company has made no decisions during the year that have material long term consequences.

(b) The interests of the company's employees
As an externally managed company, the company's activities are all outsourced and therefore it does not have any employees. The company does however, pay due regard to the interests and safety of all those engaged by contractors to the company to perform services on its behalf. This is performed by undergoing an external health and safety review and performing regular health and safety inspections.

(c) The need to foster the company's business relationships with suppliers, customers and others
The company is committed to upholding the underlying principle of PFI of working in partnerships with all parties to the arrangement. As noted above, the company has policies and procedures to ensure regular communication is maintained between the parties and ensure that the supply chain is managed effectively in order that the company obligations to the Trust and subcontractors can be upheld.

(d) The impact of the company's operations on the community and the environment
The company has very limited direct impact on the environment and it has no greenhouse gas emissions as a result of not owning any buildings or vehicles. Notwithstanding that the company is committed to minimising environmental disruption from its activities. The board upholds the company's environmental policy in all its activities and requires all parties to the arrangement to do the same.

The board recognises that the company is a key partner in the delivery of public infrastructure and encourages its partners in considering and delivering Environmental, Social and Governance (ESG) values and initiatives to achieve socially responsible investing.

(e) The desirability of the company maintaining a reputation for high standards of business conduct
The company is committed, in its day to day operations and dealings with all affiliates to uphold the highest standard of business conduct and integrity. The directors are not responsible for setting a "business culture" in the traditional sense, but are committed to understanding the culture of the manager and service providers and raise any concerns in this regard if necessary.

(f) The need to act fairly between members of the company
The members of the company are represented at board meetings by their appointed director(s). Conflicts on matters to be discussed are identified at each meeting of the board. Directors representing a member with a conflict of interest may therefore be excluded from any discussion or vote in regards to it.

The directors are cognisant of their duty under s172 in their deliberation as a board on all matters. Decisions made by the board take into account the interests of all the company's key stakeholders and reflect the board's belief that the long term sustainable success of the company is linked directly to its key stakeholders.

On behalf of the board

Simon Beauchamp

Mr S Beauchamp
Director
28 September 2023

The directors present their annual report and audited financial statements for the year ended 31 March 2023.

Principal activities
The principal activity of the company continued to be that of the financing, design, construction and maintenance of two new and existing hospital facilities at the Whiston and St Helens sites.

The directors do not foresee any changes in the activities of the company.

Results and dividends
The results for the year are set out on page 12.

Interim dividends were paid amounting to £178,000 (2022: nil). The directors are unable to recommend payment of a final dividend (2022: nil).

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N Crowther
Mr S Beauchamp
Mrs G Birley-Smith

Going concern
The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

Qualifying third party indemnity provisions
Qualifying third party indemnity provisions for the benefit of the directors of the company have been made during the year. These provisions remain in force at the reporting date.

Financial risk management objectives and policies

Liquidity Risk
The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business. At the start of the PFI contract, the company negotiated debt facilities with external parties to ensure that the company has sufficient funds over the life of the PFI concession.

Interest Rate Risk
The company is exposed to interest rate risk on bank balances with floating interest rates, however the company does not consider this exposure to be significant. The bonds and bank debt are linked to RPI inflation, however, the unitary charge income is also linked to RPI inflation, therefore mitigating the inflation risk on the bonds, bank debt and other costs.

Credit Risk
The company's principal financial assets are cash, finance debtor and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables which are with one counterparty, although in the opinion of the board of directors this risk is limited as the receivables are with a NHS Trust backed by the UK Government.

Lifecycle Risk

Lifecycle expenditure is the main risk to the business. The risk being that the allowance for lifecycle costs factored into the financial model is insufficient to cover future lifecycle expenditure, thus resulting in lower profitability and reduced distributions. This is mitigated by regular lifecycle reviews undertaken by the manager and a detailed lifecycle review performed every five years.

Post reporting date events

The directors are not aware, at the date of this report, of any post balance sheet events that require disclosure in the financial statements.

Future developments

The directors are not aware, at the date of this report, of any major changes in the company's activities in the next year.

Auditor

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Simon Beauchamp

Mr S Beauchamp

Director

28 September 2023

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible 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 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;
- 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 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 NEWHOSPITALS (ST HELENS AND KNOWSLEY) 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 March 2023 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 NewHospitals (St Helens and Knowsley) Limited ("the Company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and 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 Financial Reporting Standard 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 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.

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.

Other Companies Act 2006 reporting

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

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

In 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 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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:

Non-compliance with laws and regulations

Based on our understanding of the Company and the industry in which it operates, discussion with management and those charged with governance and obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations, we considered the significant laws and regulations to be the applicable accounting framework and the Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and

- Making enquiries of Management, those charged with governance and those responsible for legal and compliance procedures as to whether there was any correspondence from relevant regulators in so far as the correspondence related to financial statements.

Irregularities including fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;

- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.

- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and

- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the Company's assets.

Our procedures in respect of the above included:

- Challenging assumptions and judgements made by management in areas involving significant estimates, with the key sources of estimation identified as the determination of service margins and lifecycle costs; and

- We tested journal entries based on identified characteristics the audit team considered could be indicative of fraud, as well as large and unusual transactions based upon our knowledge of the business by agreeing to supporting documentation.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

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:
Jack Draycott
4FB34D873A17477...

Jack Draycott (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 September 2023

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

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
Turnover	3	55,569	50,973
Cost of sales		(49,462)	(46,024)
Gross profit		6,107	4,949
Administrative expenses		-	1
Operating profit		6,107	4,950
Interest receivable and similar income	7	37,082	17,145
Interest payable and similar expenses	8	(52,164)	(23,032)
Loss before taxation		(8,975)	(937)
Taxation	9	2,244	2,498
(Loss)/profit for the financial year		(6,731)	1,561

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Current assets					
Debtors falling due after more than one year	11	309,344		290,090	
Debtors falling due within one year	11	7,029		9,243	
Short term deposits	12	10,000		-	
Cash at bank and in hand		21,046		27,359	
		347,419		326,692	
Creditors: amounts falling due within one year	13	(19,389)		(22,968)	
Net current assets			328,030		303,724
Creditors: amounts falling due after more than one year	14		(371,022)		(339,807)
Net liabilities			(42,992)		(36,083)
Capital and reserves					
Share capital	17		10		10
Profit and loss account			(43,002)		(36,093)
Total shareholders' funds			(42,992)		(36,083)

The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

Simon Beauchamp

Mr S Beauchamp
Director

Company Registration No. 05603623

NEWHOSPITALS (ST HELENS AND KNOWSLEY) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2021		10	(37,654)	(37,644)
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	1,561	1,561
Balance at 31 March 2022		10	(36,093)	(36,083)
Year ended 31 March 2023:				
Loss and total comprehensive income for the year		-	(6,731)	(6,731)
Dividends	**10**	-	(178)	(178)
Balance at 31 March 2023		10	(43,002)	(42,992)

1 Accounting policies

Company information

NewHospitals (St Helens and Knowsley) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of NewHospitals (St Helens and Knowsley) Holdings Limited. These consolidated financial statements are available from Companies House.

1.2 Going concern

Notwithstanding net liabilities of £42,992,000 (2022: £36,083,000) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements which indicate that the company will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Project Agreement and the directors expect these amounts to be received even in severe but plausible downside scenarios. The company continues to provide the assets in accordance with the contract and are available to be used. As a result the company does not believe there is any likelihood of a material impact to the unitary payment. The directors have considered the ongoing impact of the current economic climate, including rising inflation and interest rates, which includes the company's operating cash inflows which are largely dependent on the unitary charge payments. To date, all unitary charge payments have been received on time and in full and the directors expect this to continue.

The directors have assessed the viability of its main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the company, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by the company or its subcontractors arising from the current economic climate. However, in the unlikely event of a subcontractor failure, the company has its own business continuity plans to ensure that service provision will continue.

1 Accounting policies **(Continued)**

In addition, although the company is in a net liabilities position as at 31 March 2023 due to the bond and bank debt financing being in excess of the finance debtor, the directors have reviewed the company's forecasts and projections, taking into account future cash requirements and forecast receipts, which show that the company can continue to meet its debts as they fall due.

Consequently, the directors at the time of approving the financial statements have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income received in respect of the service concession is allocated between revenue and capital repayment of, and interest income on, the PFI financial asset using the effective interest rate method. Service revenue is recognised as a margin on non-pass-through operating and maintenance costs.

Pass through income represents the direct pass through of recoverable costs, as specified in the Project Agreement, including income relating to the alteration of the facilities as requested by the Trust.

1.4 Service concession

The company is an operator of a Private Finance Initiative ("PFI") contract. As the company entered into the contract prior to the date of transition to FRS102, the company has taken advantage of the exemption in section 35.10 (i) of FRS102 which permit it to continue to account for the service concession arrangements under the accounting policies adopted under old UK GAAP. In particular, the underlying asset is not deemed to be an asset of the company under old UK GAAP, because the risks and rewards of ownership as set out in that standard are deemed to lie principally with the Trust.

During the construction phase of the project, all attributable expenditure apart from interest payable on the bond and bank debt was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS102 section 23. The company recognises revenue in respect of the services provided, including lifecycle services, as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Short term deposits comprise deposits with a maturity of more than 3 months and less than 6 months.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets
Basic financial assets, which include debtors, short term deposits and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Loans and Receivables
Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets
Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Service concession arrangement
As disclosed in Note 1, the company accounts for the project as a service concession arrangement. The directors use their judgement in selecting the appropriate financial asset rate to be applied in order to allocate the income received between revenue, and capital repayment of and interest income on the financial asset; and also the service margin that is used to recognise service revenue. The directors have also used their judgement in assessing the appropriateness of the future maintenance costs that are included in the company's forecasts. The directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend. If lifecycle costs, cumulatively over the remainder of the concession, increase by 5% the impact on revenue in the year would be a decrease of £225,000.

3 Turnover

	2023	2022
	£'000	£'000
Turnover analysed by class of business		
Service income	37,914	35,426
Pass through income	17,655	15,547
	55,569	50,973

4 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£'000	£'000
For audit services		
Audit of the financial statements of the company	15	11
Audit of the financial statements of other group companies	24	19
	39	30

Fees are payable to BDO LLP.

5 Employees

The company had no employees during the year (2022: nil).

6 Directors' remuneration

No directors received any remuneration for services to the company during the year (2022: nil).

7 Interest receivable and similar income

	2023 £'000	2022 £'000
Interest income		
Interest on bank deposits	263	8
Interest receivable on the finance debtor	36,819	17,137
	37,082	17,145

8 Interest payable and similar expenses

	2023 £'000	2022 £'000
Interest payable to group undertakings	51,584	22,423
Amortisation of finance arrangement costs	579	608
Other interest	1	1
	52,164	23,032

The above interest payable to group undertakings is for bank loans and bonds via NewHospitals (St Helens and Knowsley) Finance plc.

9 Taxation

	2023 £'000	2022 £'000
Deferred tax		
Effect of difference in corporation tax rate	(539)	(2,498)
Other adjustments	(1,705)	-
Total deferred tax	(2,244)	(2,498)

All tax has been charged to the Statement of comprehensive income with none charged through other comprehensive income.

A deferred tax asset in respect of tax losses has been recognised as the directors consider the balance to be recoverable over the life of the PFI contract.

9 Taxation **(Continued)**

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £'000	2022 £'000
Loss before taxation	(8,975)	(937)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(1,705)	(178)
Tax effect of expenses that are not deductible in determining taxable profit	-	31
Losses carried forward	-	147
Effect of difference in corporation tax rate	(539)	(2,498)
Taxation credit for the year	(2,244)	(2,498)

Factors that may affect the future tax charge
The company has tax losses of £48,169,000 (2022: £39,192,000) which have been carried forward and will be offset against future trading profits.

A deferred tax asset in respect of tax losses has been recognised as the directors consider the balance to be recoverable over the life of the PFI contract.

The deferred tax assets at 31 March 2022 and 31 March 2023 have been calculated using the tax rate of 25%, which is the rate for profits over £250,000 from 1 April 2023.

10 Dividends

	2023 £'000	2022 £'000
Interim paid	178	-

11 Debtors

Amounts falling due within one year:	2023 £'000	2022 £'000
Trade debtors	62	610
Finance debtor	5,215	5,192
Prepayments and accrued income	1,752	3,441
	7,029	9,243

11 Debtors (Continued)

Amounts falling due after more than one year:	Notes	2023 £'000	2022 £'000
Finance debtor		297,302	280,292
Deferred tax asset	16	12,042	9,798
		309,344	290,090
Total debtors		316,373	299,333

12 Cash and short term deposits

	2023 £'000	2022 £'000
Short term deposits	10,000	-
Cash at bank	21,046	27,359
	31,046	27,359

Restricted cash
The company is obliged to keep separate cash reserves in respect of requirements in the company's funding agreements. The restricted cash balance shown on the statement of financial position within the "short term deposits" balance amounts to £10,000,000 (2022: £nil) and within the "cash at bank and in hand" balance it amounts to £18,077,000 (2022: £24,296,000).

13 Creditors: amounts falling due within one year

	Notes	2023 £'000	2022 £'000
Bank loans	15	9,764	8,217
Bonds	15	2,493	2,211
Subordinated loans	15	1,480	431
Trade creditors		3,369	5,431
Other taxation		945	466
Accruals and deferred income		1,338	6,212
		19,389	22,968

The loans and bonds are payable via NewHospitals (St Helens and Knowsley) Finance plc.

14 Creditors: amounts falling due after more than one year

	Notes	2023 £'000	2022 £'000
Bank loans	15	150,145	141,878
Subordinated loans	15	12,912	14,686
Amounts owed to group undertakings	15	50	50
Bonds	15	202,250	181,548
Accruals and deferred income		5,665	1,645
		371,022	339,807

The loans and bonds are payable via NewHospitals (St Helens and Knowsley) Finance plc.

Deferred income

Revenue received relating to the hospitals during the construction phase was deferred until the year ended 31 March 2010. During the year to 31 March 2011 this income started to be released on an annual basis over the remaining life of the contract as full occupation of the main Whiston hospital site occurred on 14 April 2010.

Amounts included above which fall due after five years are as follows:

	2023 £'000	2022 £'000
Payable by instalments	300,775	280,088
Payable other than by instalments	10,263	12,418
	311,038	292,506

15 Loans

	2023 £'000	2022 £'000
Bank loans	159,909	150,095
Loans from group undertakings	50	50
Subordinated loans	14,392	15,117
Bonds	204,743	183,759
	379,094	349,021
Payable within one year	13,737	10,859
Payable after one year	365,357	338,162
	379,094	349,021

15 Loans **(Continued)**

The loans and bonds are payable via NewHospitals (St Helens and Knowsley) Finance plc.

Bank loans

Finance plc has drawn £149,186,000 of a 1.743% Index-Linked Guaranteed Secured Bank Loan due 2038 pursuant to a Loan Agreement dated 1 June 2006 and a Collateral Deed dated 7 June 2006.

The loan has an interest rate of 1.743%, which together with its principal repayment, is subject to indexation based on movements in the UK RPI in accordance with the terms of the Loan Agreement. The interest is payable semi-annually in arrears on 31 March and 30 September each year. The loan principle is repayable in installments which commenced on 30 September 2011 and end in June 2038.

The index linked bank loan has the benefit of an unconditional and irrevocable financial guarantee issued by Assured Guaranty (Europe) Limited (formerly Financial Security Assurance (UK) Limited) in favour of Deutsche Trustee Company Limited as security trustee over all of the undertakings and assets of Finance plc.

The above loan has been on-lent by NewHospitals (St Helens and Knowsley) Finance plc to the company on the same terms.

Subordinated loans

On 24 May 2006, Finance plc authorised and approved the issue of £30,090,000 unsecured 11.96% fixed interest loan notes which were constituted in a Deed Poll dated 7 June 2006. Under the terms of an Equity Subscription Agreement dated 7 June 2006, Finance plc's shareholders undertook to subscribe for the loan notes in separate tranches up to a total value of £30,090,000 over the period from 31 May 2009 to 31 March 2011. In the year ended 31 March 2011 the total amount of loan notes subscribed for by Finance plc's shareholders was £29,490,000. Since then, a number of early redemption payments have been made to Finance plc's shareholders and during the year to 31 March 2023, two further redemptions of principal have been paid, leaving the balance of subordinated loan stock as at the year-end of £14,392,000. The 11.96% fixed interest accrues from 1 April 2011 and interest is paid semi-annually in arrears every 30 September and 31 March thereafter.

Of the total £30,090,000 loan notes constituted, £600,000 relates to a commitment to subscribe for Contingent Equity Tranche loan notes as detailed in the Equity Subscription Agreement. The commitment to subscribe for this tranche of the loan notes is no longer required as the matching Committed Variation Bonds to which the amount relates were cancelled on 20 March 2008, as they expired on 31 December 2007, in accordance with the Terms of the Bond Trust Deed and Collateral Deed.

Under the terms of an Intra group Loan Agreement entered into on 7 June 2006, NewHospitals (St Helens and Knowsley) Finance plc undertook to onward loan the proceeds of the issue of the subordinated loan stock to NewHospitals (St Helens and Knowsley) Limited, on exactly the same payment terms for interest and principal.

The proceeds of the loan stock issue are being used by the group to finance its obligations under its Project Agreement with the Trust.

The loan notes are redeemable at any time in line with the provisions of Clause 3 of the Deed Poll Constituting Unsecured Subordinated Loan Notes for Finance plc and in accordance with condition 3 (Redemption) of the aforementioned Deed.

15 Loans **(Continued)**

Bonds

Finance plc has created £178,300,000 of 1.7774% Index-Linked Guaranteed Secured Bonds due 2047 pursuant to a Bond Trust Deed and Collateral Deed dated 7 June 2006, of which £153,000,000 were issued for cash on 7 June 2006 at a 99.99% of par.

On 20 March 2008, £6,800,000 of the remaining £25,300,000 Index-Linked Guaranteed Secured Bonds created but not issued, the "Committed Variation Bonds", were cancelled as they expired on 31 December 2007 in accordance with the Terms of the Bond Trust Deed and Collateral Deed.

The bonds bear interest at 1.7774%, which together with its principal repayment, is subject to indexation based on movements in the UK RPI in accordance with the terms of the Bond Trust Deed. The interest is payable semi-annually in arrears on 31 March and 30 September each year. The principle on the bonds is repayable in installments which commenced on 31 March 2012 and end in February 2047.

The bonds have the benefit of an unconditional and irrevocable financial guarantee issued by Assured Guaranty (Europe) Limited in favour of Deutsche Trustee Company Limited as security trustee over all of the undertakings and assets of Finance plc.

The above bond has been on-lent by NewHospitals (St Helens and Knowsley) Finance plc to the company on the same terms.

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Assets 2023 £'000	Assets 2022 £'000
Tax losses	12,042	9,798

Movements in the year:	2023 £'000
Asset at 1 April 2022	9,798
Effect of difference in tax rate	539
Other	1,705
Asset at 31 March 2023	12,042

17 Share capital

Ordinary share capital	2023 Number	2022 Number	2023 £'000	2022 £'000
Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10	10

18 Related party transactions

18 Related party transactions (Continued)

During the year the company entered into the following transactions with related parties:

Innisfree Limited
Innisfree Limited acts as fund manager for Innisfree PFI Secondary Fund 2 LP, the majority shareholder of the company's ultimate parent company NewHospitals (St Helens and Knowsley) Holdings Limited.

In the year the company paid directors fees and expenses (including VAT) to Innisfree Limited of £197,000 (2022: £180,000). There was no outstanding balance at 31 March 2023 (2022: £nil).

Vercity Social Infrastructure (UK) Limited
On 7 June 2006 the company entered into transactions in the ordinary course of business for the duration of the Project Agreement with it's management services provider, Vercity Social Infrastructure (UK) Limited, a subsidiary of Vercity Holdings Limited. Vercity Holdings Limited and the company are related parties by virtue of both being invested with funds under the management of Innisfree Limited.

During the year the company paid the manager and it's subsidiary, Vercity Management Services Limited, for management and other associated services (including VAT) amounting to £1,098,000 (2022: £1,020,000). At 31 March 2023, there was an outstanding balance of £18,000 (2022: £15,000).

19 Ultimate controlling party

As at 31 March 2023, the company's immediate parent undertaking was NewHospitals (St Helens and Knowsley) Holdings Limited. NewHospitals (St Helens and Knowsley) Holdings Limited was owned 74.4% by Innisfree PFI Secondary Fund 2 LP and 25.6% by Innisfree PFI Secondary Fund (both through its nominee Innisfree Nominees Limited). All entities are registered in England and Wales. The registered office of both Innisfree PFI Secondary Fund 2 LP and Innisfree PFI Secondary Fund is First Floor, Boundary House, 91-93 Charterhouse Street, London, EC1M 6HR.

The largest and smallest group in which the results of the company are consolidated is NewHospitals (St Helens and Knowsley) Holdings Limited. The consolidated financial statements of the group are available to the public and may be obtained from 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

In the directors' opinion, the company's ultimate parent undertaking and controlling party was Innisfree PFI Secondary Fund 2 LP, a limited partnership registered in England and Wales.