
**BRADFORD & AIREDALE COMMUNITY
SOLUTIONS – FUNDCO 3 LIMITED (formerly
BRADFORD & AIREDALE CARE PARTNERSHIPS –
FUNDCO 3 LIMITED)**

Company Registration No. 06226719

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

FRIDAY



L4OE9X74

LD6

02/09/2011

25

COMPANIES HOUSE

**Report and Financial Statements
For the year ended 31 March 2011**

Contents	Page
COMPANY INFORMATION	1
DIRECTORS' REPORT	2-3
INDEPENDENT AUDITOR'S REPORT	4-5
PROFIT AND LOSS ACCOUNT	6
BALANCE SHEET	7
RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT	8
PRINCIPAL ACCOUNTING POLICIES	9-10
NOTES TO THE FINANCIAL STATEMENTS	11-18

Company Information

Directors

Peter Leslie Garland
Robert Maden
David George Richardson
Martin Paul Rooney (appointed 10/11/2010)
Alastair Graham Gourlay (appointed 18/01/2011)
Andrew John Powell (appointed 18/01/2011)
Sion Laurence Jones (appointed 08/04/2011)
Sabrina Sidhu (appointed 08/04/2011)
Mark Day (appointed 19/04/2011)
Jane Catherine Hazelgrave (appointed 27/05/2011)
Helen Jane Hirst (resigned 23/05/2010)
Angela Macready (resigned 13/05/2010)
James Whyte (resigned 05/10/2010)
Susan Brain England (resigned 11/11/2010)
Ian Heaven (resigned 18/01/2011)
David Royston (resigned 18/01/2011)
Matthew Sugden (appointed 20/07/2010, resigned 05/10/10)
Hugh Barnabas Crossley (appointed 18/01/2011, resigned 22/02/2011)

Secretary

Community Solutions Management Services Ltd
Matthew Sugden (resigned 18/01/2011)

Registered Office

Chancery Exchange
10 Fumival Street
London
EC4A 1AB

Auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
No 1 Whitehall Riverside
Leeds
LS1 4BN

Directors' Report
For the year ended 31 March 2011

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

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

Principal activity and business review

The principal activity of the Company during the year was the construction and facilities management of primary healthcare facilities in the Bradford and Airedale region

Change of name

On 26 April 2011 the Company changed its name from Bradford & Airedale Care Partnerships – Fundco 3 Limited to Bradford & Airedale Community Solutions – Fundco 3 Limited

Change of ownership

On 9 December 2010, Bradford & Airedale (Lift) Investments Limited, a Joint Venture between Community Solutions Investment Partners Limited, Equitix Limited and Equitix Healthcare Limited, acquired Accent Foundation Limited's 60% share interest in Bradford & Airedale Community Solutions Limited

Going concern

The directors consider the business to be a going concern having considered the available funding facilities and financial projections that are agreed as part of the twenty five year business plan model agreed at each financial close. In addition, the Company has in place swap arrangements with the funders that protect against Retail Price Index and interest rate fluctuations

Dividends

The ability of the Company to pay dividends is restricted by the funding obligations placed on it. The directors do not therefore recommend the payment of a dividend (2010 nil)

Directors

The directors, who served during the year are shown on page 1

Bradford & Airedale Community Solutions – Fundco 3 Limited has adopted Articles of Association, the provisions of which do not require the directors to retire by rotation or to retire at the first Annual General Meeting after their appointment

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Directors' Report (continued)
For the year ended 31 March 2011

Directors' responsibilities statement (continued)

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, 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.

Auditor and disclosure of information to auditor

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Grant Thornton have indicated their willingness to continue in office as the Company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

On behalf of the board



Director

23 August 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADFORD & AIREDALE COMMUNITY SOLUTIONS – FUNDCO 3 LIMITED (formerly BRADFORD & AIREDALE CARE PARTNERSHIPS - FUNDCO 3 LIMITED)

We have audited the financial statements of Bradford & Airedale Community Solutions – Fundco 3 Limited for the year ended 31 March 2011 which comprise the Profit and loss account, Balance sheet, Reconciliation in shareholders' funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADFORD & AIREDALE COMMUNITY SOLUTIONS – FUNDCO 3 LIMITED (formerly BRADFORD & AIREDALE CARE PARTNERSHIPS - FUNDCO 3 LIMITED)
(continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report

Grant Thornton UK LLP

Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

23 August 2011

BRADFORD & AIREDALE COMMUNITY SOLUTIONS – FUNDCO 3 LIMITED
(formerly BRADFORD & AIREDALE CARE PARTNERSHIPS – FUNDCO 3 LIMITED)
COMPANY REGISTRATION NUMBER - 06226719

Profit and Loss Account
For the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Turnover	1	1,041	200
Cost of sales		(201)	(64)
Gross profit		840	136
Administrative expenses		(181)	(119)
Operating profit	2	659	17
Interest payable and similar charges	5	(863)	(139)
Loss on ordinary activities before taxation		(204)	(122)
Tax credit on loss on ordinary activities	6	52	-
Loss for the financial year	15	(152)	(122)

The results for the current and the prior financial year derive from continuing operations

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

BRADFORD & AIREDALE COMMUNITY SOLUTIONS – FUNDCO 3 LIMITED
 (formerly BRADFORD & AIREDALE CARE PARTNERSHIPS – FUNDCO 3
 LIMITED)
 COMPANY REGISTRATION NUMBER – 06226719

Balance Sheet
31 March 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	7	<u>11,757</u>	<u>11,879</u>
Current assets			
Debtors – due within one year	8	145	116
Cash at bank and in hand	9	<u>480</u>	<u>226</u>
		625	342
Creditors			
Amounts falling due within one year	10(a)	<u>(415)</u>	<u>(98)</u>
Net current assets		<u>210</u>	<u>244</u>
Total assets less current liabilities		11,967	12,123
Creditors			
Amounts falling due after more than one year	10(b)	<u>(12,309)</u>	<u>(12,313)</u>
Net liabilities		<u>(342)</u>	<u>(190)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	15	<u>(342)</u>	<u>(190)</u>
Shareholders' deficit		<u>(342)</u>	<u>(190)</u>

The financial statements of Bradford & Airedale Community Solutions – Fundco 3 Limited, registered number 06226719, were approved by the Board of Directors and authorised for issue on 23 August 2011

Signed on behalf of the Board of Directors



A. POWELL

Director

BRADFORD & AIREDALE COMMUNITY SOLUTIONS – FUNDCO 3 LIMITED
(formerly BRADFORD & AIREDALE CARE PARTNERSHIPS – FUNDCO 3
LIMITED)
COMPANY REGISTRATION NUMBER - 06226719

Reconciliation of movements in shareholders' deficit
For the year ended 31 March 2011

	2011 £'000	2010 £'000
Loss for the financial year	(152)	(122)
Opening shareholders' deficit	(190)	(68)
Closing shareholders' deficit	<u>(342)</u>	<u>(190)</u>

Principal Accounting Policies
For the year ended 31 March 2011

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

Basis of accounting

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

Going concern

The directors consider the business to be a going concern having considered the available funding facilities and financial projections that are agreed as part of the twenty five year business plan model agreed at each financial close. In addition, the Company has in place swap arrangements with the funders that protect against Retail Price Index and interest rate fluctuations.

Cash flow statement

A cash flow statement is not present since the Company satisfies the definition of a small company in accordance with Financial Reporting Standard No. 1 (revised 1996).

Turnover

Turnover represents rental income in accordance with the 25 year lease plus agreement, which includes rental income, recharges for certain property costs, pharmacy lease premium and client variations.

Tangible fixed assets

All fixed assets are initially recorded at cost. The value of tangible fixed assets included costs that are directly attributable to bringing the asset into working condition. Finance costs have been capitalised over the period of construction. Capitalisation of finance costs ceases when the assets reach practical completion.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings – 80 years straight line

No depreciation is provided on freehold land

Derivative financial instruments

The Company holds derivative financial instruments which have the effect of fixing the interest rate payable on bank borrowings. Amounts payable or receivable in respect of interest rate derivatives are recognised as adjustments to interest over the period of the contract. The Company holds a swap to hedge adverse movements in the retail price index. Derivative financial instruments are not held for speculative purposes.

Principal Accounting Policies (continued)
For the year ended 31 March 2011

Taxation policy

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Notes to the Financial Statements
For the year ended 31 March 2011

1. Analysis of turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities before taxation relate to one class of business, the Company's principal activity carried out in the UK

2. Operating profit

	2011 £'000	2010 £'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets	<u>129</u>	<u>22</u>

Auditor's remuneration of £2,000 (2010 £2,000) is borne by the parent company for the current and prior financial period

3. Emoluments of directors

The directors did not receive any remuneration from the Company for their services to the Company during the year or the previous year. The directors are remunerated by the shareholding companies for their services to the group as a whole. It is not practicable to apportion their remuneration for their services to this company.

4. Staff numbers and costs

The Company had no employees during either year.

5. Interest payable and similar charges

	2011 £'000	2010 £'000
Bank interest payable and similar fees	710	116
Loan note interest payable (note 17)	<u>153</u>	<u>23</u>
	<u>863</u>	<u>139</u>

Notes to the Financial Statements
For the year ended 31 March 2011

6. Tax on loss on ordinary activities

	2011 £'000	2010 £'000
a) Analysis of credit in the year:		
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>(52)</u>	<u>-</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are explained below

	2011 £'000	2010 £'000
b) Factors affecting tax credit for the year		
Loss on ordinary activities before tax	<u>(204)</u>	<u>(122)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	(57)	(34)
<i>Effects of</i>		
Non-deductible items	21	4
Utilised tax losses	138	196
Lease premium	(5)	-
CAs in excess of ***	(100)	-
Capitalised interest allowed as incurred	<u>3</u>	<u>(166)</u>
Current tax credit for the year (note 6a)	<u>-</u>	<u>-</u>

The change in tax rate from 28% to 26% from 1 April 2011 is not expected to materially affect the future tax charge

BRADFORD & AIREDALE COMMUNITY SOLUTIONS – FUNDCO 3 LIMITED
 (formerly BRADFORD & AIREDALE CARE PARTNERSHIPS – FUNDCO 3 LIMITED)
 COMPANY REGISTRATION NUMBER - 06226719

Notes to the Financial Statements
For the year ended 31 March 2011

7 Tangible fixed assets

	Buildings	Land	Total
	£'000	£'000	£'000
Cost			
As at 1 April 2010	10,356	1,545	11,901
Additions	7	-	7
As at 31 March 2010	<u>10,363</u>	<u>1,545</u>	<u>11,908</u>
Accumulated depreciation			
As at 1 April 2010	22	-	22
Charge for year	129	-	129
As at 31 March 2011	<u>151</u>	<u>-</u>	<u>151</u>
Net book value			
As at 31 March 2011	<u>10,212</u>	<u>1,545</u>	<u>11,757</u>
As at 31 March 2010	<u>10,334</u>	<u>1,545</u>	<u>11,879</u>

Included in the above are £860,000 (2010 £860,000) of capitalised finance costs. There were no finance charges capitalised in the year (2010 £598,000).

Costs were capitalised in line with rates described in note 10.

8. Debtors

	2011	2010
	£'000	£'000
(a) Amounts falling due within one year		
Amounts owed by parent undertaking	2	-
Prepayments and accrued income	24	18
Trade debtors	4	-
Other debtors	1	36
Deferred taxation (note 12)	114	62
	<u>145</u>	<u>116</u>

Notes to the Financial Statements
For the year ended 31 March 2011

9 Cash at bank and in hand

Included in cash at bank and in hand is cash of £131,000 (2010 £108,000) which is restricted for use in pre-described circumstances by the bank

10 Creditors

	2011	2010
	£'000	£'000
(a) Amounts falling due within one year		
Bank loans	8	7
Amounts owed to group company	6	-
Trade creditors	3	-
Accruals and deferred income	366	74
Other tax	32	17
	<u>415</u>	<u>98</u>
(b) Amounts falling due after more than one year		
Bank loans (note 11)	10,637	10,632
Amounts owed to parent undertaking (loan - note 11)	1,221	1,221
Accruals and deferred income	451	460
	<u>12,309</u>	<u>12,313</u>

Notes to the Financial Statements
For the year ended 31 March 2011

11 Loans

	2011	2010
	£'000	£'000
(a) Bank loans		
The bank loans are repayable as follows		
Within one year	8	7
Between one and two years	1	(4)
Between two and five years	133	61
After more than five years	10,503	10,575
	<u>10,645</u>	<u>10,639</u>

Arrangement fees have been offset against the bank loans as follows

Bank loans	10,780	10,780
Arrangement fees	(135)	(141)
	<u>10,645</u>	<u>10,639</u>

In accordance with FRS4 Capital Instruments, charges of £135,355 (2010 £141,055) have been offset against the bank loans

Senior debt is a variable rate loan payable in 2035 Interest of £552,955 (2010 £91,445) has been charged by the bank, £372,868 has been paid in the year The interest rate in the year was 6.57% (2010 7.72%)

The residual value facility is a variable rate loan repayable in 2035 Interest of £148,347 (2010 £48,215) has been charged by the bank, £101,309 has been paid in the year The average interest rate in the year was 6.26% (2010 6.24%)

The loan are secured by a fixed charge against the assets of the Company

Notes to the Financial Statements
For the year ended 31 March 2011

11. Loans (continued)

	2011 £'000	2010 £'000
(b) Subordinated loan owed to parent undertaking		
The loans are repayable as follows:		
Within one year	-	-
Between one and two years	3	-
Between two and five years	51	3
After more than five years	1,167	1,218
	<u>1,221</u>	<u>1,221</u>

The subordinated loan is an unsecured variable rate loan repayable in 2035 Interest of £152,688 (2010 £23,478) has been charged in the year The interest rate for the year was 12.5% (2010 12.5%)

12 Deferred tax

	2011 £'000	2010 £'000
Deferred tax is provided as follows		
Balance at 1 April	(62)	-
Deferred tax credit for the period	<u>(52)</u>	<u>(62)</u>
Balance at 31 March (note 8)	<u>(114)</u>	<u>(62)</u>
 An analysis of deferred taxation provided in the financial statements is as follows		
Tax losses	(585)	(166)
Other timing differences	99	104
Fixed asset timing differences	372	-
	<u>(114)</u>	<u>(62)</u>

BRADFORD & AIREDALE COMMUNITY SOLUTIONS – FUNDCO 3 LIMITED
 (formerly BRADFORD & AIREDALE CARE PARTNERSHIPS – FUNDCO 3
 LIMITED)
 COMPANY REGISTRATION NUMBER - 06226719

Notes to the Financial Statements
For the year ended 31 March 2011

13 Called up share capital

	2011 £	2010 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

14 Derivative financial instruments

The company holds swap contracts to hedge exposure to adverse movements in interest rates and the retail price index. The fair value of the derivatives are disclosed below

	2011 £'000	2010 £'000
Interest rate swap senior debt	(1,278)	(1,262)
Interest rate swap senior debt	(311)	(310)
Interest rate swap retail price index	<u>486</u>	<u>597</u>
	<u>(1,103)</u>	<u>(975)</u>

15. Profit and loss account

	2011 £'000	2010 £'000
Balance brought forward	(190)	(68)
Loss for the financial year	<u>(152)</u>	<u>(122)</u>
Balance carried forward	<u>(342)</u>	<u>(190)</u>

Notes to the Financial Statements
For the year ended 31 March 2011

16. Ultimate parent company

The Company's immediate parent undertaking is Bradford & Airedale Community Solutions Limited, a company resigned in England and Wales

Bradford & Airedale Community Solutions Limited was owned 60% by Accent Foundation Limited, 20% by Community Health Partnerships Limited, and 20% by NHS Bradford & Airedale

On 9 December 2010, Bradford & Airedale (Lift) Investments Limited, a Joint Venture between Community Solutions Investment Partners Limited, Equitix Limited and Equitix Healthcare Limited, acquired Accent Foundation Limited's 60% share interest in Bradford & Airedale Community Solutions Limited

The directors do not consider that the Company is controlled by any one party

17 Related party transactions

The Company is a 100% subsidiary and has taken advantage of the exemption available under FRS 8 not to disclose transactions entered into between members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group

The transactions analysed below were at arm's length and relate to rental income and associated property costs in accordance with the lease plus agreements

	2011 £'000	2010 £'000
Sales to Bradford & Airedale PCT	<u>957</u>	<u>184</u>
Purchases from Accent Foundation Limited	<u>85</u>	<u>5,421</u>