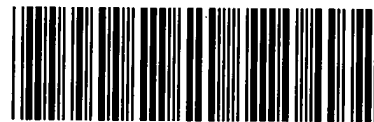


Registered No. 06480375

Spire Thames Valley Hospital Propco Limited

**Report and Financial Statements
For the year ended 31 December 2014**

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COMPANIES HOUSE

As required by the amendments to the Companies Act 2006, effective 30 September 2013, the directors of Spire Thames Valley Hospital Propco Limited (the "company") present the annual report containing a Strategic report, Report of the directors and the financial statements for the year ended 31 December 2014.

Strategic report
for the year ended 31 December 2014

1. Review of the business

The principal activity of the company is the leasing of hospital property.

As part of a reorganisation of the Spire Group (the "Reorganisation") prior to admission of Spire Healthcare Group plc to the premium segment of the Official List of the Financial Conduct Authority and the London Stock Exchange's main market for listed securities on 23 July 2014 (the "Admission"), the shares of the intermediate parent company of the company, Spire Healthcare Group UK Limited were sold to Spire Healthcare Finance Limited, a wholly owned subsidiary undertaking of Spire Healthcare Group plc.

Results

The profit for the year, after taxation, amounted to £481,855 (2013: £513,392).

At the balance sheet date, the company had net assets of £2,884,915 (2013: £2,403,060).

Key performance indicators

In view of the straight forward nature of the business, the directors do not consider the use of key performance indicators necessary to provide an understanding of the development, performance or position of the business.

2. Principal risks and uncertainties

The company's activities expose it to a number of risk which are discussed below:

Credit risk

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

Interest rate risk

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

Overall risk management

Risk is managed with reference to the wider Group and the principal risks and uncertainties facing the company are therefore integrated with those facing the Group as a whole. Further information is provided in the Annual Review and Accounts of Spire Healthcare Group plc, which are published on the Spire Healthcare website (www.spirehealthcare.com).

On behalf of the board



D F Toner
Director & secretary

27 April 2015

Report of the directors
for the year ended 31 December 2014

1. Directors

The names of directors who have held office since 1 January 2014 and up to the date of this report are as follows:

S Gordon
R Roger
D F Toner

2. Dividends

No ordinary dividend has been proposed for the year (2013: £nil).

3. Future developments

The directors do not foresee any changes in the company's activities in the foreseeable future.

4. Companies (Audit, Investigations and Community Enterprise) Act 2004

As at the date of this report and during the financial period, indemnities are in force under which the company has agreed to indemnify certain directors, to the extent permitted by law (and subject to the conditions set out in section 234 of the Companies Act 2006) and the company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the company.

5. Going concern

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

6. Auditor

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

Report of the directors
for the year ended 31 December 2014

7. Disclosure of information to Auditor

The directors who were members of the board at the time of approving the Report of the directors are listed on page 2. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware; and
- Each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

Registered Office:

3 Dorset Rise
London
EC4Y 8EN

27 April 2015

On behalf of the board

A handwritten signature in black ink, appearing to be 'D F Toner', with a long horizontal stroke extending to the right.

D F Toner
Director & secretary

Statement of directors' responsibilities
for the year ended 31 December 2014

The directors are responsible for preparing the Strategic report, Report of the directors 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper 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 Spire Thames Valley Hospital Propco Limited

We have audited the financial statements of Spire Thames Valley Hospital Propco Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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.

Independent auditor's report

to the members of Spire Thames Valley Hospital Propco Limited - continued

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Matthew Williams (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London
27 April 2015

Spire Thames Valley Hospital Propco Limited
Registered No. 06480375

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £	2013 £
Rental income		1,061,019	1,061,019
Depreciation		<u>(149,725)</u>	<u>(149,725)</u>
Operating profit		911,294	911,294
Interest payable to other Group undertakings		<u>(264,583)</u>	<u>(238,604)</u>
Profit on ordinary activities before taxation		646,711	672,690
Tax on profit on ordinary activities	5	<u>(164,856)</u>	<u>(159,298)</u>
Profit for the year		<u>481,855</u>	<u>513,392</u>

The results shown above derive wholly from continuing operations.

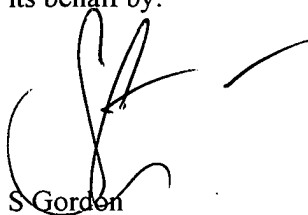
The company has no other gains and losses and therefore no statement of total recognised gains and losses has been presented.

Spire Thames Valley Hospital Propco Limited
Registered No. 06480375

Balance sheet
as at 31 December 2014

	<i>Note</i>	2014 £	2013 £
Fixed assets			
Tangible assets	6	7,984,905	8,134,630
Current assets			
Debtors	7	7,084,118	6,023,098
Total assets		<u>15,069,023</u>	<u>14,157,728</u>
Creditors: amounts falling due after more than one year	8	(12,026,637)	(11,590,819)
Provisions for liabilities and charges	9	(157,471)	(163,849)
Net assets		<u>2,884,915</u>	<u>2,403,060</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	<u>2,884,914</u>	<u>2,403,059</u>
Equity shareholders' funds		<u>2,884,915</u>	<u>2,403,060</u>

These financial statements were approved by the Board of Directors on 27 April 2015 and were signed on its behalf by:



S Gordon
Director

Notes to the financial statements
for the year ended 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, under the historical cost accounting convention on a going concern basis.

All accounting policies have been applied consistently during the year.

Going concern

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

Reporting exemptions

As described in note 2 the company is a wholly owned subsidiary undertaking of Spire Healthcare Limited which is owned indirectly by Spire Healthcare Group plc, a public limited company registered in England and Wales, which publishes consolidated accounts that are publicly available from the Spire Healthcare website (www.spirehealthcare.com). Consequently, the company has:

- Pursuant to Financial Reporting Standard 1 - *Cash flow statements*, not prepared a cash flow statement; and
- Pursuant to Financial Reporting Standard 8 - *Related party disclosures*, not included details of transactions with other subsidiary undertakings of Spire Healthcare Group plc.

Rental income

Rental income arising on leased properties is recognised on a straight line basis over the lease term.

Taxation including deferred taxation

The charge for taxation is based on the result for the year and takes into account deferred tax.

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more tax except that deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements
for the year ended 31 December 2014

1. Accounting policies - continued

Fixed assets and depreciation

Tangible assets are recorded at historical costs and are depreciated so as to write off the cost by equal annual instalments over their lives, as follows:

Freehold buildings	- 50 years
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No depreciation is provided on freehold land.

2. Immediate and ultimate parent undertakings and controlling party

The immediate parent undertaking of Spire Thames Valley Hospital Propco Limited is Spire Thames Valley Hospital (BVI Property Holdings) Limited, a company registered in British Virgin Islands.

On 23 July 2014, as part of the Reorganisation, the shares of the intermediate parent company of the company, Spire Healthcare Group UK Limited, were sold to Spire Healthcare Finance Limited, a wholly owned subsidiary undertaking of Spire Healthcare Group plc, following which Spire Healthcare Group plc became the ultimate parent company undertaking and controlling party of the company. The results of Spire Thames Valley Propco Limited are included in the consolidated financial statements of Spire Healthcare Group plc, which publishes consolidated accounts that are publicly available from the Spire Healthcare website (www.spirehealthcare.com).

3. Staff costs and directors' remuneration

The company had no employees during the year (2013: nil) and consequently incurred no staff costs.

Emoluments for the directors of the company are paid for by Spire Healthcare Limited, a fellow subsidiary of Spire Healthcare Group plc. Spire Healthcare Limited has not recharged any amount to the company (2013: nil) on the basis that the amount attributable to the company is negligible.

4. Auditor's remuneration

Fees for the audit of the company are borne by other group companies.

Notes to the financial statements
for the year ended 31 December 2014

5. Tax on profit on ordinary activities

	2014	2013
	£	£
(i) Analysis of tax charge in year		
Current tax		
UK corporation tax on profit for the year	171,234	191,211
Deferred tax		
Origination and reversal of timing differences	<u>(6,378)</u>	<u>(31,913)</u>
	<u>164,856</u>	<u>159,298</u>

(ii) Factors affecting the tax charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>646,711</u>	<u>672,690</u>
Applying the profit before tax to the UK corporation tax rate of 21.5% (2013: 23.25%)	139,043	156,400
Effects of:		
Expenses not deductible for tax purposes	25,334	27,396
Depreciation in excess of capital allowances	<u>6,857</u>	<u>7,415</u>
Total current tax charge for the year	<u>171,234</u>	<u>191,211</u>

The current tax charge represents the amounts payable to other group undertakings in respect of group relief utilised for taxation purposes.

Notes to the financial statements
for the year ended 31 December 2014

6. Fixed assets

	Freehold property £
Cost	
At 1 January and 31 December 2014	<u>9,019,580</u>
Depreciation	
At 1 January 2014	884,950
Charge for the year	<u>149,725</u>
At 31 December 2014	<u>1,034,675</u>
Net Book Value	
At 31 December 2014	<u>7,984,905</u>
At 31 December 2013	<u>8,134,630</u>

7. Debtors

	2014 £	2013 £
Amounts falling due within one year:		
Amounts due from other Group undertakings	<u>7,084,118</u>	<u>6,023,098</u>

8. Creditors - amounts falling due after more than one year :

	2014 £	2013 £
Amounts owed to other Group undertakings	<u>12,026,637</u>	<u>11,590,819</u>

9. Provisions for liabilities and charges

	Deferred taxation £
At 1 January 2014	163,849
Released in year	<u>(6,378)</u>
At 31 December 2014	<u>157,471</u>

Notes to the financial statements
for the year ended 31 December 2014

10. Deferred taxation

Deferred tax liabilities are analysed as follows:

	2014	2013
	£	£
Accelerated capital allowances	<u>157,471</u>	<u>163,849</u>

The deferred tax provision is included within provisions for liabilities and charges (see note 9).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. A reduction in the UK corporate tax rate to 20% on 1 April 2015 has been enacted and so deferred tax is primarily calculated at this rate as the timing differences are substantially expected to reverse after 1 April.

11. Share capital

	2014	2013
	£	£
Allotted, called-up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

12. Reconciliation of shareholders' funds and movements on reserves

	Share capital	Profit and loss account	Total share- holders' funds
	£	£	£
At 1 January 2013	1	1,889,667	1,889,668
Profit for the year	-	513,392	513,392
At 31 December 2013	1	2,403,059	2,403,060
Profit for the year	-	481,855	481,855
At 31 December 2014	1	2,884,914	2,884,915

Notes to the financial statements
for the year ended 31 December 2014

13. Contingent liabilities

The undertakings given by the Spire group in respect of the Senior Facilities Agreement (Opco) entered into by Spire Healthcare Holdings 2 Limited (formerly Spire UK Finance Limited) and its subsidiaries on 25 September 2008, which the company was part of, ceased during the year (2013: loan amounts outstanding £235,700,000).

On 11 July 2014 Spire Healthcare Group plc entered into a Senior Facility Agreement in the amount of £525,000,000 which has been guaranteed by the company and other material subsidiaries of the Group. The loan amounts outstanding at the balance sheet date were £425,000,000.