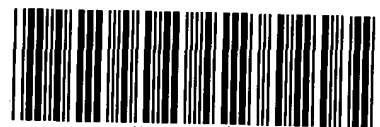


EQUITIX HEALTHCARE (LEEDS) HOLDINGS LTD

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013**

Registered Number: 06800540

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

| CONTENTS | Page |
|--|-------------|
| Directors and advisers | 1 |
| Strategic report | 2 |
| Directors' report | 3 |
| Statement of Directors' responsibilities | 4 |
| Independent auditor's report to the members of Equitix Healthcare (Leeds) Holdings Ltd | 5 |
| Consolidated profit and loss account | 6 |
| Consolidated balance sheet | 7 |
| Company balance sheet | 8 |
| Consolidated cash flow statement | 9 |
| Notes to the financial statements | 10 - 15 |

DIRECTORS AND ADVISERS

Directors

H B Crossley (Resigned 26 November 2013)

S L Jones

R D Knight (Appointed 26 November 2013)

Company secretary

D J Harding (Resigned 23 January 2013)

G N Springett (Appointed 23 January 2013)

Registered office

30 Warwick Street

London

W1B 5NH

United Kingdom

Statutory Auditor

Deloitte LLP

Chartered Accountants

London

Principal bankers

Barclays Bank Plc

1 Churchill Place

London

STRATEGIC REPORT

The Directors submit their annual strategic report and the audited financial statements for the year ended 31 December 2013.

REVIEW OF THE YEAR

The Group continued to provide maintained mental health facilities to Leeds Mental Health Trust throughout the year and suffered no income deductions.

FUTURE DEVELOPMENTS

The Directors of the Group are not aware of any circumstances by which the principal activity of the Group would alter or cease.

RESULTS AND DIVIDENDS

The loss after taxation for the year amounted to £1,669,000 (2012: £1,334,000). No dividends were paid or declared during the year (2012: £nil).

BUSINESS REVIEW

The business review discusses the following areas:

- Operations
- Supplier and customer payment policy
- Key performance indicators
- Financial risk review

OPERATIONS

The Group is contracted by Leeds Partnerships NHS Foundation Trust to provide maintained mental health facilities in Leeds. Facilities management services are subcontracted to Interserve (Facilities Management) Limited; service deductions are passed down to Interserve to mitigate the risk of deductions being suffered by the Group. The Group suffered no deductions during the year or preceding period that were not passed down to the facilities management sub-contractor.

SUPPLIER PAYMENT POLICY

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that all Group suppliers are made aware of the terms of payment and abide by these terms. Trade creditors of the Group at 31 December 2013 were equivalent to 100 days' purchases (2012: 97 days), based on the average daily amount invoiced by suppliers during the year.

KEY PERFORMANCE INDICATORS

The key performance indicators for the Group are that the Group suffered no unavailability or service deductions during the year or preceding period and performed within the restrictions imposed by project documentation. The Group performed within the parameters expected in comparison to financial model profiling and at no time breached any covenant of the project documentation.

FINANCIAL RISK REVIEW

The Group manages interest rate risk via an interest rate swap agreement. All RPI risk is managed via an index linked payment mechanism.

The Group has a single client; although loss of this client would be financially significant, the Group mitigates this risk via project contracts and by only dealing with creditworthy government authorities.

The Group's board of Directors has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Approved by the Board and signed on its behalf by:



S L Jones
Director
2 May 2014

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Group is to provide maintained mental health facilities to Leeds Partnerships NHS Foundation Trust under the Government's Private Finance Initiative.

The initial concession period runs to July 2028 at which point the Leeds Partnership NHS Foundation Trust has the option to extend the concession period for a further 15 years. If this is exercised the concession period can then be extended for a further 10 years by the Trust.

DIRECTORS

The Directors who served throughout the year are shown on page 1.

GOING CONCERN

As highlighted in notes 12 and 13 to the financial statements, the Group meets its day-to-day working capital requirements principally through a senior debt facility which is in place until September 2022, with interest payments economically hedged through an interest rate swap. The current economic conditions create some uncertainty, including with respect to:

- the ability of the swap provider to continue to meet their contractual commitments; and
- the ability of the debt provider to meet its contractual commitments.

The Directors have considered the stability of financial counterparties to this project during the operational phase and have concluded that all financial counterparties have the ability to meet all contractual obligations associated to the senior lending facilities.

The Directors have also considered the ability of government authorities to continue to pay unitary fees due to the Group and do not consider this to be a material risk.

The Group's forecasts and projections, taking into account of reasonably possible changes in counterparty performance, show that the Group expects to be able to operate within the level of its current facilities and continue to meet forecast loan covenants.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

AUDITOR

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group'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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



S L Jones
Director
2 May 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 Group 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 Group and of the profit or loss of the Group 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 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 EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

We have audited the financial statements of Equitix Healthcare (Leeds) Holdings Limited for the year ended 31 December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the reconciliation of net cash flow to movement in net debt and the related notes 1 to 19. 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 Group'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 Group'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 Group and the Group'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, 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 Group and the Parent Company's affairs as at 31 December 2013 and of the Group 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 Strategic Report and the Directors' Report 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.



Jacqueline Holden FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date

2 May 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FOR THE YEAR ENDED 31 DECEMBER 2013

| | Notes | 2013 £'000 | 2012 £'000 |
|---|-------|----------------|----------------|
| Turnover | 1, 2 | 12,050 | 13,114 |
| Cost of sales | | <u>(5,548)</u> | <u>(6,079)</u> |
| Gross profit | | 6,502 | 7,035 |
| Administrative expenses | | <u>(3,142)</u> | <u>(3,201)</u> |
| Operating profit | 2 | 3,360 | 3,834 |
| Net interest payable | 5 | (5,029) | (5,168) |
| Loss on ordinary activities before taxation | | <u>(1,669)</u> | <u>(1,334)</u> |
| Tax on loss on ordinary activities | 6 | - | - |
| Loss on ordinary activities after taxation | | <u>(1,669)</u> | <u>(1,334)</u> |

A reconciliation of movement in shareholder deficit is given in note 16.

All items in the profit and loss account relate to continuing operations.

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

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LTD

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

| | Notes | 2013 £'000 | 2012 £'000 |
|--|-------|----------------|----------------|
| Fixed Assets | | | |
| Intangible | 8 | 21,032 | 22,474 |
| Tangible | 9 | <u>26,309</u> | <u>26,864</u> |
| | | <u>47,341</u> | <u>49,338</u> |
| Current assets | | | |
| Debtors - due within one year | 10 | 1,921 | 2,488 |
| Cash at bank and in hand | 11 | <u>6,746</u> | <u>6,219</u> |
| | | 8,667 | 8,707 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 12 | (6,739) | (5,975) |
| Net current assets | | <u>1,928</u> | <u>2,731</u> |
| Total assets less current liabilities | | <u>49,269</u> | <u>52,069</u> |
| Creditors: amounts falling due after more than one year | 12 | (54,623) | (55,756) |
| Net liabilities | | <u>(5,354)</u> | <u>(3,687)</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 2 | 0 |
| Profit and loss account | 15 | (5,356) | (3,687) |
| Shareholder's deficit | 16 | <u>(5,354)</u> | <u>(3,687)</u> |

The financial statements of Equitix Healthcare (Leeds) Holdings Limited, registered number 06800540, were approved by the Board of Directors on 1 May 2014 and were signed on its behalf by:



S L Jones
Director


EQUITIX HEALTHCARE (LEEDS) HOLDINGS LTD

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013

| | Notes | 2013 £'000 | 2012 £'000 |
|---|-------|-----------------|-----------------|
| Fixed Assets | | | |
| Investments | 7 | <u>27,175</u> | <u>27,175</u> |
| | | <u>27,175</u> | <u>27,175</u> |
| Current assets | | | |
| Debtors - due within one year | 10 | <u>1,124</u> | <u>980</u> |
| | | <u>1,124</u> | <u>980</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 12 | <u>(1,124)</u> | <u>(980)</u> |
| Net current assets | | <u>0</u> | <u>0</u> |
| Total assets less current liabilities | | <u>27,175</u> | <u>27,175</u> |
| Creditors: amounts falling due after more than one year | 12 | <u>(27,175)</u> | <u>(27,175)</u> |
| Net liabilities | | <u>0</u> | <u>0</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 0 | 0 |
| Profit and loss account | 15 | - | - |
| Shareholder's deficit | | <u>0</u> | <u>0</u> |

The financial statements of Equitix Healthcare (Leeds) Holdings Limited, registered number 06800540, were approved by the Board of Directors on 1 May 2014 and were signed on its behalf by:

S L Jones
Director



EQUITIX HEALTHCARE (LEEDS) HOLDINGS LTD

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Operating Profit | 3,360 | 3,834 |
| Depreciation and amortisation | 2,228 | 2,183 |
| Decrease/(increase) in debtors | 569 | (599) |
| Increase in creditors | 1,402 | 1,414 |
| Net cash flow from operating activities | 7,559 | 6,832 |
| Returns on Investment and servicing of finance | | |
| Interest received | | |
| Interest paid | (4,938) | (5,228) |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (232) | (116) |
| Cash inflow before management of liquid resources and financing | 2,389 | 1,488 |
| Financing | | |
| Senior loan repayments | (1,862) | (1,727) |
| Net cash inflow/(outflow) after financing activities | 527 | (239) |
| Net increase/(decrease) in cash | 527 | (239) |
| Cash at the beginning of the year | 6,219 | 6,458 |
| Cash at the end of the year | 6,746 | 6,219 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | | 2013 £'000 | 2012 £'000 |
|---|-----------|-----------------|-----------------|
| | Notes | | |
| Increase/(decrease) in cash in the year | | 527 | (239) |
| Cash inflow from changes in debt | | 1,862 | 1,727 |
| Other non cash changes | | (60) | (57) |
| Movement in net debt in the year | 19 | 2,329 | 1,431 |
| Net debt at 1 January | 19 | (48,548) | (49,978) |
| Net debt at 31 December | 19 | (46,219) | (48,548) |

Notes to the financial statements for the year ended 31 December 2013

1 ACCOUNTING POLICIES

a) **Basis of preparation of accounts**
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently in the current year and preceding period, is shown below.

b) **Basis of consolidation**
The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. This is the first year of consolidation as the results were previously consolidated higher up the group.

As permitted by section 408 of the company's Act 2006, no separate profit and loss account is presented in respect of the parent company. The result for the financial year recognised for the parent was £nil (2012: £nil).

c) **Turnover**
All Turnover is derived entirely in the United Kingdom and is net of VAT.

Revenue is measured at the fair value of the consideration received or receivable for the provision of available facilities and provision of services as determined by the project agreement. Revenue is accrued on a time value basis and adjusted for unavailability and service deductions where necessary.

d) **Tangible fixed assets**
Tangible fixed assets are stated at cost, net of any depreciation and any provision for impairment.
Depreciation is charged so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, using the straight-line method, on the following bases:

| | |
|-------------------------|-----------------|
| Freehold land | not depreciated |
| Freehold property | 45 years |
| Long leasehold property | 45 years |
| Lifecycle property | 5 -12 years |

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss account accordingly.

e) **Intangible assets**
An intangible asset is recognised on the acquisition of service concession arrangements and represents the rights to future profits on the service element of these concessions. This intangible is initially recognised at fair value and is subsequently amortised over the period of service concession, ending on 31 July 2028.

At each balance sheet date, the Director's review the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

f) **Taxation**
Current tax, including United Kingdom Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS 19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

g) **Interest rate swaps**
Due to the nature of PFI projects, it is important that financial risks are hedged at the inception of the project. Therefore the Group has fixed the interest rate on its debt by funding the project with a variable rate bank loan which is fully swapped to a fixed interest rate at the inception of the project.

h) **Borrowing costs**
Borrowing costs directly attributable to the acquisition of qualifying assets are added to the cost of those assets, until such time as they are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the financial statements for the year ended 31 December 2013

1 ACCOUNTING POLICIES (continued)

i) Going concern

The financial statements are prepared on the going concern basis for reasons stated in the Directors' Report.

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss on ordinary activities before taxation of the Group are attributable to the principal activity of the Group, all of which was carried out in the United Kingdom.

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| The loss on ordinary activities before taxation is arrived at after charging: | | |
| Depreciation | 787 | 737 |
| Amortisation of intangible assets | 1,441 | 1,445 |
| Fees payable to the Group's auditor for the audit of the Group's annual accounts | 8 | 8 |
| Fees payable to the Group's auditor for the audit of fellow group undertakings annual accounts | 2 | 2 |
| | <u>2,238</u> | <u>2,192</u> |

The audit fee for Equitix Healthcare (Leeds) Holdings Limited of £1,500 (2012: £1,500) has been borne by Leeds PFI SPV 2 Limited, who will not seek any compensation from the Company.

3 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Group during the period (2012: £nil). The Group is managed by secondees from a related party under a management services contract. No recharge for Directors' services rendered has been made during the period (2012: £nil).

4 STAFF NUMBERS

The Group had no employees during the period (2012: none).

5 NET INTEREST PAYABLE

| | 2013 £'000 | 2012 £'000 |
|---|----------------|----------------|
| Interest payable and similar charges | | |
| Interest payable to parent undertakings | (2,671) | (2,654) |
| Senior loan interest | (665) | (817) |
| Interest payable on interest rate swaps | (1,634) | (1,640) |
| Amortised debt issue costs | (59) | (57) |
| | <u>(5,029)</u> | <u>(5,168)</u> |
| Net interest payable | <u>(5,029)</u> | <u>(5,168)</u> |

Notes to the financial statements for the year ended 31 December 2013

| | | |
|---|--------------|--------------|
| 6 TAX ON LOSS ON ORDINARY ACTIVITIES | 2013 | 2012 |
| Taxation is based on the loss for the year and comprises of: | £'000 | £'000 |
| UK corporation tax at a rate of 23.25% (2012: 24.5%) of taxable loss: | | |
| Current Taxation | - | - |
| Deferred taxation | - | - |
| Total tax charge | - | - |

Factors affecting the tax charge for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

| | | |
|--|----------------|----------------|
| Loss on ordinary activities before tax | (1,669) | (1,334) |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%) | (388) | (327) |
| Effects of: | | |
| Depreciation in excess of capital allowances | 97 | 90 |
| Timing differences in respect of intangible assets | 97 | 104 |
| Losses not utilised | 193 | 133 |
| Total current tax charge for the year | - | - |

A deferred tax asset of £547,707 (2012: £308,791) has not been recognised due to the uncertainty in respect of future profits. The maximum tax losses potentially available to the Group are approximately £5.0m (2012: £4.2m).

7 FIXED ASSET INVESTMENTS

Company Only
Investment in
subsidiary
undertakings
£'000

As at 1 January 2013 and 31 December 2013

27,175

On 13 February 2009 the Company acquired all issued ordinary share capital of Leeds PFI SPV 2 Limited and subscribed to £27,175,000 of subordinated debt in the same subsidiary; this loan has a fixed interest coupon of 9.51%.

8 INTANGIBLE ASSETS

| | |
|--|---------------|
| | Group |
| | 2013 |
| | £'000 |
| Cost | |
| At 1 January 2013 and 31 December 2013 | 25,563 |
| Accumulated Amortisation | |
| At 1 January 2013 | 3,089 |
| Charge for the year | 1,441 |
| At 31 December 2013 | 4,530 |
| Net Book Value | |
| At 31 December 2013 | 21,032 |
| At 31 December 2012 | 22,474 |

The intangible asset recorded represents the value of the future service concession profits and arose upon acquisition of the other assets acquired from Accent Foundation Ltd on 13 February 2009. This intangible asset is amortised over the period of service concession, ending on 31 July 2028.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LTD

Notes to the financial statements for the year ended 31 December 2013

9 TANGIBLE FIXED ASSETS

| | |
|---------------------------------|--|
| | Group 2013 Land and buildings £'000 |
| Cost | |
| At 1 January 2013 | 29,613 |
| Additions | <u>232</u> |
| At 31 December 2013 | 29,845 |
| Accumulated depreciation | |
| At 1 January 2013 | 2,749 |
| Charge for the year | <u>787</u> |
| At 31 December 2013 | 3,536 |
| Net book value | |
| At 31 December 2013 | <u>26,309</u> |
| At 31 December 2012 | <u>26,864</u> |

10 DEBTORS

| | Group 2013 £'000 | Group 2012 £'000 | Company 2013 £'000 | Company 2012 £'000 |
|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Due within than one year | | | | |
| Amounts owing from subsidiary | - | - | 1,124 | 980 |
| Trade debtors | 809 | 838 | - | - |
| Prepayments and accrued income | <u>1,112</u> | <u>1,650</u> | <u>-</u> | <u>-</u> |
| | <u>1,921</u> | <u>2,488</u> | <u>1,124</u> | <u>980</u> |

11 CASH AT BANK AND IN HAND

| | Group 2013 £'000 | Group 2012 £'000 |
|-----------------------|---------------------------------|---------------------------------|
| Recourse | 613 | 475 |
| Non - recourse | <u>6,133</u> | <u>5,744</u> |
| | <u>6,746</u> | <u>6,219</u> |

Included in the non-recourse accounts are amounts held on reserve as stipulated in the Facilities agreement. Included in the recourse account is the operating balance at year end.

12 CREDITORS

| | Group 2013 £'000 | Group 2012 £'000 | Company 2013 £'000 | Company 2012 £'000 |
|-------------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Due within one year | | | | |
| Interest accruals | 559 | 612 | - | - |
| Bank loan | 2,000 | 1,862 | - | - |
| Trade creditors | 1,513 | 1,617 | - | - |
| VAT creditor | 366 | 266 | - | - |
| Amounts owed to parent undertaking | 1,124 | 1,042 | 1,122 | 1 |
| Amounts owing to subsidiary | - | - | 2 | - |
| Accruals and deferred income | <u>1,177</u> | <u>578</u> | <u>-</u> | <u>-</u> |
| | <u>6,739</u> | <u>5,975</u> | <u>1,124</u> | <u>1</u> |
| Due after more than one year | | | | |
| Amounts owing to parent undertaking | 27,175 | 27,175 | 27,175 | 27 |
| Bank loan | 23,790 | 25,730 | - | - |
| Deferred income | <u>3,658</u> | <u>2,851</u> | <u>-</u> | <u>-</u> |
| | <u>54,623</u> | <u>55,756</u> | <u>27,175</u> | <u>27</u> |

Notes to the financial statements for the year ended 31 December 2013

12 CREDITORS (continued)

| Analysis of Bank Loans | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Bank loans can be analysed as falling due: | | |
| In one year or less | 2,000 | 1,862 |
| Between one and two years | 2,149 | 2,000 |
| Between two and five years | 7,453 | 6,936 |
| In five years or more | 14,483 | 17,150 |
| | <u>26,086</u> | <u>27,948</u> |
| Unamortised debt arrangement fees | (297) | (356) |
| | <u>25,790</u> | <u>27,591</u> |

Deferred unitary charge provided for in the financials statements is set out below:

| | 2013 £'000 |
|-----------------------------------|---------------|
| Opening balance liability | 2,851 |
| Credit to profit and loss account | 807 |
| Closing balance liability | <u>3,658</u> |

Deferred income relates to a provision for a period in the future in which the Group shall continue to provide maintained facilities to the Leeds Partnership NHS Foundation Trust without the receipt of any unitary income. The Group provides for this free period throughout the concession term leading up to that period on a straight-line basis calculated on forecast full unitary.

13 LOANS

The Group has one bank loan of £25,789,506 (2012 :£27,591,478) net of deferred financing fees of £296,544 (2012: £356,158); repayments of this loan commenced in March 2009 and will continue until September 2022. The loan is secured by a charge over certain of the Group's properties and assets. Interest has a floating rate of LIBOR +2.23 % however, this is fixed at 6.70% via an interest rate swap agreement facilitated by National Australia Bank PLC. This has a fair value at 31 December 2013 of a liability of £8,718,108 (2012 : £8,718,108).

The subordinated debt is a back to back arrangement with the subsidiary and the terms of the loan notes in the company are the same. This loan has a fixed interest rate of 9.51% until March 2024 at which point it is increased to 10.51% to March 2028. After this point the interest rate is increased to 10.68% until repayment in a single instalment in September 2053.

14 CALLED UP SHARE CAPITAL

| | Group 2013 £'000 | Group 2012 £'000 |
|---|-----------------------------------|-----------------------------------|
| Allotted, called up and fully paid: 2 Ordinary Shares at £1 each | - | - |
| | <u>Company 2013 £'000</u> | <u>Company 2012 £'000</u> |
| Allotted, called up and fully paid: 100 Ordinary Shares at £1 each | - | - |

15 MOVEMENT IN RESERVES

| | Group £'000 | Company £'000 |
|----------------------------|----------------|------------------|
| At 1 January 2013 | (3,687) | - |
| Retained loss for the year | (1,669) | - |
| At 31 December 2013 | <u>(5,356)</u> | <u>-</u> |

Notes to the financial statements for the year ended 31 December 2013

16 RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDER'S FUNDS

| | 2013 £'000 | 2012 £'000 |
|-------------------------------|----------------|----------------|
| Loss for the period | (1,669) | (1,334) |
| Opening shareholder's deficit | (3,687) | (2,353) |
| Closing shareholder's deficit | <u>(5,356)</u> | <u>(3,687)</u> |

17 TRANSACTIONS WITH RELATED PARTIES

As a 100% subsidiary of the Equitix Fund I LP Group, the Company has taken advantage of exemptions available in Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Group.

18 ULTIMATE PARENT

The Company's immediate parent company is Equitix Healthcare Limited; the Company's ultimate parent and controlling entity is Equitix Fund I LP, a limited partnership registered in England and Wales.

19 NOTES TO THE CASH FLOW STATEMENT

Analysis of net debt

| | At 1 January 2013 £'000 | Cash flows £'000 | Non cash £'000 | At 31 December 2013 £'000 |
|--------------------------------|-------------------------------|---------------------|-------------------|------------------------------------|
| Cash at bank and in hand | <u>6,219</u> | <u>527</u> | <u>-</u> | <u>6,746</u> |
| | 6,219 | 527 | - | 6,746 |
| Debt due within one year | (1,862) | 1,862 | (2,000) | (2,000) |
| Debt due in more than one year | <u>(52,905)</u> | <u>-</u> | <u>1,940</u> | <u>(50,965)</u> |
| | (54,767) | 1,862 | (60) | (52,965) |
| Net debt | <u>(48,548)</u> | <u>2,389</u> | <u>(60)</u> | <u>(46,219)</u> |