

Company Registration No. 06800540 (England and Wales)

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

COMPANY INFORMATION

Directors	C Douglass P J Harding	(Appointed 14 April 2021) (Appointed 15 October 2021)
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Secretary	J L Fowler
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Company number	06800540
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Registered office	C/O EMS Ltd 2nd Floor Toronto Square Toronto Street Leeds West Yorkshire United Kingdom LS1 2HJ
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Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
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EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

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EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Business review

The group is contracted by Leeds Partnerships NHS Foundation Trust to provide maintained mental health facilities in Leeds. Facilities management services are subcontracted to Mitie FM 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 subcontractor.

Principal risks and uncertainties

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.

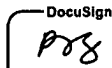
The directors have considered the stability of financial counterparties to this project during the operational phase and have concluded that all financial counterparties have the ability to meet all contractual obligations associated to the senior lending facilities.

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.

Key performance indicators

The key performance indicators for the group are that the group suffered minimal unavailability or service deductions during the year and 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.

On behalf of the board

DocuSigned by:

.....ACTB52640990473.....

P J Harding
Director

24/06/22
Date:

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

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 Partnerships 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 held office during the year and up to the date of signature of the financial statements were as follows:

R D Knight	(Resigned 14 April 2021)
P A Would	(Resigned 14 April 2021)
C Douglass	(Appointed 14 April 2021)
A Thakrar	(Appointed 14 April 2021 and resigned 15 October 2021)
P J Harding	(Appointed 15 October 2021)

Results and dividends

The results for the year are set out on page 9.

A dividend was paid in the year of £Nil (2020: £Nil).

Qualifying third party indemnity provisions

The directors have qualifying third party indemnity provisions put in place through other companies of which they are also directors.

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 2021 were equivalent to 40 days' purchases (2020: 54 days), based on the average daily amount invoiced by suppliers during the year.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Covid-19 & going concern

The group's forecasts and projections, taking into account 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.

In the annual review of the group's going concern, the directors have considered the long term impact of the corona virus, COVID-19, pandemic. Recent Government Procurement Policy Note sets out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current COVID-19 outbreak confirming that the suppliers will continue to be paid as normal. The group has entered into long-term contracts with its customer and suppliers, and after careful review of these contracts the directors are confident that the group can operate as normal for the next twelve months. The directors have committed to carrying out regular reviews of the group's cash flows to monitor the ongoing situation.

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 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 group and company, 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

DocuSigned by:

AQ185E2640550473.....

P J Harding

Director

24/06/22

Date:



UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

Opinion

We have audited the financial statements of Equitix Healthcare (Leeds) Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's 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.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group's and parent 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.



UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

Other information.

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception.

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

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 parent 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.

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.

Based on our understanding of the group and the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the group and the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence, including correspondence with legal advisors, enquiries of management and review of the financial model and related audit reports in so far as they relate to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.



UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

A handwritten signature in black ink, appearing to read 'M Waterman'.

Marc Waterman (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Date: 27th June 2022

Chartered Accountants
Statutory Auditor

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Turnover	3	17,698	12,863
Cost of sales		(11,623)	(7,367)
Gross profit		6,075	5,496
Administrative expenses		(2,480)	(2,480)
Operating profit	4	3,595	3,016
Interest receivable and similar income	7	3,416	3,061
Interest payable and similar expenses	8	(3,923)	(4,069)
Profit before taxation		3,088	2,008
Tax on profit	9	(85)	(312)
Profit for the financial year		3,003	1,696
Other comprehensive income			
Cash flow hedges gain/(loss) arising in the year		1,636	(331)
Tax relating to other comprehensive income		(237)	63
Total comprehensive income for the year		4,402	1,428

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 16 to 33 form part of these financial statements.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED**GROUP BALANCE SHEET****AS AT 31 DECEMBER 2021**

		2021		2020	
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	10		9,495		10,937
Current assets					
Debtors falling due after more than one year	13	36,699		32,098	
Debtors falling due within one year	13	1,950		2,101	
Cash at bank and in hand		4,689		5,700	
		<u>43,338</u>		<u>39,899</u>	
Creditors: amounts falling due within one year	14	<u>(10,612)</u>		<u>(8,047)</u>	
Net current assets			<u>32,726</u>		<u>31,852</u>
Total assets less current liabilities			<u>42,221</u>		<u>42,789</u>
Creditors: amounts falling due after more than one year	15		(50,998)		(55,968)
Net liabilities			<u>(8,777)</u>		<u>(13,179)</u>
Capital and reserves					
Hedging reserve			(925)		(2,324)
Profit and loss reserves			(7,852)		(10,855)
Total equity			<u>(8,777)</u>		<u>(13,179)</u>

The notes on pages 16 to 33 form part of these financial statements.

We, as directors of Equitix Healthcare (Leeds) Holdings Limited, state that:

(a) the company is availing itself of the exemption provided for by Chapter 15 of Part 6 of the Companies Act 2006;

(b) the company is availing itself of the exemption on the grounds that section 359 is complied with;

(c) no notice under subsection (1) of section 334 has, in accordance with subsection (2) of that section, been served on the company; and

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 24/06/22 and are signed on its behalf by:

DocuSigned by:



AC1892640930479:.....

P J Harding

Director

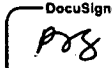
EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED**COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2021**

		2021		2020	
	Notes	£000	£000	£000	£000
Fixed assets					
Investments	11		35,152		35,152
Current assets					
Debtors	13	2,878		1,133	
Creditors: amounts falling due within one year	14	<u>(2,878)</u>		<u>(1,133)</u>	
Net current assets			-		-
Total assets less current liabilities			35,152		35,152
Creditors: amounts falling due after more than one year	15		<u>(27,175)</u>		<u>(27,175)</u>
Net assets			<u>7,977</u>		<u>7,977</u>
Capital and reserves					
Profit and loss reserves			<u>7,977</u>		<u>7,977</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £Nil (2019: £Nil).

The notes on pages 16 to 33 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24/06/22 and are signed on its behalf by:

DocuSigned by:

 AC1632640590479.....
P J Harding
Director

Company Registration No. 06800540

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED**GROUP STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Hedging reserve	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 January 2020	(2,056)	(12,551)	(14,607)
Year ended 31 December 2020:			
Profit for the year	-	1,696	1,696
Other comprehensive income:			
Cash flow hedges gains arising in the year	(331)	-	(331)
Tax relating to other comprehensive income	63	-	63
Total comprehensive income for the year	(268)	1,696	1,428
Balance at 31 December 2020	(2,324)	(10,855)	(13,179)
Year ended 31 December 2021:			
Profit for the year	-	3,003	3,003
Other comprehensive income:			
Cash flow hedges gains arising in the year	1,636	-	1,636
Tax relating to other comprehensive income	(237)	-	(237)
Total comprehensive income for the year	1,399	3,003	4,402
Balance at 31 December 2021	(925)	(7,852)	(8,777)

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Profit and loss reserves £000
Balance at 1 January 2020	7,977
Year ended 31 December 2020:	
Profit and total comprehensive income for the year	-
Balance at 31 December 2020	7,977
Year ended 31 December 2021:	
Profit and total comprehensive income for the year	-
Balance at 31 December 2021	7,977

The notes on pages 16 to 33 form part of these financial statements.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED**GROUP STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021		2020	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	21		2,878		5,120
Interest paid			(3,709)		(3,765)
Income taxes paid			(374)		(484)
Net cash (outflow)/inflow from operating activities			(1,205)		871
Investing activities					
Interest received		3,416		3,061	
Net cash generated from investing activities			3,416		3,061
Financing activities					
Repayment of borrowings		(214)		(304)	
Repayment of bank loans		(3,008)		(2,657)	
Net cash used in financing activities			(3,222)		(2,961)
Net (decrease)/increase in cash and cash equivalents			(1,011)		971
Cash and cash equivalents at beginning of year			5,700		4,729
Cash and cash equivalents at end of year			4,689		5,700

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Equitix Healthcare (Leeds) Holdings Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is C/O EMS Ltd 2nd Floor Toronto Square, Toronto Street, Leeds, West Yorkshire, United Kingdom, LS1 2HJ.

The group consists of Equitix Healthcare (Leeds) Holdings Ltd and all of its subsidiaries.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- 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;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated group financial statements consist of the financial statements of the parent company Equitix Healthcare (Leeds) Holdings Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The group's forecasts and projections, taking into account 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.

In the annual review of the group's going concern, the directors have considered the long term impact of the corona virus, COVID-19, pandemic. Recent Government Procurement Policy Note sets out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current COVID-19 outbreak confirming that the suppliers will continue to be paid as normal. The group has entered into long-term contracts with its customer and suppliers, and after careful review of these contracts the directors are confident that the group can operate as normal for the next twelve months. The directors have committed to carrying out regular reviews of the group's cash flows to monitor the ongoing situation.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Turnover

The assets of the group fall under Service Concession Arrangements by virtue of the fact that the public sector customer ("Grantor") passes both elements of the asset control test:

- i) The grantor controls the use of the asset via the project agreement and all service level requirements contained therein;
- ii) The grantor controls the entitlement to residual asset proceeds via an entitlement to purchase the asset prior to an offer to the open market which can be exercised at the Grantor's discretion.

Under section 34 of FRS 102, such assets should be capitalised into a financial asset attributed to the provision of services.

Pursuant to section 23 of FRS 102, revenue associated with the financial asset comprises service income related to facilities management, lifecycle maintenance and other administrative running costs of the group..

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed 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 reporting date, the Directors review the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

1.6 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Finance costs

Finance costs are charged to the profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.8 Borrowing costs

All borrowing costs are recognised in the profit or loss in the year in which they are incurred.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cashflows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Basic financial assets

Basic financial assets, which include debtors 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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 group 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.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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 group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group 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 group.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The Group uses variable to fixed interest rate swaps to manage its exposure to cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date.

1.14 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 profit and loss account 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 group'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 profit and loss account, 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 if, and only if, there is 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.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Concession arrangements

The concession arrangements undertaken by the group are considered to fall within the scope of section 34 of FRS 102 "Service Concession Arrangements", as described in the Turnover note. This judgement has been based on a consideration of the nature and terms of the agreements.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Financial Asset

The calculation of the amortised cost of the financial asset requires an estimate of the residual value of the properties at the end of the lease term. This estimate has been based on the residual value allocated to the contract based on an external valuation of the properties undertaken in 2013 and applied in the financial model.

Financial Asset Interest Rate

The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the Financial Asset on a quarterly basis. The interest rate used in 2021 is 9.70% (2020: 9.70%) per annum.

Service Margin

After the property is constructed, the group provides property management services. The remuneration for these services is recognised at cost plus an estimated mark up for profit on property management services. The service margin rate used in 2020 is 48.93% (2020: 58.89%) per annum.

3 Turnover and other revenue

	2021	2020
	£000	£000
Service revenue	17,698	12,863

All turnover arose within the United Kingdom.

4 Operating profit

	2021	2020
	£000	£000
Operating profit for the year is stated after charging:		
Amortisation of intangible assets	1,442	1,442

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

5 Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	14	10
	<u>14</u>	<u>10</u>

6 Directors' remuneration

No directors are employed directly by the group. A recharge is made for directors' services. The group had no employees during the period (2020: none).

7 Interest receivable and similar income

	2021	2020
	£000	£000
Bank interest receivable	-	5
Financial asset interest receivable	3,416	3,056
	<u>3,416</u>	<u>3,061</u>

8 Interest payable and similar expenses

	2021	2020
	£000	£000
Bank interest payable	1,064	1,178
Amortised debt issue costs	31	31
Interest payable to group undertakings	2,614	2,556
Amortised refinancing costs	214	262
	<u>3,923</u>	<u>4,069</u>

9 Taxation

	2021	2020
	£000	£000
Current tax		
UK corporation tax on profits for the current period	-	374
Adjustments in respect of prior periods	-	77
	<u>-</u>	<u>451</u>

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

(Continued)

	2021	2020
	£000	£000
Deferred tax		
Origination and reversal of timing differences	85	(139)
	<u>85</u>	<u>(139)</u>
Total tax charge	85	312
	<u>85</u>	<u>312</u>

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

	2021	2020
	£000	£000
Profit before taxation	3,088	2,008
	<u>3,088</u>	<u>2,008</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	587	382
Tax effect of expenses that are not deductible in determining taxable profit	2,607	2,582
Tax effect of income not taxable in determining taxable profit	(3,414)	(2,873)
Adjustments in respect of prior years	-	78
Depreciation on assets not qualifying for tax allowances	175	10
Deferred tax adjustments in respect of prior years	150	12
Timing differences not recognised	(20)	121
	<u>85</u>	<u>312</u>
Taxation charge	85	312
	<u>85</u>	<u>312</u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021	2020
	£000	£000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	237	(63)
	<u>237</u>	<u>(63)</u>

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Intangible fixed assets

Group	Intangible assets £000
Cost	
At 1 January 2021 and 31 December 2021	25,562
Amortisation and impairment	
At 1 January 2021	14,625
Amortisation charged for the year	1,442
At 31 December 2021	16,067
Carrying amount	
At 31 December 2021	9,495
At 31 December 2020	10,937

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

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 Limited on 13 February 2009. This intangible asset is amortised over the period of service of concession, ending on 31 July 2028.

11 Fixed asset investments

	Group		Company	
	2021	2020	2021	2020
Notes	£000	£000	£000	£000
Investments in subsidiaries	-	-	35,152	35,152

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

11 Fixed asset investments (Continued)

Movements in fixed asset investments	
Company	Shares in subsidiaries £000
Cost or valuation	
At 1 January 2021 and 31 December 2021	35,152
Carrying amount	
At 31 December 2021	35,152
At 31 December 2020	35,152

12 Financial instruments

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	38,181	33,376	n/a	n/a
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	1,233	2,869	-	-
Measured at amortised cost	60,033	60,425	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, accrued income and financial assets in respect of infrastructure assets.

Financial liabilities measured at amortised cost comprise bank loans, group loans, trade creditors, accruals and other creditors.

Derivative financial instruments designated as hedges of variable interest rate risk comprise an interest rate swap. The fair value of the interest rate swap has been determined by reference to prices available from the markets on which the instruments involved are traded.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

13 Debtors

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	88	-	(1)	-
Amounts owed by group undertakings	-	-	2,879	1,133
Prepayments and accrued income	1,439	1,357	-	-
	<u>1,527</u>	<u>1,357</u>	<u>2,878</u>	<u>1,133</u>
Deferred tax asset (note 17)	423	744	-	-
	<u>1,950</u>	<u>2,101</u>	<u>2,878</u>	<u>1,133</u>
Amounts falling due after more than one year:				
Amounts recoverable on L/T contracts	<u>36,699</u>	<u>32,098</u>	<u>-</u>	<u>-</u>
Total debtors	<u>38,649</u>	<u>34,199</u>	<u>2,878</u>	<u>1,133</u>

14 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£000	£000	£000	£000
Bank loans	16	3,580	3,254	-	-
Trade creditors		1,275	1,096	-	-
Corporation tax payable		-	373	-	-
Other taxation and social security		344	348	-	-
Other creditors		255	286	-	-
Accruals and deferred income		5,158	2,690	2,878	1,133
		<u>10,612</u>	<u>8,047</u>	<u>2,878</u>	<u>1,133</u>

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

15 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2021	2020	2021	2020
		£000	£000	£000	£000
Bank loans and overdrafts	16	23,269	26,849	-	-
Unamortised debt arrangement fees		(679)	(925)	-	-
Amounts owed to group undertakings	16	27,175	27,175	27,175	27,175
Cash flow hedge - interest rate swap		1,233	2,869	-	-
		<u>50,998</u>	<u>55,968</u>	<u>27,175</u>	<u>27,175</u>

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

Payable other than by instalments	27,175	27,175	-	-
	<u>27,175</u>	<u>27,175</u>	<u>-</u>	<u>-</u>

16 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loans	26,849	30,103	-	-
Unamortised debt arrangement fees	(679)	(925)	-	-
Amounts owed to group undertakings	27,175	27,175	27,175	27,175
	<u>53,345</u>	<u>56,353</u>	<u>27,175</u>	<u>27,175</u>
Payable within one year	3,580	3,254	-	-
Payable after one year	49,765	53,099	27,175	27,175
	<u>53,345</u>	<u>59,353</u>	<u>27,175</u>	<u>27,175</u>

During 2018 the group refinanced its term loan arrangements with the existing lender, extending the existing SWAP to cover the increased loan amount. The remaining unamortised arrangement fees on the old debt and unamortised refinancing costs have been disclosed in notes 15 and 16.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

16 Loans and overdrafts

(Continued)

The senior debt facility with National Australia Bank Limited consists of £36,402,000 with a floating interest rate of LIBOR + 1.10% however this is fixed at 2.631% via an interest rate SWAP agreement facilitated by National Australia Bank. The swap expires on 31 March 2027. The loan is repayable in instalments based on an agreed percentage amount of the total facility outstanding per annum, maturing in 2027.

After the balance sheet date, the project company signed agreements with the Lender and SWAP provider to transition the floating interest rates from LIBOR to SONIA. The SONIA rate will be determined five business days before the end of each calendar month, the transition will commence on 1st October 2022.

The group has one bank loan of £26,849k (2020: £30,103k) net of deferred financing fees of £679k (2020: £1,251k); The loan is secured by a charge over certain of the group's properties and assets. Issue costs of the debt are offset against the bank loan and will be amortised over the duration of the facilities.

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 2028.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets	Assets
	2021	2020
Group	£000	£000
Accelerated capital allowances	(466)	(242)
Tax losses	580	441
Revaluations	309	545
	<u>423</u>	<u>744</u>

The company has no deferred tax assets or liabilities.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

17 Deferred taxation

(Continued)

	Group	Company
	2021	2021
	£000	£000
Movements in the year:		
Asset at 1 January 2021	(744)	-
Charge to profit or loss	84	-
Charge to other comprehensive income	237	-
	<u> </u>	<u> </u>
Asset at 31 December 2021	(423)	-
	<u> </u>	<u> </u>

18 Share capital

	Group and company	
	2021	2020
	£000	£000
Ordinary share capital		
Allotted, called up and fully paid		
100 (2020 : 100) Ordinary shares of £1 each	-	-
	<u> </u>	<u> </u>

19 Related party transactions

During the year the group paid £47k (2020: £46k) to Equitix Healthcare Limited in relation to directors' fees. Equitix Healthcare Limited is a related party and owns 100% of issued ordinary share capital of Equitix Healthcare (Leeds) Holdings Limited.

20 Controlling party

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.

EQUITIX HEALTHCARE (LEEDS) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

21 Cash generated from group operations

	2021	2020
	£000	£000
Profit for the year after tax	3,003	1,696
Adjustments for:		
Taxation charged	85	312
Finance costs	3,923	4,069
Investment income	(3,416)	(3,061)
Amortisation and impairment of intangible assets	1,442	1,442
Movements in working capital:		
Increase in debtors	(4,771)	(192)
Increase in creditors	2,612	854
Cash generated from operations	2,878	5,120

22 Analysis of changes in net debt - group

	1 January	Cash flows	31 December
	2021		2021
	£000	£000	£000
Cash at bank and in hand	5,700	(1,011)	4,689
Borrowings excluding overdrafts	(56,353)	3,008	(53,345)
	<u>(50,653)</u>	<u>1,997</u>	<u>(48,656)</u>