

Registered number: 07466867

**PHP HEALTHCARE (HOLDINGS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



# **PHP HEALTHCARE (HOLDINGS) LIMITED**

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**PHP HEALTHCARE (HOLDINGS) LIMITED**

**COMPANY INFORMATION**

**Directors**

H A Hyman  
R Howell  
D C Austin

**Company secretary**

Nexus Management Services Limited

**Registered number**

07466867

**Registered office**

5th Floor Greener House  
66-68 Haymarket  
London  
England  
SW1Y 4RF

**Independent auditors**

Deloitte LLP  
Statutory auditor  
1 New Street Square  
London  
EC4A 3HQ

## **PHP HEALTHCARE (HOLDINGS) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006 (the "Act").

#### **Principal Activity and Business Review**

The principal activity of PHP Healthcare (Holdings) Limited ("the Company") during the year continued to be that of investment holdings.

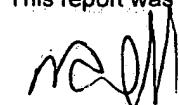
The Annual Report for the year ended 31 December 2018 of the Company's ultimate parent undertaking, Primary Health Properties PLC ("PHP"), contains a fair review of its business and that of its subsidiaries (the "Group") and an indication of future developments, as required by section 417 of the Act. It is incorporated into this report by reference.

On 8 May 2018, the Aviva £25m facility with PHP Investments No 1 Ltd, a subsidiary held indirectly by the Company, was amended and mortgage facilities of Health Investments Ltd were amended under one facility with the amendment having no material impact on the terms. The entire share capital of Health Investments Ltd was transferred from the ultimate parent undertaking, and controlling party, PHP to PHP Healthcare Investments (Holdings) Ltd, a subsidiary held directly by the Company.

#### **Financial Risk Management Objectives and Policies**

Details of the principal risks and uncertainties faced by the Company and the Group and their financial risk management objectives and policies are set out in the Annual Report of PHP, the ultimate parent undertaking.

This report was approved by the board on 27 June 2019 and signed on its behalf.



**R Howell**  
Director

## **PHP HEALTHCARE (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018. The Company is registered in England and Wales (company number: 07466867).

Disclosures required by section 416(4) of the Act which have been included in the Strategic Report on page as required by section 414C(11) of the Act include:

- Principal activity and business review; and
- Financial risk management objectives and policies.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £NIL (2017 - £52,396,394).

The Directors have recommended that no dividend should be declared or paid for the period (2017 - £52,396,940).

#### **Future developments**

No significant business developments are anticipated in the foreseeable future.

#### **Post balance sheet events**

There have been no significant events affecting the Company since the year end.

#### **Going concern**

Reference to the Company's continued adoption of the going concern basis in preparation of these financial statements is made in Note 1.5 page 12.

#### **Directors**

The Directors who served during the year were:

H A Hyman  
R Howell  
D C Austin

#### **Directors' and Officers' Liability Insurance**

PHP has procured Directors' and Officers' Liability Insurance for the benefit of its directors and directors of all of its subsidiaries. Such insurance was available throughout the period and remains in force at the date of this report. The cost of Directors' and Officers' Liability Insurance is met by another Group company.

## **PHP HEALTHCARE (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

#### **Auditors**

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

#### **Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

This report was approved by the board on 27 June 2019 and signed on its behalf.



**R Howell**  
Director

## **PHP HEALTHCARE (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHP HEALTHCARE (HOLDINGS) LIMITED**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of PHP Healthcare (Holdings) Limited (the "Company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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 Financial Reporting Council's (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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

## **PHP HEALTHCARE (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHP HEALTHCARE (HOLDINGS) LIMITED (CONTINUED)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

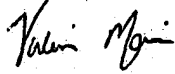


**PHP HEALTHCARE (HOLDINGS) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHP HEALTHCARE (HOLDINGS) LIMITED  
(CONTINUED)**

**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.



Valerie Main FCA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Statutory auditor  
1 New Street Square  
London  
EC4A 3HQ  
27 June 2019

**PHP HEALTHCARE (HOLDINGS) LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Dividend income received	6	-	52,396,394
<b>Profit before tax</b>		<u>-</u>	<u>52,396,394</u>
Taxation	7	-	-
<b>Profit for the financial year</b>		<u>-</u>	<u>52,396,394</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the income statement and hence a statement of comprehensive income has not been prepared.

The notes on pages 11 to 18 form part of these financial statements.

All of the activities of the Company are classes as continuing.

**PHP HEALTHCARE (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 07466867**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Non-current assets</b>			
Investment in subsidiary	8	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	9	32,777,244	58,832,143
		<u>32,777,244</u>	<u>58,832,143</u>
<b>Current liabilities</b>			
Trade and other payables	10	(32,777,790)	(58,832,689)
		<u>(546)</u>	<u>(546)</u>
<b>Net current liabilities</b>			
		<u>(546)</u>	<u>(546)</u>
<b>Net liabilities</b>			
		<u>(546)</u>	<u>(546)</u>
<b>Equity</b>			
Share capital	11	-	-
Retained earnings	12	(546)	(546)
		<u>(546)</u>	<u>(546)</u>
<b>Total equity attributable to the owners of the Company</b>		<u>(546)</u>	<u>(546)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2019.



**R Howell**  
**Director**

The notes on pages 11 to 18 form part of these financial statements.

**PHP HEALTHCARE (HOLDINGS) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	52,396,394	52,396,394
<b>Total comprehensive income for the year</b>	-	52,396,394	52,396,394
Dividends: Equity capital	-	(52,396,940)	(52,396,940)
<b>At 1 January 2018</b>	-	(546)	(546)
<b>Total comprehensive income for the year</b>	-	-	-
<b>At 31 December 2018</b>	-	(546)	(546)

The notes on pages 11 to 18 form part of these financial statements.

## **PHP HEALTHCARE (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The Company is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales in accordance with the Companies Act 2006. These financial statements are presented in Sterling because that is the currency of the primary economic environment in which the Company operates.

The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 3 to 4. The Company's registered office is detailed on page 1.

The following accounting policies have been applied consistently in the current year.

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

##### **1.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

##### **1.3 Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

##### **1.4 Investment in subsidiaries**

Investments in subsidiary undertakings are stated at cost in the Company's balance sheet less any provision for permanent impairment in value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## PHP HEALTHCARE (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1. Accounting policies (continued)

##### 1.5 Going concern

Having reviewed the Company's current position, cash flow projections, loan facilities and covenant cover the Directors have a reasonable expectation that the Company, together with the support of its ultimate parent, 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.

##### 1.6 Dividends

Equity dividends are recognised when they become legally payable or receivable. Interim equity dividends are recognised when paid or received. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### 1.7 Financial Instruments under IFRS9

###### *Trade receivables*

Trade receivables are recognised and carried at amortised cost as the Company's business model is to collect the contractual cash flows due from tenants. Provision is made based on the expected credit loss model which reflects on the Company's historical credit loss experience over the past three years but also reflects the lifetime expected credit loss.

###### *Cash and cash equivalents*

Cash and cash equivalents are defined as cash and short term deposits, including any bank overdrafts, with an original maturity of three months or less, measured at amortised cost.

###### *Trade and other payables*

Trade payables are recognised and carried at their invoiced value inclusive of any VAT that may be applicable.

###### *Bank loans and borrowings*

All loans and borrowings are initially measured at fair value less directly attributable transaction costs. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method. The interest due within the next twelve months is accrued at the end of the year and presented as a current liability within trade and other payables.

###### *Borrowing costs*

Borrowing costs that are separately identifiable and directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs the Company incurs in connection with the borrowing of funds.

## PHP HEALTHCARE (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1. Accounting policies (continued)

##### 1.8 Financial instruments under IAS39

###### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedging relationships as defined by IAS 39. Gains or losses on liabilities held for trading are recognised in the income statement.

###### *Other loans and payables*

Other loans and payables are non-derivative financial liabilities. Such liabilities are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and payables are de-recognised or impaired.

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are de-recognised or impaired.

##### 1.9 De-recognition of financial assets and liabilities

###### *Financial assets*

A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement;
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset; or
- when the cash flows are significantly modified.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

###### *Financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income.

When the exchange or modification of an existing financial liability is not accounted for as an extinguishment, any costs or fees incurred adjust the liability's carrying amount and are amortised over the modified liability's remaining term and any difference in the carrying amount after modification is recognised as a modification gain or loss.

## **PHP HEALTHCARE (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1. Accounting policies (continued)**

##### **1.10 Taxation**

The Company is a member of a UK Group REIT. Taxation on the profit or loss for the period not exempt under UK-REIT regulations comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised as direct movements in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

##### **1.11 Impact of new international reporting standards, amendments and interpretations**

###### **IFRS 9**

The Company has applied IFRS 9 from 1 January 2018, but will not restate comparatives on initial application. There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 January 2018.

###### **IFRS 15**

The Company has applied IFRS 15 from 1 January 2018 and will adopt the modified retrospective approach without restatement of comparatives.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The majority of the Company's income is from tenant leases and there is no material impact on rental income as a result of adopting the new standard. The main impact of IFRS 15 has been to show service charge income gross within rental income and service charge expense gross within direct property expenses. The cumulative effect before initial application of the standard is £NIL.

#### **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires management to make a number of estimates and judgements that affect the reported amounts of assets and liabilities and may differ from future actual results.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider there to be no specific significant accounting estimates and judgments to be applicable to the Company.



**PHP HEALTHCARE (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**3. Auditors' remuneration**

Auditors' remuneration for audit services and tax compliance for the current year have been borne by PHP, the ultimate parent undertaking. The following amount is applicable to the audit of the Company:

	2018 £	2017 £
Auditors' remuneration - audit	2,346	2,300

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**4. Employees**

The Company has no employees other than the Directors, who did not receive any remuneration (2017 - £NIL).

**5. Directors' remuneration**

PHP procures the services of directors to all of its subsidiary undertakings under an advisory agreement with Nexus Tradeco Limited, as disclosed in PHP's financial statements. The Directors of the Company have received no remuneration for their services to the Company during the year (2017 - £NIL)

**6. Income from investments**

	2018 £	2017 £
Dividends from investments in group undertakings	-	52,396,394

**7. Taxation**

	2018 £	2017 £
<b>Current tax:</b>		
UK Corporation tax	-	-
<b>Total current tax</b>	-	-

## PHP HEALTHCARE (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	-	52,396,394
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	-	10,086,306
Effects of:		
Non-taxable dividends	-	(10,086,306)
Group relief	-	5,162
Transfer pricing adjustments	-	(5,162)
Total tax charge for the year	-	-

##### Factors that may affect future tax charges

Finance Act No2 2015 included provisions to reduce the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 introduced further legislation to reduce the main rate of corporation tax to 17% from 1 April 2020 and these rates have therefore been used to measure deferred tax assets and liabilities where applicable.

#### 8. Investment in subsidiaries

Subsidiaries of the Company, all of which are 100% owned and incorporated in the UK, are listed below.

Subsidiaries held directly by the Company:

PHP Healthcare Investments (Holdings) Limited

Subsidiaries held indirectly by the Company:

PHP Investments No.1 Limited, PHP Investments No.2 Limited, Health Investments Limited and Motorstep Limited

The principal activity of the Company's subsidiaries is investment holdings. The Directors have considered that there has been no impairment in the carrying value of the investments. See Note 15 regarding post balance sheet events in relation to subsidiaries.

The registered office of each of the Company's subsidiaries is 5th Floor, Greener House, 66-68 Haymarket, London, SW1Y 4RF.

**PHP HEALTHCARE (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. Trade and other receivables**

	2018 £	2017 £
Amounts owed by group undertakings	32,777,244	58,832,143
	<u>32,777,244</u>	<u>58,832,143</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

**10. Trade and other payables**

	2018 £	2017 £
Amounts owed to group undertakings	32,777,790	58,832,689
	<u>32,777,790</u>	<u>58,832,689</u>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

**11. Share capital**

	2018 £	2017 £
Issued, allotted and fully paid		
1 (2017 - 1) Ordinary share of £0.01	-	-
	<u>-</u>	<u>-</u>

**12. Retained earnings**

	2018 £
As at 1 January	(546)
As at 31 December	<u>(546)</u>

**13. Related party transactions**

The Company has taken advantage of the exemption available in FRS 101 not to disclose transactions with other members of the Group on the basis that 100% of voting rights are controlled within the Group. The consolidated financial statements in which the Company is included are publicly available.

**PHP HEALTHCARE (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**14. Controlling party**

The immediate and ultimate parent undertaking and the controlling party is Primary Health Properties PLC ("PHP"). PHP's registered address is 5th Floor, Greener House, 66-68 Haymarket, London, SW1Y 4RF.

The parent undertaking of the smallest and largest group of undertakings for which Group financial statements are drawn up and of which the Company is a member is PHP. Copies of the financial statements of PHP can be obtained from Companies House or the Company Secretary or downloaded from [www.phpgroup.co.uk](http://www.phpgroup.co.uk).

**15. Post balance sheet events**

There have been no significant events affecting the Company since the year end.