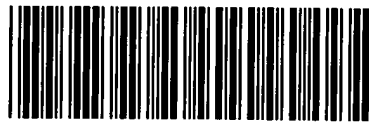


ASSURA PCP UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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COMPANIES HOUSE

ASSURA PCP UK LIMITED

COMPANY INFORMATION

Directors
Orla Ball
Assura CS Limited
Jayne Cottam
Sarah Taylor (appointed 10 March 2023)
Robert James (appointed 24 May 2022)
Owen Roach (appointed 21 August 2023)

Registered number 09588184

Registered office
3 Barrington Road
Altrincham
England
WA14 1GY

Independent auditors
Ernst & Young LLP
Statutory Auditor
Citygate
St James' Boulevard
Newcastle Upon Tyne
NE1 4JD

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing 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 United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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.

Principal activity

The principal activity of the Company is to act as a property development and investment company

Results and dividends

The results for the year ended 31 March 2023 and financial position of the Company are as shown in the statement of comprehensive income and the balance sheet.

The loss for the year, after taxation, amounted to £1,816,076 (2022 - loss £561,033).

The directors have not declared a dividend for the year ended 31 March 2023 to its parent company, Assura Financing plc (2022: same).

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Directors

The directors who served during the year were and thereafter:

Orla Ball
Assura CS Limited
Jayne Cottam
Sarah Taylor (appointed 10 March 2023)
Robert James (appointed 24 May 2022)
Patrick Lowther (resigned 1 April 2023)
Simon Oborn (resigned 24 November 2022)
Owen Roach (appointed 21 August 2023)

Principal risks and uncertainties

Price risk

Price risk arises on rental values because of changes in property market prices. Valuations and yields are regularly benchmarked against comparable portfolios.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. In the event of a default by an occupational tenant, the Company will suffer a rental income shortfall and incur additional costs, including legal expenses in maintaining, insuring and re-letting property. Most of the Assura plc groups' property is let on a long lease basis to NHS backed tenants.

Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments. Investments in property are relatively illiquid, however, the Company has tried to mitigate this risk by investing in desirable properties which are well let to GPs and NHS Property Services. In order to progress its property investment and development programme, the Company needs access to bank and equity finance, both of which may be difficult to raise notwithstanding the quality, long lease length, NHS backing and diversity of its property portfolio. To counteract this risk a letter of support has been obtained from Assura plc, given that group financing is dealt with centrally.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on any variable rate debt.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to its cash deposits and the financing it receives from the Assura plc group to fund its operations. The Group's policy is to manage interest cost using fixed rate debt or by interest rate swaps. The majority of the Group's long-term facilities are at fixed rates of interest.

The current geopolitical and economic climate

The current geopolitical and economic climate has been considered with specific reference to the conflict between Russia and Ukraine and the high inflationary environment. To mitigate this risk, the Company is monitoring the impact of these factors and already has contingency plans in place where relevant. The impact to the Company is not deemed to be material.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Climate related risks

In preparing the financial statements, management has considered the impact of climate change, and the possible impact of climate-related business risks. No material issues were identified that would impact the carrying values of the Company's assets or liabilities, or have any other material impact on the financial statements.

Future developments

The Company intends to continue to rent out its investment properties to GPs and other healthcare organisations.

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

Going concern

The directors have prepared the accounts on a going concern basis notwithstanding the Company has net current liabilities of £31,697,108 (2022: £32,646,032).

The directors have received confirmation that Assura plc ("Assura"), the Company's holding company, will continue to provide the necessary level of support to enable it to continue to operate until 30 September 2024. In considering the ability of Assura to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate including the impact of COVID-19, Brexit and the war in Ukraine the directors have obtained an up to date understanding of Assura's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Additional details surrounding these uncertainties and mitigating actions can be found in the financial statements for Assura plc which can be found on the company's website www.assurapl.com.

Taking all these factors into account the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and therefore they continue to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

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

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

Jayne Cottam

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Jayne Cottam
Director

Date: 13 September 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSURA PCP UK LIMITED

Opinion

We have audited the financial statements of Assura PCP UK Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 13, including a summary of 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 company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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 company's ability to continue as a going concern until 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 the other information, we are required to report that fact.

ASSURA PCP UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSURA PCP UK LIMITED (CONTINUED)

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 the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors report and from the requirement to present a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSURA PCP UK LIMITED (CONTINUED)

and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and tax legislation. In addition, the company has to comply with laws relating to its operations including General Data Protection Regulation (GDPR).

- We understood how the Company is complying with those frameworks by making enquiries of management, those charged with governance, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by obtaining and reading Company policies and holding enquiries of management and those charged with governance. We considered the programmes and controls that the company has established to address the risks identified, or that otherwise prevent, deter or detect fraud, and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition and investment properties detailed below and the testing of manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.
 - In respect of investment properties, we obtained the valuation reports for the investment property portfolio for the Assura plc group directly from the third-party valuers and agreed these to the general ledger. We involved our internal specialists to support the audit procedures. This involved: meeting with the external valuers to understand methodology and assumptions applied; assisting in determining criteria to categorise the full investment property portfolio of the Assura plc group into low risk, higher risk and significant risk assets, this was then used by the audit team to calculate an expected range for the year end valuation of low and high-risk assets based on market data; significant risk assets within the overall portfolio were independently assessed by the EY valuations specialists who determined an expected range for each of these properties; and the specialists provided expected yield ranges for every property in the overall portfolio which was utilised in the analytics tool to compare the expected value by property to the actual value at the year end, outliers were then investigated. We tested a sample of input data used by the external specialists by agreeing inputs to lease agreements and subsequent rent review documentation.
 - For the risk in respect of revenue recognition, we performed data analytics on the population of leases in the Company's portfolio which involved setting an expectation of rental income for every lease in every property and investigating differences between expectation and actual rental income that exceed our tolerance threshold. We tested a sample of input data provided by agreeing data from the system back to underlying lease information.
 - We have tested adjustments above a specific testing threshold on top-side journals recorded in the preparation of the financial statements to assess if these were reasonable.
 - We obtained the entire population of journals for the period, identifying specific transactions for further investigation based on certain risk criteria. We understood the transactions identified for testing and agreed them to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
 - Enquiry of management and those charged with governance as to any fraud identified or suspected in the period, any actual or potential litigation or claims or breaches of significant laws or regulations, applicable to the Company;
 - Auditing the risk of management override of controls, through enquiry of management as well as testing of a sample of journal entries based on certain risk criteria for appropriateness; and
 - Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSURA PCP UK LIMITED (CONTINUED)

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.

DocuSigned by:

Ernst and Young LLP

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Stephanie Beaumont (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

Newcastle Upon Tyne
13 September 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	1.4	1,967,505	737,452
Gross profit		1,967,505	737,452
Administrative expenses		(58,970)	-
Revaluation loss	7	(3,402,029)	(1,298,485)
Operating loss		(1,493,494)	(561,033)
Interest payable and similar expenses	5	(322,582)	-
Loss before tax		(1,816,076)	(561,033)
Tax on loss	6	-	-
Loss for the financial year		(1,816,076)	(561,033)

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 12 to 18 form part of these financial statements.

Loss for the year was derived from continuing operations.

**BALANCE SHEET
AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
Fixed assets			
Tangible Assets	7	29,320,000	32,085,000
		<u>29,320,000</u>	<u>32,085,000</u>
Current assets			
Debtors	8	110,233	98,419
		<u>110,233</u>	<u>98,419</u>
Creditors: amounts falling due within one year	9	(31,807,341)	(32,744,451)
Net current liabilities		<u>(31,697,108)</u>	<u>(32,646,032)</u>
Total assets less current liabilities		<u>(2,377,108)</u>	<u>(561,032)</u>
Net liabilities		<u>(2,377,108)</u>	<u>(561,032)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(2,377,109)	(561,033)
Total shareholder funds		<u>(2,377,108)</u>	<u>(561,032)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

5F5A937CD43E475...
Jayne Cottam
Director

Date: 13 September 2023

The notes on pages 12 to 18 form part of these financial statements.

ASSURA PCP UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	1	-	1
Comprehensive loss for the year			
Loss for the year	-	(561,033)	(561,033)
Total comprehensive loss for the year	-	(561,033)	(561,033)
At 31 March 2022	1	(561,033)	(561,032)
Comprehensive loss for the year			
Loss for the year	-	(1,816,076)	(1,816,076)
Total comprehensive loss for the year	-	(1,816,076)	(1,816,076)
At 31 March 2023	1	(2,377,109)	(2,377,108)

The notes on pages 12 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

Assura PCP UK Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales, and the address of the registered office is given on the company information page.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company's functional currency is considered to be the pound sterling. The accounts are presented in pound sterling rounded to the nearest pound.

The following principal accounting policies have been applied:

1.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Assura plc as at 31 March 2023 and these financial statements may be obtained from www.assurapl.com.

1.3 Going concern

The directors' have prepared the accounts on a going concern basis notwithstanding the Company has net current liabilities of £31,697,108 (2022: £32,646,032).

The directors have received confirmation that Assura plc ("Assura"), the Company's holding company, will continue to provide the necessary level of support to enable it to continue to operate until 30 September 2024. In considering the ability of Assura to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate including the impact of COVID-19, Brexit and the war in Ukraine the directors have obtained an up to date understanding of Assura's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)**1.3 Going concern (continued)**

Additional details surrounding these uncertainties and mitigating actions can be found in the financial statements for Assura plc which can be found on the company's website www.assurapl.com.

Taking all these factors into account the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and therefore they continue to adopt the going concern basis in preparing the financial statements.

1.4 Turnover

Turnover which is all generated in the UK relates primarily to rental income. Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease and is shown net of VAT.

1.5 Taxation

Current tax is expected tax payable on any non-REIT (Real Estate Investment Trust) taxable income for the period and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are not taxable (or tax deductible).

1.6 Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

1.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Any Surplus or deficit arising on revaluing investment properties and property under construction ("IPUC") is recognised in the Statement of Comprehensive Income.

All costs associated with the purchase and construction of IPUC are capitalised including attributable interest. Interest is calculated on the expenditure by reference to specific borrowings where relevant and otherwise on the average rate applicable to short-term loans. When IPUC are completed, they are classified as investment properties.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

1.9 Property valuation

The key source of estimation and uncertainty relates to the valuation of investment property, where a valuation is obtained twice a year from professionally qualified external valuers. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. However, the assumptions applied are inherently subjective and so are subject to a degree of uncertainty. The key judgements relate to the equivalent yield and the Estimated Rental Value (ERV) applied to each property. At an Assura Plc level, a 0.25% shift in equivalent yield would impact the property valuation by approximately £124m (2022: £153m). A 2% increase in ERV would impact the valuation by approximately £53.2m (2022: £54.8m). This company includes approximately 1.09% (2022: 1.17%) of the Group's investment property.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.10 Critical accounting judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Property valuation (see note 1.9) is considered the only key source of estimation uncertainty at the balance sheet date that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities disclosed in the financial statements. The directors do not consider there to be significant judgements applied with regard to the accounting policies adopted, other than in respect of property valuations as described above.

2. Operating profit

The audit fee for the year has been borne by a fellow group undertaking (2022: same). No non-audit fees have been incurred during the current or prior year.

3. Staff costs

There are no employees other than directors for the year ended 31 March 2023 nor for the year ended 31 March 2022.

4. Directors' Emoluments

The directors have been remunerated from a combination of Assura plc and Assura Property Management Limited during the year, but it is not practicable to allocate this between their services as executives of Assura plc and Assura Property Management Limited and their services as directors of Assura PCP UK Limited (2022: same).

5. Interest payable and similar expenses

	2023 £	2022 £
Loan interest intercompany	322,582	-
	<u>322,582</u>	<u>-</u>

6. Taxation

	2023 £	2022 £
Total current tax	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit before tax	(1,816,076)	(561,033)
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2022- 19%)	(345,054)	(106,596)
Effects of:		
Non-taxable income (REIT income)	345,054	106,596
Total tax charge for the year	-	-

Factors that may affect future tax charges

UK REIT election

The company as part of the Assura plc group has elected to be treated as a UK REIT. The UK REIT rules exempt the profits of the Group's property rental business from corporation tax. Gains on properties are also exempt from tax, provided they are not held for trading or sold in the three years post completion of development. All other gains and profits will be subject to UK corporation tax.

UK main rate of corporation tax

The increase to the main rate of corporation tax to 25% from April 2023 is not anticipated to have any impact on the company's tax charge due to its status as a UK REIT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Tangible assets

	Investment property £
Valuation	
At 1 April 2022	32,085,000
Additions at cost	637,029
Deficit on revaluation	(3,402,029)
At 31 March 2023	29,320,000

The 2023 valuations were made by Jones Lang LaSalle, on an open market value for existing use basis.

Valuations were carried out in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The historical cost of investment property included at valuation was £34,020,514 (2022: £33,383,485).

8. Debtors

	2023 £	2022 £
Trade debtors	79,061	-
Other debtors	31,172	98,419
	110,233	98,419

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	3,602
Amounts owed to parent	31,323,789	32,284,117
Other creditors	31,166	-
Accruals and deferred income	452,386	456,732
	31,807,341	32,744,451

Interest is charged on amounts owed to the parent company, Assura Financing Plc, in line with the average cost of interest incurred by that company and the group loan to value ratio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	1	1

There is only one class of shares, which hold no rights to a fixed income.

11. Related party transactions

The Company has taken advantage of the exemption conferred by section 33.1A of FRS 102 "Related Party Disclosures" not to disclose related party transactions on the grounds that 100% of the company's voting rights are controlled within the Assura plc group, and consolidated financial statements in which the company is included, are publicly available.

12. Post balance sheet events

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

13. Controlling party

The Company's and Parent's ultimate controlling party is Assura plc, a company incorporated in England. This is the largest group in which the results of the Company are consolidated. The smallest group in which the results of the company are consolidated is Assura Financing Plc. Copies of both group financial statements are available from Assura plc's registered office, 3 Barrington Road, Altrincham, England, WA14 1GY and also from the Group's Website www.assurapl.com.

At the date these financial statements were approved, the immediate parent was Assura Financing plc, a company incorporated in England whose registered office is the same as the company's.