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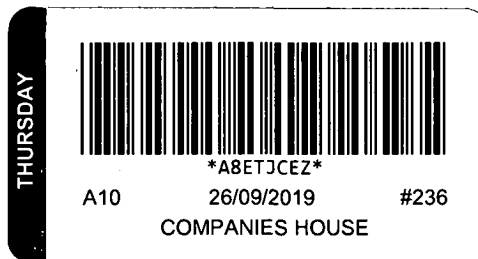
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**ASSURA FINANCING PLC (formerly Assura Financing Limited)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



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**ASSURA FINANCING PLC**

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**COMPANY INFORMATION**

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**Directors** Orla Ball  
Jonathan Murphy  
Jayne Cottam

**Registered number** 10023274

**Registered office** The Brew House  
Greenalls Avenue  
Warrington  
WA4 6HL

**Independent auditor** Deloitte LLP  
Statutory Auditor  
2 Hardman Street  
Manchester  
United Kingdom

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**ASSURA FINANCING PLC**

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**CONTENTS**

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	<b>Page</b>
<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Independent Auditor's Report</b>	<b>5 - 12</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>13</b>
<b>Consolidated Balance Sheet</b>	<b>14</b>
<b>Company Balance Sheet</b>	<b>15</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>16</b>
<b>Company Statement of Changes in Equity</b>	<b>17</b>
<b>Consolidated Statement of Cash Flows</b>	<b>18 - 19</b>
<b>Notes to the Financial Statements</b>	<b>20 - 32</b>

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## **ASSURA FINANCING PLC**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Introduction**

The directors present their strategic report for year ended 31 March 2019.

#### **Business review**

In the year to 31 March 2019, the Group recorded profit of £75.3m (2018: £62.8m) as a result of property revaluation gains of £18.9m (2018: £26.7m). Turnover for the year to 31 March 2019 was £83.7m (2018: £51.7m) leading, once revaluation gains have been added, to an operating profit of £92.3m (2018: £71.7m). Interest cost in the year to 31 March 2019 was £17.1m (2018: £9.0m).

On the 12 July 2018 the Group agreed a new £300m unsecured bond with a tenor of ten years at an interest rate of 3% per annum. This new bond along with the full year impact of facilities secured last year is the reason behind the increase in interest paid.

The Group currently owns medical centres with a value of £1,765.5m (2018: £1,525.2m). The Group grows its portfolio through acquisitions of completed medical centres, developing its own medical centres, forward funding other developer's medical centres or jointly developing facilities with other developers.

The Group currently owns 520 completed medical centres and has net assets at 31 March 2019 of £247.1m (2018: £196.8m).

All of these activities are undertaken for long-term retention of the properties by the Group. The Group's policy is to only undertake medical centre developments that are substantially pre-let with fixed price build contracts or those subject to a price ceiling and funding agreement in advance and where the Board is confident of achieving regular development gains going forward.

Demand for large modern, purpose built premises has been driven by the move from secondary (hospitals) care to primary and community care as encouraged by Government policy over recent years.

#### **Principal risks and uncertainties**

The Board regularly reviews all of the major existing risks; and newly identified risks, and the mitigation action for each major review.

##### **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 group. In the event of a default by an occupational tenant, the group will suffer a rental income shortfall and incur additional costs, including legal expenses in maintaining, insuring and re-letting the property. Most of the Group's property is let on a long lease basis to NHS backed tenants.

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## ASSURA FINANCING PLC

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### Liquidity risk

Liquidity risk is the risk that the group will encounter in realising assets or otherwise raising funds to meet financial commitments. Investments in property are relatively illiquid, however, the group has tried to mitigate this risk by investing in desirable properties that are let to GPs and NHS Property Services. In order to progress its property investment and development programme, the group 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.

### 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 repayments on any variable rate debt. The majority of the Groups' long-term facilities are at fixed rates of interest. See note 16 to the accounts for more details.

### Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash deposits and, as debt is utilised, long term, debt obligation. The Group's policy is to manage its interest cost using long-term debt and regularly monitoring and managing its refinancing profile and cash requirements. Where possible the Group chooses to take fixed interest rates and as a result the majority of the Group's long-term facilities are at fixed rates of interest.

### Principal activity

The principal activity of the group is to act as a property development and investment group and also as a holding company. The holding company is the primary borrower of the unsecured bond, revolving credit facility and private placement facilities which are unsecured facilities drawn against the value of properties in subsidiaries.

### Key performance indicators

Group KPIs of which Assura Financing Plc is a major constituent part:

- Weighted average unexpired lease length of 12.0 years (2018: 12.6 years)
- 85% of rent roll derived from NHS bodies (2018: 84%)

### Results and financial position

The results for the year ended 31 March 2019 and the financial position of the group are shown in the statement of comprehensive income and the balance sheet.

This report was approved by the board on 23 September 2019 and signed on its behalf.

  
Jayne Cottam  
Director

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## **ASSURA FINANCING PLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the consolidated 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £75,276,747 (2018: £62,791,355).

The directors have declared a dividend for the year ended 31 March 2019 of £25.0m which was paid to the parent company, Assura IH Ltd (2018: £nil).

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

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## **ASSURA FINANCING PLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Directors**

The directors who served during the year and thereafter were:

Orla Ball  
Jayne Cottam  
Jonathan Murphy (appointed 4 July 2018)  
Paul Carroll (resigned 4 July 2018)  
Patrick Lowther (resigned 4 July 2018)  
Simon Gould (resigned 4 July 2018)  
Assura CS Limited (resigned 4 July 2018)  
Spencer Kenyon (resigned 4 July 2018)

#### **Future developments**

The directors aim to continue to expand and develop the company's portfolio of letting properties to the National Health Service.

#### **Re-registration as a public limited company**

During the year the company converted to Assura Financing Plc following re-registration from a private to public limited company. This change enabled the issuance of the £300.0m unsecured bond in July 2019.

#### **Going concern**

After making enquiries, and on the basis set out in note 1, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Disclosure of information to auditor**

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.
  - This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.
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**ASSURA FINANCING PLC**

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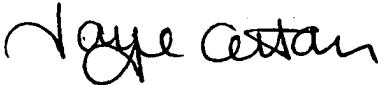
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Auditor**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 September 2019 and signed on its behalf.



**Jayne Cottam**  
Director



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## ASSURA FINANCING PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSURA FINANCING PLC

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

##### Opinion

##### In our opinion:

- the financial statements of Assura Financing plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102);
- the parent company financial statements have been properly prepared in accordance with FRS 102 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

##### We have audited the financial statements which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Balance Sheets;
- the Consolidated and Parent Company Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 Group and parent 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 as applied to listed entities, 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.

##### Summary of our audit approach

<b>Key audit matter</b>	The key audit matter that we identified in the current year was the valuation of the property portfolio excluding properties under development.
<b>Materiality</b>	The materiality applied in the current year was £4.9 million which was determined on the basis of 2% of net assets.

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## ASSURA FINANCING PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSURA FINANCING PLC

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#### Scoping

Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

#### 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 Group's or parent 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.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of property portfolio excluding properties under development

##### Key audit matter description



The company owns and manages a portfolio of 520 modern primary healthcare properties that are carried at fair value in the financial statements. The portfolio is valued at £1,766m as at 31 March 2019 and comprises the majority of the assets in the company's balance sheet.

The company uses professionally qualified external valuers, Savills and Jones Lang LaSalle (the "Valuers"), to fair value the company's portfolio at half-yearly intervals. The Valuers are engaged by the Directors and perform their work in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards. The Valuers used by the company are well-known firms and have considerable experience in the markets in which the company operates.

The valuation of the portfolio is inherently subjective and is underpinned by a number of assumptions. The existence of significant estimation uncertainty coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement on the income statement and balance sheet, warrants specific audit focus in this area.

In determining a property's valuation, the Valuers take into account property

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## ASSURA FINANCING PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSURA FINANCING PLC

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	<p>specific information such as current tenancy agreements and rental income attached to the asset. The portfolio (excluding development properties) is valued by the investment method of valuation. The key input into the valuation exercise is yield, which are influenced by prevailing market yields, comparable market transactions and the specific characteristics of each property in the portfolio.</p> <p>Valuation of property represents a key source of estimation uncertainty for the company, as described in the company's accounting policies in note 2. Further details are disclosed in note 10 to the financial statements.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>Given the inherent subjectivity involved in the valuation of investment properties, the need for deep market knowledge when determining the most appropriate assumptions, and the technicalities of a valuation methodology, we engaged our internal valuation experts (qualified chartered surveyors) to assist us in our audit of this key risk area. We also considered any potential effect of Brexit.</p> <p>We read the valuation reports for all properties and attended meetings with each of the Valuers. We confirmed that the valuation approach for each was in accordance with RICS guidance and suitable for use in determining the carrying value in the company balance sheet.</p> <p>We assessed the Valuers' qualifications and expertise and read their terms of engagement with the company to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We also considered other engagements which exist between the company and the Valuers.</p> <p>We carried out procedures, on a sample basis, to test whether property-specific data supplied to the Valuers by management reflected the underlying property records held by the company and which had been tested during our audit.</p> <p>We assessed management's process and control for reviewing and challenging the work of the external Valuers including management's experience and knowledge to undertake this activity. We observed discussions between management and the Valuers which evidenced that alternative assumptions and recent market transactions were considered and evaluated before the final valuation was determined.</p> <p>We compared the yields used by the Valuers to an estimated range of expected yields, determined via reference to published benchmarks, and to recent transactions. We also considered the reasonableness of other assumptions that are not so readily comparable to published benchmarks, such as Estimated Rental Value and void rates. Additionally, we evaluated year-on-year movements in capital value with reference to published benchmarks. Where assumptions were outside the expected range or otherwise deemed unusual, and/or valuations appeared to experience unexpected movements, we undertook further investigations and, where necessary, held further discussions with management and the Valuers in order to challenge the assumptions.</p> <p>We also considered the adequacy of the company's disclosures about the degree of the estimation and sensitivity to key assumptions made when valuing these properties disclosed in note 3.</p>
<b>Key observations</b>	<p>We found that the valuations and their underlying assumptions were supportable in light of available and comparable market evidence, and the</p>

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## ASSURA FINANCING PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSURA FINANCING PLC

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disclosures were appropriate.

#### Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
<b>Materiality</b>	£4.9m million	£1.78 million
<b>Basis for determining materiality</b>	2% of net assets	The parent company materiality represents 2% of net assets which is capped at 90% of Group materiality.
<b>Rationale for the benchmark applied</b>	In arriving at this judgement we had regard to the carrying value of the Group's assets, acknowledging that the primary performance measure of the company is the carrying value of investment property.	In arriving at this judgement we had regard to the carrying value of the company's assets, acknowledging that the primary performance measure of the company is the carrying value of investment property.

We agreed with the Directors that we would report all audit differences in excess of £245,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

#### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its internal and external environment. This included assessing Group-wide controls, assessing the risks of material misstatement at the Group level, and in particular looking at where the directors make subjective judgements, for example in respect of significant accounting estimates or adoption of accounting policies that are underpinned by a number of assumptions.

The Group is audited in its entirety by the Group audit team. Our audit work on the individual subsidiary entities was executed at levels of materiality applicable to each individual entity which

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## ASSURA FINANCING PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSURA FINANCING PLC

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were lower than Group materiality, and ranged between £0.05 million and £4.40 million. This results in full scope audit procedures performed on 100% of the Group's net assets. At the parent entity level we also tested the consolidation process and carried out analytical procedures to conclude that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

#### Other information

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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.

*We have nothing to report in respect of these matters.*

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.

#### Responsibilities of directors

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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 Group's and 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 Group or parent company or to cease operations, or have no realistic alternative but to do so.

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

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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

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## ASSURA FINANCING PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSURA FINANCING PLC

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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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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#### Report on other legal and regulatory requirements

#### Opinion on other matters prescribed by the Companies Act 2006

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

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

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

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*Adequacy of explanations received and accounting records*  
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

***We have nothing to report in respect of these matters.***

#### *Directors' remuneration*

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

***We have nothing to report in respect of this matter.***

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<b>ASSURA FINANCING PLC</b>
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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSURA FINANCING PLC**

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**Use of our report**

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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.

*Rachel Argyle*

Rachel Argyle (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom

25 September 2019

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**ASSURA FINANCING PLC**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Note	2019 £	2018 £
Turnover		83,716,307	51,734,772
Cost of sales		(3,245,024)	(1,838,434)
Gross profit		80,471,283	49,896,338
Administrative expenses		(7,118,155)	(4,855,564)
Revaluation gain		18,946,687	26,664,109
Operating profit		92,299,815	71,704,883
Interest receivable and similar income	6	27,758	38,105
Interest payable and expenses	7	(17,050,826)	(8,951,633)
Profit before taxation		75,276,747	62,791,355
Tax on profit	8	-	-
Profit for the financial year		<u>75,276,747</u>	<u>62,791,355</u>
Total comprehensive income for the year		<u>75,276,747</u>	<u>62,791,355</u>

All income is from continuing operations. The company has no recognised income or expenses for the years stated above. Accordingly, no separate statement of comprehensive income has been prepared.

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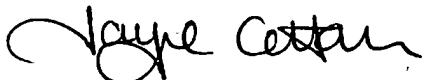


**ASSURA FINANCING PLC**  
**REGISTERED NUMBER: 10023274**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 restated £
<b>Fixed assets</b>			
Investment property	10	1,752,997,002	1,517,617,142
		<u>1,752,997,002</u>	<u>1,517,617,142</u>
<b>Current assets</b>			
Property costs work in progress	11	1,039,677	1,675,291
Assets held for sale	10	12,525,000	7,545,000
Debtors	12	11,214,862	9,132,694
Cash at bank and in hand	13	15,141,932	25,472,734
		<u>39,921,471</u>	<u>43,825,719</u>
Creditors: Amounts falling due in one year	14	(966,920,677)	(982,068,345)
<b>Net current liabilities</b>		<u>(926,999,206)</u>	<u>(938,242,626)</u>
<b>Total assets less current liabilities</b>		<u>825,997,796</u>	<u>579,374,516</u>
Creditors: amounts falling due after more than one year	15	(578,895,300)	(382,548,767)
<b>Net assets</b>		<u>247,102,496</u>	<u>196,825,749</u>
<b>Capital and reserves</b>			
Called up share capital	17	87,489,373	87,489,373
Profit and loss account		159,613,123	109,336,376
		<u>247,102,496</u>	<u>196,825,749</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2019



**Jayne Cottam**  
Director

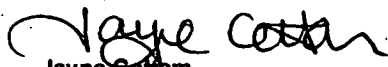
The notes on pages 14 to 26 form part of these financial statements.

**ASSURA FINANCING PLC**  
**REGISTERED NUMBER: 10023274**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	9	327,932,081	327,923,318
		<u>327,932,081</u>	<u>327,923,318</u>
<b>Current assets</b>			
Debtors	12	1,241,473,197	1,044,407,120
Cash at bank and in hand	13	8,206,208	9,767,086
		<u>1,249,679,405</u>	<u>1,054,174,206</u>
Creditors: amounts falling due within one year	14	(914,672,925)	(915,988,964)
<b>Net current assets</b>		<u>335,006,480</u>	<u>138,185,242</u>
<b>Total assets less current liabilities</b>		<u>662,938,561</u>	<u>466,108,560</u>
Creditors: amounts falling due after more than one year	15	(573,778,412)	(377,013,872)
<b>Net assets</b>		<u>89,160,149</u>	<u>89,094,688</u>
<b>Capital and reserves</b>			
Called up share capital	17	87,489,373	87,489,373
Profit and loss account		1,670,776	1,605,315
		<u>89,160,149</u>	<u>89,094,688</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2019

  
Jayne Cottam  
Director

The profit for the financial period dealt with in the financial statements of the parent Company was £25,065,461 (2018: £1,151,387).

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**ASSURA FINANCING PLC**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 April 2017</b>	<u><b>87,489,373</b></u>	<u><b>46,545,021</b></u>	<u><b>134,034,394</b></u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	62,791,355	62,791,355
<b>At 31 March 2018</b>	<u><b>87,489,373</b></u>	<u><b>109,336,376</b></u>	<u><b>196,825,749</b></u>
<b>At 1 April 2018</b>	<u><b>87,489,373</b></u>	<u><b>109,336,376</b></u>	<u><b>196,825,749</b></u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	75,276,747	75,276,747
Dividends paid	-	(25,000,000)	(25,000,000)
<b>At 31 March 2019</b>	<u><b>87,489,373</b></u>	<u><b>159,613,123</b></u>	<u><b>247,102,496</b></u>

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**ASSURA FINANCING PLC**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 April 2017</b>	<u><b>87,489,373</b></u>	<u><b>453,928</b></u>	<u><b>87,943,301</b></u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,151,387	1,151,387
<b>At 31 March 2018</b>	<u><b>87,489,373</b></u>	<u><b>1,605,315</b></u>	<u><b>89,094,688</b></u>
<b>At 1 April 2018</b>	<u><b>87,489,373</b></u>	<u><b>1,605,315</b></u>	<u><b>89,094,688</b></u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	25,065,461	25,065,461
<b>Dividends paid</b>	-	(25,000,000)	(25,000,000)
<b>At 31 March 2019</b>	<u><b>87,489,373</b></u>	<u><b>1,670,776</b></u>	<u><b>89,160,149</b></u>

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**ASSURA FINANCING PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	75,276,747	62,791,355
<b>Adjustments for:</b>		
Amortisation of loan issue costs	942,738	661,577
Interest capitalised on developments	(473,003)	(749,678)
Increase in debtors	(1,276,553)	(6,235,156)
(Decrease)/increase in creditors	(124,715,676)	20,549,769
Surplus on revaluation of investment property	(18,946,687)	(26,664,109)
<b>Net cash generated (used in)/generated from operating activities</b>	<u>(69,192,434)</u>	<u>50,353,758</u>
<b>Cash flows from investing activities</b>		
Purchase of investment properties	(125,116,156)	(195,660,811)
Proceeds from sale of investment property	6,482,000	-
Development expenditure	(18,326,014)	(28,260,305)
<b>Net cash used in investing activities</b>	<u>(136,960,170)</u>	<u>(223,921,116)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(130,000,000)	-
Loans drawn	328,367,136	180,000,000
Loan issue costs	(2,545,334)	(1,748,477)
<b>Net cash generated from in financing activities</b>	<u>195,821,802</u>	<u>178,251,523</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(10,330,802)</u>	<u>4,684,165</u>
 Cash and cash equivalents at beginning of year	 25,472,734	 20,788,569
<b>Cash and cash equivalents at the end of year</b>	<u><b>15,141,932</b></u>	<u><b>25,472,734</b></u>

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**ASSURA FINANCING PLC**

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**Cash and cash equivalents at the end of year comprise:**

Cash at bank and in hand	15,141,932	25,472,734
	<u>15,141,932</u>	<u>25,472,734</u>

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## ASSURA FINANCING PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 1. Going concern

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 for the foreseeable future. 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, the directors have obtained an 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 Assura plc financial statements for the year ended 31 March 2019.

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

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

Assura Financing Plc (the Company) is a company incorporated in the United Kingdom under the Companies Act. The Company is a public 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 unless otherwise specified within these accounting policies 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3). The Group has one operating segment.

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The parent 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 3 Financial Statement Presentation paragraph 3.17(d)
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A
- 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 2019 and these financial statements may be obtained from [www.assurapl.com](http://www.assurapl.com).

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## **ASSURA FINANCING PLC**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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

##### **2.3 Basis of consolidation**

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the Company financial statements, investments in subsidiaries are held at cost less any provision for impairment. In addition, the Company recognises dividend income when the rights to receive payment have been established (normally when declared and paid).

Where properties are acquired through the purchase of a corporate entity but the transaction does not meet the definition of a business combination, the purchase is treated as an asset acquisition. Where the acquisition is considered a business combination, the excess of the consideration transferred over the fair value of assets and liabilities acquired is held as goodwill, initially recognised at cost with subsequent impairment assessments completed at least annually.

##### **2.4 Revenue**

Turnover 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.

##### **2.5 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. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

Any surplus or deficit arising on revaluing investment properties and investment 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.

##### **2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.7 Financial instruments**

The Group only enters into basic financial instruments 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 non-puttable ordinary shares.

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## ASSURA FINANCING PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Consolidated 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 Group 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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<b>ASSURA FINANCING PLC</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2.8 Property costs work in progress**

Costs includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Property work in progress comprises costs incurred on property pre-acquisition and investment opportunities, including bid costs, which are capitalised when the transaction is virtually certain. Costs are written off to the statement of comprehensive income if the project becomes abortive. Costs are transferred to investment property if the opportunity results in the purchase of an income generating property. Costs are transferred to development property on acquisition of the land or development site.

**2.9 Taxation**

Current tax is expected tax payable on any non-REIT 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).

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reverted 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.

**2.10 Bank borrowings**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

**2.11 Prior year restatement**

In the prior period, deferred income in respect of pharmacy lease premiums was disclosed as a current liability. Due to an accounting policy change, a restatement to the prior period balance sheet has been made to reclassify an appropriate amount of pharmacy lease premium from a current to a non-current liability. As a result, £5,534,895 has been moved to non-current liabilities as at 31 March 2018; recorded as deferred income and accruals. There is no impact on the profit and loss or net asset position as at 31 March 2018.

**3. Judgments in applying accounting policies and key sources of estimation 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.

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**ASSURA FINANCING PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Property valuations**

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. Further details are provided in note 10 of the Assura Plc March 2019 Annual Reports and Accounts of which the properties owned by Assura Financing Plc and its subsidiaries represent approximately 88%.

**4. Auditor's remuneration**

The audit fee for the year has been borne by a fellow group undertaking. No non-audit fees have been incurred during the current year (2018: same).

**5. Employees**

The Group and Company have no employees other than the directors, who did not receive any remuneration (2018 - £nil).

The Directors have been remunerated from a combination of Assura plc and Assura Property Management Ltd during the year, but it is not practicable to allocate this between their services as executives of Assura plc and Assura Property Management Ltd and their services as Directors of Assura Financing plc and its subsidiaries.

**6. Interest receivable**

	2019 £	2018 £
Bank interest receivable	27,758	38,105
	<u>27,758</u>	<u>38,105</u>

**7. Interest payable and similar charges**

	2019 £	2018 £
Bank loans and private debt placement	16,527,783	9,039,206
Interest capitalised	(473,003)	(749,678)
Amortisation of loan issue costs	996,046	662,105
	<u>17,050,826</u>	<u>8,951,633</u>

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**ASSURA FINANCING PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**8. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
	-	-
	-	-
<b>Total current tax</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>75,276,747</u>	<u>62,791,355</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	14,302,582	11,930,357
<b>Effects of:</b>		
Non-taxable income (REIT income)	(14,302,582)	(11,930,357)
	-	-
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

Finance Act 2016 which was substantively enacted in September 2016 included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020, and Finance Act 2015 (No.2) which was substantively enacted in October 2015 included provisions to reduce the rate of corporation tax to 17% with effect to 1 April 2020.

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## ASSURA FINANCING PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### UK REIT election

The Group companies as part of the Assura plc Group have elected to be treated as a UK REIT. The UK REIT rules exempt the profits of companies of the Group 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.

#### 9. Fixed asset investments

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Assura Aspire Limited	Ordinary	100%	Property investment
Assura Aspire UK Limited	Ordinary	100%	Property investment
Trinity Medical Properties Limited	Ordinary	100%	Property investment
Malmesbury Medical Enterprises Limited	Ordinary	100%	Property investment
Assura Primary Care Properties Limited	Ordinary	100%	Property investment
Assura PCP UK Limited	Ordinary	100%	Dormant company
Assura CVSK Limited	Ordinary	100%	Dormant company
Metro MRM Limited	Ordinary	100%	Property investment
Metro MRH Limited	Ordinary	100%	Property investment
Park Medical Services Limited	Ordinary	100%	Property investment
Assura Trellech Limited	Ordinary	100%	Property investment
Assura HC Limited	Ordinary	100%	Property investment
Assura HC UK Limited	Ordinary	100%	Property investment
Assura Health Investments Limited	Ordinary	100%	Property investment
Newton Healthcare Limited	Ordinary	100%	Property investment
Pentagon HS Limited	Ordinary	100%	Property investment
Donnington Healthcare Limited	Ordinary	100%	Property investment
Abbey Healthcare Property Investments Limited	Ordinary	100%	Dormant company
Abbey Healthcare Group Limited	Ordinary	100%	Dormant company
SPCD Silsden Limited	Ordinary	100%	Dormant company
Assura (GHC) Limited	Ordinary	100%	Property investment

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**ASSURA FINANCING PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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Assura Medical Centres Limited	Ordinary	100%	Property investment
Medical Properties Limited	Ordinary	100%	Property investment
Metro MRI Limited	Ordinary	100%	Property investment
Assura (SC1) Limited	Ordinary	100%	Property investment
Assura (SC2) Limited	Ordinary	100%	Property investment
SJM Developments Limited	Ordinary	100%	Property investment

The registered office of all subsidiaries is The Brew House, Greenalls Avenue, Warrington, WA4 6HL.

Company	Investments in subsidiaries
	£
As at 1 April 2018	327,923,318
Additions	8,763
As at 31 March 2019	<u>327,932,081</u>

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## ASSURA FINANCING PLC

### SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

#### 10. Investment property

##### Group

	Investment property 2019 £	Investment property under construction 2019 £	Assets held for sale 2019 £	Total 2019 £
As at 1 April 2018	1,496,156,604	21,460,538	7,545,000	1,525,162,142
Additions	125,116,156	18,326,014	-	143,442,170
Interest capitalised	-	473,003	-	473,003
Disposals	(6,482,000)	(170,000)	-	(6,652,000)
Surplus on revaluation	17,451,710	1,494,977	-	18,946,687
Transfers intra group	84,150,000	-	-	84,150,000
Transfer between classes	16,880,000	(21,860,000)	4,980,000	-
As at 31 March 2019	<u>1,733,272,470</u>	<u>19,724,532</u>	<u>12,525,000</u>	<u>1,765,522,002</u>

The total value of investment property is £1,745,797,470, which is completed investment property of £1,733,272,470 plus £12,525,000 of assets held for sale.

The 2019 valuations were made by Savills Commercial Limited and Jones Lang LaSalle, on an open market value for existing use basis.

The investment property were valued in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The historical cost of the property included at valuation was £1,609,365,721 (2018: £1,462,219,565).

Interest was capitalised at the appropriate cost of finance at commencement ranging between 4% and 5%.

#### 11. Property costs work in progress

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Property costs work in progress	1,039,677	1,675,291	-	-
	<u>1,039,677</u>	<u>1,675,291</u>	<u>-</u>	<u>-</u>

**ASSURA FINANCING PLC**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**12. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Trade debtors	7,400,857	6,975,928	-	-
Amounts owed by fellow subsidiary undertakings	-	-	1,241,460,758	1,044,402,566
Other debtors	674,927	586,784	12,439	4,554
Prepayments and accrued income	3,139,078	1,569,982	-	-
	<u>11,214,862</u>	<u>9,132,694</u>	<u>1,241,473,197</u>	<u>1,044,407,120</u>

The balance owed by group undertakings is unsecured, interest free and repayable on demand.

**13. Cash and cash equivalents**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Cash at bank and in hand	12,158,190	23,559,786	8,206,208	9,767,086
Restricted cash	2,983,742	1,912,948	-	-
	<u>15,141,932</u>	<u>25,472,734</u>	<u>8,206,208</u>	<u>9,767,086</u>

**14. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	<b>Group restated 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Trade creditors	1,495,842	1,121,308	11,093	-
Amounts owed to parent	916,527,993	951,538,356	901,652,139	911,108,460
Amounts owed to subsidiaries	-	-	3,213,531	1,340,400
Amounts owed to other group companies	-	-	12,627	-
Other taxation and social security	2,830,382	2,607,408	-	-
Other creditors	9,517,578	2,244,376	-	-
Accruals and deferred income	36,548,882	24,556,897	9,783,535	3,540,104
	<u>966,920,677</u>	<u>982,068,345</u>	<u>914,672,925</u>	<u>915,988,964</u>



**ASSURA FINANCING PLC**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

The balance from group undertakings is unsecured, interest free and repayable on demand. In the prior year the intercompany balances owed by the Company have been restated to show the amounts owed to parent and the amounts owed to subsidiaries.

**15. Creditors: Amounts falling due after more than one year**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>Restated</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>2018</b>	<b>£</b>	<b>£</b>
Bank loans and private debt placement	578,367,136	380,000,000	578,367,136	380,000,000
Loan facility fees	(4,588,724)	(2,986,128)	(4,588,724)	(2,986,128)
Accruals and deferred income	5,116,888	5,534,895	-	-
	<u>578,895,300</u>	<u>382,548,767</u>	<u>573,778,412</u>	<u>377,013,872</u>

**16. Loans**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due 2-5 years</b>				
Bank loans	30,000,000	130,000,000	30,000,000	130,000,000
	<u>30,000,000</u>	<u>130,000,000</u>	<u>30,000,000</u>	<u>130,000,000</u>
<b>Amounts falling due after more than 5 years</b>				
Private debt placement	250,000,000	250,000,000	250,000,000	250,000,000
Unsecured bond	298,367,136	-	298,367,136	-
Loan facility fees	(4,588,724)	(2,986,128)	(4,588,724)	(2,986,128)
	<u>543,778,412</u>	<u>247,013,872</u>	<u>543,778,412</u>	<u>247,013,872</u>
	<u>573,778,412</u>	<u>377,013,872</u>	<u>573,778,412</u>	<u>377,013,872</u>

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## ASSURA FINANCING PLC

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### SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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The Group has the following bank facilities:

1. Five-year club revolving credit facility with Lloyds, HSBC, Santander and Barclays for £300 million on an unsecured basis at an initial margin of 1.50% above LIBOR, expiring in May 2021. The margin increases based on the LTV of the subsidiaries to which the facility relates, up to 2.0% where the LTV is in excess of 50%. The facility is subject to a historical interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years. As at 31 March 2019, £30 million of this facility was drawn.

2. 10-year notes in the US private placement market for a total of £100 million. The notes are unsecured, have a fixed interest rate of 2.65% and were drawn in full on 13 October 2016. The facility is subject to a historical interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years.

3. £150 million of privately placed notes in two tranches with maturities of eight and 10 years drawn on 20 October 2018. The weighted average coupon is 3.04%. The facility is subject to a historical cost interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years.

4. 10-year senior unsecured bond of £300 million at a fixed rate of 3% maturing July 2028. The facility is subject to an interest cover requirement of at least 150%, maximum LTV of 65% and Priority Debt not exceeding 0.25:1. In accordance with pricing convention on the bond market, the coupon and quantum of the facility are set to round figures with the proceeds adjusted based on market rates on the day of pricing.

The Group has been in compliance with all financial covenants on all of the above loans as applicable throughout the period.

#### 17. Share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
87,489,373- Ordinary shares of £1 each	<u>87,489,373</u>	<u>87,489,373</u>

One class of shares with no rights to fixed income.

#### 18.

##### Related party transactions

The company has taken advantage of the exemption conferred by section 33.10 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 Group, and consolidated financial statements in which the company is included, are publicly available.

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**ASSURA FINANCING PLC**

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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**19. Controlling party**

The ultimate controlling party is Assura plc, a company incorporated in England. This is the smallest group in which the results of the Company are consolidated. Copies of the group financial statements are available from The Brew House, Greenalls Avenue, Warrington, Cheshire, WA4 6HL and also from the Group's Website [www.assurapl.com](http://www.assurapl.com).

At the date these financial statements were approved, the immediate parent was Assura IH Limited, a company incorporated in England.

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