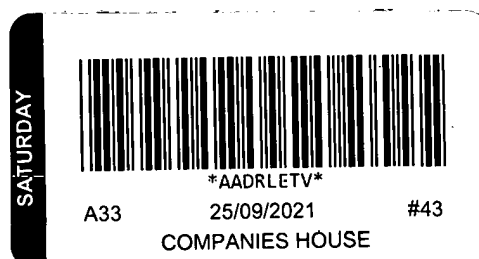


**Strategic Report, Directors' Report and
Audited Financial Statements for the Year Ended 31 December 2020
for
St. James's Oncology Financing Plc**



**Contents of the Financial Statements
for the Year Ended 31 December 2020**

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St. James's Oncology Financing Plc

Company Information for the Year Ended 31 December 2020

Directors:	B P Millsom C T Solley A L Tennant M J Williams J H Potgieter
Secretary:	A Mitchell
Registered office:	C/O Albany SPC Services Ltd 3rd Floor 3 - 5 Charlotte Street Manchester M1 4HB
Registered number:	10687398 (England and Wales)
Independent auditors:	PricewaterhouseCoopers LLP Manchester Hardman Sq 1 Hardman Square Manchester M3 3EB
Bankers:	Bank of Scotland 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors:	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH

**Strategic Report
for the Year Ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

Company's objective

The objective of the Company is to provide finance to other group companies to successfully design, construct, finance and operate certain facilities and provide non-clinical services at the new Oncology Wing at St. James's University Hospital, Leeds for a period of 33 years and three months under a concession agreement with the Leeds Teaching Hospitals NHS Trust.

Principal risks and uncertainties

The subsidiary company's project is currently in its operational phase and operational risks are monitored closely. This takes the form of full time representation on site through the Company's management services agent and periodic reporting by the independent Technical Assessor, plus regular dialogue with the executive team of the Leeds Teaching Hospitals NHS Trust.

Whilst the main elements of cash flow (unitary payments, facilities management costs and lifecycle costs) are contractually linked to the RPI index, a relatively small proportion of the total costs are not protected from inflation increases via the RPI swap instrument. A rise in these costs above the general rate of inflation would reduce debt service cover ratios. The most significant of these costs is insurance, though claims history so far is good and current premium renewals have not been excessive.

A small proportion of cash flow is derived on bank interest from cash balances. The reduction in credit interest rates is therefore a risk to the business and therefore its compliance with debt covenants.

The index-lined bond and RPI swap are exposed to inflation rate risk. However, no residual risk lies with this company as all costs are recharged to a fellow subsidiary.

Key performance indicators

The Company does not have key performance indicators as it is a financing company. The subsidiary company monitors two key performance indicators are as follows:

- The level of performance and availability deductions arising from failures to achieve specified levels of contract service. These are reported quarterly to the Board and have been extremely small in relation to total unitary payments and;
- The ratio of operating cash flow to the senior debt service amount. This ratio is tested at six-monthly intervals and each time it has been to the satisfaction of the senior debt provider.

Business review and future developments

The delivery of operational services in the subsidiary company is generally running well and is expected to continue to do so.

The Company made a loss before taxation of £3,380,000 compared to a loss of £3,096,000 in 2019 due to an increase in interest charges. Net assets decreased from £9,493,000 at 31 December 2019 to £6,755,000 at 31 December 2020 due to interest paid and the effect of taxation.

**Strategic Report
for the Year Ended 31 December 2020**

Statement in respect of section 172(1) of the companies act 2006

The board of directors of the Company, both individually and collectively, consider they have acted appropriately and in such a way as to promote the long term success of the Company for the benefit of its members as a whole.

Neither the Company nor St James's Oncology SPC Ltd (Project Company) have any direct employees as Project Company is managed under a Managed Service Agreement. The board of Directors is satisfied that those people employed under the MSA are appropriately qualified and have the support systems in place to carry out their role. The Directors are engaged with each team under the MSA to ensure the ongoing management of the underlying contracts of the Project Company and they work collaboratively with the teams to achieve success.

Project Company is a special purpose company which has a finite lifespan with a defined set of obligations under Concession Agreements. Project Company delivers its objectives through effective relationships with its stakeholders including suppliers and customers. This is affected by regular reporting and reviews with suppliers and customers to ensure delivery of Project Company's objectives, whilst considering those stakeholders' needs. The Directors of Project Company meet regularly to review strategies for effective risk mitigation and service delivery in the context its impact on all stakeholder interests, including shareholders, suppliers, customers and the wider community.

Due to the nature of the Company's operations, their impact on the community and environment is of paramount importance to the Company's success. Operating safely is the Company's and Project Company's primary objective and is as such integrated in everything both Companies undertake. A safe environment is managed through effective leadership, implementation of robust policies, procedures and instructions, safety management review processes both internally and externally with relevant stakeholders, reporting, audit and monitoring. An independent safety advisor is appointed by each of the companies within the Company, who reports directly to the Board of Directors.

Project Company delivers contracts to support essential services to the public sector and takes its responsibility for ensuring that an appropriate environment is managed and maintained extremely seriously, ensuring the highest quality service is delivered from the assets under the Company's management.

On behalf of the board:



.....
C T Solley - Director

Date: 21 September 2021
.....

**Directors' Report
for the Year Ended 31 December 2020**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2020.

Principal activities

The principal activities of the Company are to provide finance to other group companies to construct and operate certain facilities and to provide non-clinical services at the new Oncology Wing at St James's University Hospital, Leeds.

Review of the business

The results of the company are set out in the profit and loss account on page 12.

The loss for the year is £2,738,000 (2019: loss £2,508,00).

Going concern

The directors have reviewed the negative retained earnings position and are confident that this will be reversed by future dividend income from St James's Oncology SPC Ltd and therefore does not present a going concern issue. This continues to be the view for the next twelve months from the date of this report.

Dividends

No dividends were distributed in the year (2019: £nil). The directors do not recommend the payment of a dividend for the year 2020.

Directors

The directors during the year under review were:

B P Millsom
C T Solley
A L Tennant

The directors holding office at 31 December 2020 did not hold any beneficial interest in the issued share capital of the company at 1 January 2020 or 31 December 2020.

M J Williams and J H Potgieter were appointed as directors on 11 January 2021, after 31 December 2020 but prior to the date of this report.

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Financial instruments

The company's principal financial instruments (Note 12) comprise an index linked bond, fixed rate bond, variation bond and loan notes. The main objective of these financial instruments is to ensure that the profile of the debt service costs is tailored to match expected revenues arising from a group undertaking.

The company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities.

The main risk arising from the company's financial instruments is inflation rate risk.

Inflation rate risk

The company has issued index-linked debt and an RPI swap to achieve a correlation between inflationary increases in revenue and finance charges.

The index-linked bond and RPI swap are exposed to inflation rate risk. However no residual risk lies with this company as all costs are recharged to a fellow subsidiary.

**Directors' Report
for the Year Ended 31 December 2020**

Future developments

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions taken by the UK Government and the private sector to respond to the outbreak followed these announcements. A review of the financial impact on the project company in responding to COVID-19 has been assessed as low. This is because project company is still able to provide the services required under the Project Agreement as the sub-contracted Facilities Management company is still able to provide the necessary services as the work is deemed to be essential and the persons delivering those services deemed to be key workers, as confirmed by a guidance note released by the Infrastructure and Projects Authority on 2 April 2020.

Since the Covid-19 outbreak, the Trust has continued making unitary payments in accordance with the guidance included in the Infrastructure and Projects Authority guidance note, and the onward payments to the Facilities Management company have continued to be paid by the project company in accordance with the Project Agreement.

Other information

An indication of performance of the business and likely future developments in the business has been included in the Strategic Report on page 2.

The Company itself is a low energy user as energy consumption is below 40,000wh per annum and therefore energy and carbon information has not been disclosed.

Internal control and corporate governance

The directors are responsible for the Company's system of internal control and for reviewing its effectiveness. They recognise the importance of a robust control environment to mitigate the key risks of the Company and they consider that the material risks are managed adequately. Responsibility for overseeing the interpretation of this rests with the Audit Committee.

The MSA provider on behalf of the directors has designed the Company's system of internal control in order to provide the shareholders with assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period. However, no system of internal control can eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

There are no significant issues for the year ended 31 December 2020 that have required the Board to deal with any related material internal control issues.

The directors confirm that the Board has reviewed the effectiveness of the system of internal control as described during the year and confirms that the systems and controls that are currently in place are considered sufficient to be satisfied that all key risks to the business are adequately managed and mitigated.

**Directors' Report
for the Year Ended 31 December 2020**

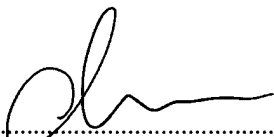
Statement as to disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



.....
C T Solley - Director

Date:21 September 2021

**Statement of Directors' Responsibilities
for the Year Ended 31 December 2020**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors' report to the members of St. James's Oncology Financing Plc

Report on the audit of the financial statements

Opinion

In our opinion, St. James's Oncology Financing Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Directors' Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account and other comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We conducted an audit of the complete financial information of the company

Key audit matters

- Impact of the COVID-19 pandemic

Materiality

- Overall materiality: £2,867,000 (2019: £2,917,000) based on 1% of total assets.
- Performance materiality: £2,150,000.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the members made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Impact of the COVID-19 pandemic</i></p> <p>The ongoing COVID-19 pandemic is an external event which is having a serious impact on the wider economy and it is necessary to consider the impact on the Company. The Company does not trade but provides finance to fellow group undertakings. The company has borrowings in the form of senior bonds listed on the Irish Stock Exchange and other external borrowings. The total amount owed to external parties at 31 December 2020 was £235,764,000. The repayment of the external borrowings, and therefore the ongoing viability of the Company, is dependent on the recoverability of amounts due from group undertakings of £235,877,000. The recoverability is dependent on the financial performance and viability of the fellow group undertaking which is party to a concession agreement with the Leeds Teaching Hospitals National Health Service Trust. Because of its significance to the financial statements and to our audit, we concluded that the uncertainty created by the COVID-19 pandemic on the recoverability of amounts due from group undertakings was a key audit matter.</p>	<p>In order to obtain evidence as to the recoverability of the amounts due from group undertakings, we considered the financial position of the fellow group undertaking from which the amounts were due, and their ability to provide funds to the company when needed, considering the ongoing COVID-19 pandemic. We took into consideration: the ability of the fellow group undertaking to continue to provide the services required under the concession agreement during the COVID-19 pandemic; whether there has been any impact on the main customer of the fellow group undertakings ability to make payments in accordance with the concession agreement, through testing of subsequent receipt; and the Infrastructure and Projects Authority of Central Government guidance issued on 2 April 2020 which confirmed that 'Private Finance Initiative' work is essential and those delivering the services as key workers. It was also confirmed that COVID-19 was not expected to be a Force Majeure event for concession agreements and that it expected public sector organisations to continue making unitary payments. We have considered the fellow group undertakings ability to continue delivering against the concession agreement, the ongoing unitary payments from the Leeds Teaching Hospitals National Health Service Trust and the guidance issued by the Infrastructure and Projects Authority and agree with management that the financial impact of COVID-19 upon the recoverability of amounts due from</p>

fellow group undertaking to be low. Refer to 'Conclusions related to Going Concern' section further in the report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company's principal activity is to provide finance to its parent company, so it can construct and operate certain facilities and to provide non-clinical services at the new Oncology Wing at St James's University Hospital, Leeds. Its parent is a 'Special Purpose Vehicle' for a 'Private Finance Initiative / Public Private Partnership' ('PFI / PPP') project. The company operates as a single business and we audited the complete financial information of the company, including all material account balances, classes of transactions and financial statement disclosures.

The financial and operational management are sub-contracted to a third-party service provider.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

<i>Overall company materiality</i>	£2,867,000 (2019: £2,917,000).
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	We believe that gross assets are the primary measure used by the shareholders in assessing the performance of the entity, given its main activity is to issue and service the external debt using cash generated by the Group.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £2,150,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £124,200 (2019: £126,200) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the members' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the company's going concern paper and verifying relevant considerations to supporting evidence; and

- Given the entities reliance upon its fellow group undertaking, we have ensured that the fellow group undertaking's financial model appropriately forecasts known events and includes sufficient, available cashflows to meet its financial liabilities as they fall due; and
- Considering the company and its fellow group undertaking's ongoing debt covenant compliance.

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 for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the statement of directors' responsibilities, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The members are also responsible for such internal control as they 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 members 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 members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Irish Stock Exchange Listing rules and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstatement of performance and retained earnings, as a method for ensuring servicing of the external debt. Audit procedures performed by the engagement team included:

- enquiry of management and those charged with governance around actual and potential non-compliance with laws and regulations;
- reviewing minutes of meetings of the board of directors;
- reconciled the external debt to third party confirmations; and
- audit of the financial statement disclosures to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of members' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 15 November 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement is 4 years, covering the years ended 31 December 2017 to 31 December 2020.



Paul Cheshire (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

22 September 2021

**Profit and Loss Account and Other Comprehensive Income
for the Year Ended 31 December 2020**

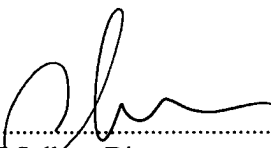
	Notes	2020 £'000	2019 £'000
Turnover		-	-
Operating profit		-	-
Interest receivable and similar income	4	6,931	7,338
Interest payable and similar expenses	5	(10,311)	(10,434)
Loss before taxation	6	(3,380)	(3,096)
Tax on loss	7	642	588
Loss for the financial year		(2,738)	(2,508)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,738)	(2,508)

The notes on pages 17 to 26 form part of these financial statements

Balance Sheet
31 December 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments	8	39,200	39,200
Current assets			
Debtors: amounts falling due within one year	9	11,190	11,616
Debtors: amounts falling due after more than one year	9	236,328	240,836
		<u>247,518</u>	<u>252,452</u>
Creditors: amounts falling due within one year	10	(11,140)	(11,567)
Net current assets		<u>236,378</u>	<u>240,885</u>
Total assets less current liabilities		275,578	280,085
Creditors: amounts falling due after more than one year	11	(268,823)	(270,592)
Net assets		<u><u>6,755</u></u>	<u><u>9,493</u></u>
Capital and reserves			
Called up share capital	14	50	50
Share premium account		15,820	15,820
Retained earnings		(9,115)	(6,377)
Shareholders' funds		<u><u>6,755</u></u>	<u><u>9,493</u></u>

The financial statements on pages 14 to 26 were approved by the Board of Directors and authorised for issue on 21 September 2021 and were signed on its behalf by:


.....
C T Solley - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2020**

	Called up share capital £'000	Retained earnings £'000	Share premium account £'000	Total equity £'000
Balance at 1 January 2019	50	(3,869)	15,820	12,001
Changes in equity				
Deficit for the year	-	(2,508)	-	(2,508)
Total comprehensive loss	-	(2,508)	-	(2,508)
Balance at 31 December 2019	50	(6,377)	15,820	9,493
Changes in equity				
Deficit for the year	-	(2,738)	-	(2,738)
Total comprehensive loss	-	(2,738)	-	(2,738)
Balance at 31 December 2020	50	(9,115)	15,820	6,755

The notes on pages 17 to 26 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. Statutory information

St. James's Oncology Financing Plc is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £'000.

2. Accounting policies

Basis of preparing the financial statements

These financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 102. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Consolidated Investment Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Consolidated Investment Holdings Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from C/O Albany SPC Services Ltd, 3rd Floor, 3 - 5 Charlotte Street, Manchester, M1 4HB.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

Financial Reporting Standard 102 - reduced disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Consolidated Investment Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Consolidated financial statements

The company is a wholly owned subsidiary of St James's Oncology SPC Holdings Ltd and of its ultimate parent, Consolidated Investment Holdings Limited. It is included in the consolidated financial statements of Consolidated Investment Holdings Limited which are publicly available. The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Consolidated Investment Holdings Limited. The address of the parent's registered office is 3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. Accounting policies - continued

Significant judgements and estimates

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Financial instruments

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

(a) Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

(b) Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

**2. Accounting policies - continued
Basic financial instruments - continued**

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other comprehensive income (OCI). Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

The company has a natural hedge of swap due to the relationship with its sister company, St James's Oncology SPC Ltd. As a result, there is no effect on OCI for the company. The effect on OCI has been passed on to St James's Oncology SPC Ltd.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. Accounting policies - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

The Company currently has £280m (2019: £279m) of total debt. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities.

The Company is reliant upon the performance of its subsidiary, St James's Oncology SPC Ltd, in order to settle debt and interest obligations.

After making enquiries, the directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for twelve months from the date of signing the annual report and financial statements. Accordingly, they continue to adopt the going concern basis in preparing these statutory financial statements.

3. Employees and directors

Staff costs and directors' remuneration

No staff are directly employed by the Company (2019: none). No emoluments were paid to the Directors of the Company in 2020 (2019: £nil). St James's Oncology SPC Ltd makes a payment for the services of the directors to their employer company. The total fee is included in the aggregate of directors' recharges disclosed in the financial statements of the relevant company.

4. Interest receivable and similar income

	2020	2019
	£'000	£'000
Interest received from group undertaking	6,629	7,261
Swap interest received	302	77
	<u>6,931</u>	<u>7,338</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

5. Interest payable and similar expenses

	2020	2019
	£'000	£'000
Index-linked bond interest	437	823
Fixed rate bond interest	1,285	1,332
Fixed rate notes interest	4,345	4,509
Variation bond interest	76	79
Commitment and guarantee fees	486	518
Loan stock interest	3,380	3,096
Interest paid to group undertakings	302	77
	<u>10,311</u>	<u>10,434</u>

6. Loss before taxation

The fee for audit services provided during the year is £3,300 (2019: £3,300). The audit fee for the Company is borne by another company within the group, St James's Oncology SPC Ltd, without recourse. No non-audit services were provided during the year (2019: nil).

7. Tax on loss

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2020	2019
	£'000	£'000
Deferred tax:		
Tax impact of loss in the period	(642)	(588)
Tax on loss	<u>(642)</u>	<u>(588)</u>

UK corporation tax has been charged at 19%.

No reconciliation from loss before tax to tax expense has been presented as there are no reconciling items.

Factors that may affect future tax charges

A change to the future UK corporation tax rate was announced in the March 2021 Budget. The rate will increase to 25% with effect from 1 April 2023. This change had not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

8. Investments

	Shares in group undertakings £'000
Cost	
At 1 January 2020 and 31 December 2020	39,200
Net book value	
At 31 December 2020	39,200
At 31 December 2019	39,200

The company's investments at the Balance Sheet date in the share capital of companies include the following:

St James's Oncology SPC Ltd

Registered office: 3-5 Charlotte Street, Manchester M1 4HB

Nature of business: PFI Contractor

	% holding	
Class of shares:	100.00	
Ordinary		
	2020	2019
	£'000	£'000
Aggregate capital and reserves	5,971	(3,103)
Profit for the year	2,992	3,504

9. Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	11,140	11,566
Other debtors	50	50
	11,190	11,616
Amounts falling due after more than one year:		
Amounts owed by group undertakings	224,737	233,772
RPI swap	11,444	6,917
Deferred tax asset	147	147
	236,328	240,836
Aggregate amounts	247,518	252,452

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

9. Debtors - continued

The amounts owed by group undertakings relate to St James's Oncology Financing Plc creditors in respect of index-linked bond, fixed rate bond, fixed rate notes and variation bond (see note 12) plus associated bond premium and issue costs.

10. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Loans (see note 12)	11,027	11,440
Trade creditors	-	2
Other creditors	113	125
	<u>11,140</u>	<u>11,567</u>

11. Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Loans (see note 12)	224,737	233,770
Amounts owed to group (see note 12)	44,086	36,822
	<u>268,823</u>	<u>270,592</u>

Within amounts owed to group undertakings are long term borrowings loaned from St James's Oncology SPC Ltd of which £31,785,000 is repayable after five years (2019: £19,243,000).

The amounts owed to group undertakings are unsecured and repayments are due on such date and in an amount as the Issuer chooses.

12. Loans

An analysis of the maturity of loans is given below:

	2020	2019
	£'000	£'000
Amounts falling due within one year or on demand:		
Fixed rate notes	6,921	7,113
Variation bond	123	126
Fixed rate bond	2,029	2,084
Index-linked bond	1,954	2,117
	<u>11,027</u>	<u>11,440</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

12. Loans - continued

	2020	2019
	£'000	£'000
Amounts falling due between one and two years:		
Fixed rate notes	6,858	5,868
Variation bond	121	104
Fixed rate bond	2,011	1,718
Index-linked bond	2,270	2,025
	<u>11,260</u>	<u>9,715</u>
Amounts falling due between two and five years:		
Fixed rate notes	17,689	19,223
Variation bond	313	340
Fixed rate bond	5,183	5,634
Index-linked bond	5,826	5,539
	<u>29,011</u>	<u>30,736</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Fixed rate notes	119,868	125,192
Variation bond	2,122	2,216
Fixed rate bond	35,281	36,840
Index-linked bond	27,195	29,071
	<u>184,466</u>	<u>193,319</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

12. Loans - continued

	2020 £'000	2019 £'000
Creditors: amounts falling due after more than one year		
Other loans	224,737	233,770
Amounts owed to group undertakings	<u>32,642</u>	<u>29,905</u>
	2020 £'000	2019 £'000
Creditors: amounts falling due within one year		
Other loans	<u>11,027</u>	<u>11,440</u>

Terms and debt repayment schedule

The total cash repayable on the loan is as follows:

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020 £'000	2019 £'000
Index-linked bond	GBP	0.05%	2037	Semi-annual	35,646	37,001
Fixed rate bonds	GBP	2.804%	2037	Semi-annual	44,342	46,116
Fixed rate notes	GBP	2.804%	2037	Semi-annual	150,892	156,931
Variation bond	GBP	2.804%	2037	Semi-annual	2,661	2,767
Loan due to St James's Oncology SPC Ltd	GBP	11.00%	2028	Variable	32,642	29,905

The index-linked bond, fixed rate bonds, fixed rate notes and variation bond are secured by a fixed charge over the whole of the property, assets and undertaking of the company, assignment of all rights to any proceeds of any insurance policies and all present and future book and other charges over all assets which have not been secured by way of a fixed charge or assignment.

There are issue costs relating to the secured bond and the secured notes of (£262,000) and (£609,000) respectively and a bond premium of £1,719,000, these have not been included in the total cash repayable table above.

13. Other financial assets

	2020 £'000	2019 £'000
Amounts falling due after more than one year		
RPI swap contract	11,444	6,917

Derivative financial instruments measured at fair value

The fair value of RPI swaps is provided by the swap counterparty.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

14. Called up share capital

Allotted and issued:		Nominal value:	2020	2019
Number:	Class:		£	£
50,001	Ordinary share capital	£1	<u>50,001</u>	<u>50,001</u>

15. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of St James's Oncology SPC Holdings Ltd, a company incorporated in England and Wales, of which 100% is owned by Consolidated Investment Holdings Limited, the controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Consolidated Investment Holdings Limited incorporated in England and Wales. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.