

MPT DORCHESTER LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



MPT DORCHESTER LIMITED

COMPANY INFORMATION

Directors	James Kevin Hanna Katie Mae Williams Stephanie Carroll Hamner James Joshua Barber-Lomax (resigned 31 December 2021) Donna Leanne Shorto (resigned 31 December 2021)
Company secretary	Praxis Secretaries (UK) Limited
Registered number	05783524
Registered office	1st Floor Senator House 85 Queen Victoria Street London United Kingdom EC4V 4AB
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London United Kingdom EC4A 4AB

MPT DORCHESTER LIMITED

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MPT DORCHESTER LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

During 2020 the Company has changed its accounting period from 31 March to 31 December. Due to this change the accounting period for 2020 was shortened from twelve to nine months and prior period amounts presented in the financial statements, including notes, are not entirely comparable.

Principal activity

The principal activity of the Company is to acquire and develop real estate and improvements for long-term lease to providers of healthcare services in the United Kingdom.

Directors

The Directors who served during the year were:

James Kevin Hanna
Katie Mae Williams
Stephanie Carroll Hamner
James Joshua Barber-Lomax (resigned 31 December 2021)
Donna Leanne Shorto (resigned 31 December 2021)

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's auditor is unaware of, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, RSM UK Audit LLP, has expressed its willingness to continue in office.

Small companies note

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

This report was approved by the board on 12 September 2022 and signed on its behalf.



Katie Mae Williams
Director

MPT DORCHESTER LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MPT DORCHESTER LIMITED

Opinion

We have audited the financial statements of MPT Dorchester Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from tax advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures in relation to revenue recognition included testing revenue to source documentation and other analytical procedures.

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

Use of our report

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

Stacy Eden

Stacy Eden (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date: 16/09/22

MPT DORCHESTER LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	1 January 2021 - 31 December 2021 £000	1 April 2020 - 31 December 2020 £000
Turnover	2.3	1,714	1,251
Gross Profit		1,714	1,251
Administrative expenses		(78)	(85)
Fair value movements	6	2,700	3,450
Interest and similar income		8	4
Interest and similar expenses		(552)	(438)
Profit before tax		3,792	4,182
Tax on profit		(1,848)	(823)
Profit for the financial year		1,944	3,359
Other comprehensive income (loss) for the year			
Fair value movements of interest rate swap		354	(88)
Fair value movements of interest rate swap - deferred tax		(76)	41
Other comprehensive income (loss) for the year		278	(47)
Total comprehensive income for the year		2,222	3,312

The notes on pages 9 to 16 form part of these financial statements.

MPT DORCHESTER LIMITED
REGISTERED NUMBER: 05783524

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investment property	6	33,900	31,200
		<u>33,900</u>	<u>31,200</u>
Current assets			
Debtors: amounts falling due within one year	7	3,839	3,157
Debtors: amounts falling due after more than one year	7	188	66
Current liabilities			
Creditors: amounts falling due within one year	8	(55)	(89)
Net current assets		<u>3,972</u>	<u>3,134</u>
Total assets less current liabilities		<u>37,872</u>	<u>34,334</u>
Non-current liabilities			
Creditors: amounts falling due after more than one year	9	(18,741)	(18,958)
Provisions for liabilities			
Deferred tax	10	(4,901)	(3,075)
Net assets		<u><u>14,230</u></u>	<u><u>12,301</u></u>
Capital and reserves			
Share premium		-	6,475
Cash flow hedging reserve		101	(177)
Capital contribution		12,649	6,174
Profit and loss account		1,480	(171)
		<u><u>14,230</u></u>	<u><u>12,301</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 September 2022.


Katie Mae Williams
 Director

The notes on pages 9 to 16 form part of these financial statements.

MPT DORCHESTER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share premium	Cash flow hedging reserve	Capital contribution	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	6,475	(177)	6,174	(171)	12,301
Profit for the year	-	-	-	1,944	1,944
Swap movements	-	354	-	-	354
Swap: Deferred tax	-	(76)	-	-	(76)
Dividends: Equity capital	-	-	-	(293)	(293)
Transfer between other reserves	(6,475)	-	6,475	-	-
At 31 December 2021	-	101	12,649	1,480	14,230

The notes on pages 9 to 16 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share premium	Cash flow hedging reserve	Capital contribution	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2020	6,475	(130)	7,423	(3,530)	10,238
Profit for the period	-	-	-	3,359	3,359
Swap movements	-	(88)	-	-	(88)
Swap: Deferred tax	-	41	-	-	41
Equity capital	-	-	(1,249)	-	(1,249)
At 31 December 2020	6,475	(177)	6,174	(171)	12,301

The notes on pages 9 to 16 form part of these financial statements.

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

MPT Dorchester Limited (hereinafter the "Company") is a private company, limited by shares, incorporated in the United Kingdom and has a registered office at 1st Floor Senator House, 85 Queen Victoria Street, London, EC4V 4AB. The nature of the Company's principal activities is set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's functional and presentation currency is the pound sterling. The Company's financial statements are presented in pound sterling and rounded to thousands.

During 2020 the Company has changed its accounting period from 31 March to 31 December. Due to this change the accounting period for 2020 was shortened from twelve to nine months and prior period amounts presented in the financial statements, including notes, are not entirely comparable.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on a going concern basis unless it is inappropriate to assume that the Company will be able to continue in operational existence for a period of at least 12 months from the date of the approval of the financial statements. The Directors considered several factors in determining whether the Company would continue as a going concern.

The Company's only source of income is the rent receipts earned from the assets under lease. The Company's ability to meet its obligations is dependent upon the tenant's ability to pay rents timely. As of the signing date of the financial statements, there are no outstanding amounts due from the tenant and all debt obligations have been met. Additionally, Medical Properties Trust Limited has provided the Directors with comfort that the Company will not be required within the next 12 months to repay any amounts due to related parties, if the Company was unable to make payments in accordance with the related agreements (if any).

The spread of the COVID-19 virus during 2020 and 2021 negatively affected economies around the globe, and the healthcare industry experienced significant volatility, which adversely affected tenants' respective businesses, financial condition, liquidity and results of operations. Although the effects of COVID-19 and related variants seem to be lessening, government restrictions appear to be easing, and most hospitals around the world have generally returned to their normal operations, the ultimate impact to our tenants' results of operations and liquidity and their ability to pay rent and interest due to the impact of COVID-19 still cannot be predicted with 100% confidence. This makes any estimates and assumptions as of 31 December 2021, inherently less certain than they would be absent the potential impact of COVID-19. Actual results could differ from those estimates. The Directors are continuously monitoring and assessing the impact on the Company. As of the signing date of the financial statements there are no indications that there is a material uncertainty about the Company's ability to continue operations.

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.2 Going concern (continued)

After consideration, the Directors conclude that it is appropriate to prepare the financial statements on a going concern basis and present the financial statements accordingly.

2.3 Turnover

Turnover represents rental income from operating leases and is recorded when earned and to the extent that it is probable that the economic benefits will flow to the Company. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

All turnover arose within the United Kingdom in 2021 and 2020.

2.4 Interest income

Interest income is recognised in profit or loss as incurred.

2.5 Interest expense

Interest expense is charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Current and deferred tax

The tax expense for the year comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the United Kingdom where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss in the "Fair value movements" line.

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.8 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

The Company maintains its cash in a bank account shared by related parties, which is managed and controlled by Medical Properties Trust Limited. The rental income paid by the Tenant to the Company is received into this shared bank account and all disbursements for the Company are made from this shared account. The Company's specific balance is £866,414 at 31 December 2021.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are charged when an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

The Company had no such provisions in 2021 (2020 - £NIL).

2.12 Financial instruments

The Company may enter into financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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.

2.13 Hedge accounting

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

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Accounting policies which have a significant bearing on the reported financial condition and results of the Company may require subjective or complex estimates or judgements. These respective estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the Directors have had to determine whether leases entered into by the Company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee.

The main source of estimation uncertainty is related to the investment properties, which are professionally valued annually using a yield of methodology using market rental values capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Other key sources of estimation uncertainty are as follows:

- Interest rate derivatives. The most critical estimates, assumptions and judgements relate to the determination of carrying value of swaps at fair value through the income statement. In determining this, the Company uses a third-party valuation, applying the concept that fair value is the amount for which the derivative could be traded. There are judgements based on the future rates of interest and on the counterparties' ability to make future payments, which affect the valuation.

- Deferred tax asset. At each financial period end judgement is required in respect of the deferred tax asset. The amount of the deferred tax asset included in the statement of financial position is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. In estimating the amount of the deferred tax asset that may be recognised, the Directors make judgements based on current budgets and forecasts about the amount of future taxable profits and the timings of when these will be realised.

- Deferred tax liability. The deferred tax liability reflects the deferred tax on the difference between the tax and accounting carrying values at rates substantively enacted at the balance sheet date, offset by the effect of the benefit available from previous tax losses that may reduce the liability arising on such a crystallisation.

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4	3

5. Employees

The Company has no employees and its Directors did not receive any remuneration in 2021 (2020 - £NIL).

6. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2021	31,200
Fair value movement	2,700
At 31 December 2021	33,900

The 31 December 2021 valuations were made by an independent valuation expert, on an open market value for existing use basis.

The valuation was prepared on a fixed fee basis, independent of the property value, and was undertaken in accordance with the RICS Valuation – Global Standards 2017, supported by reference to market evidence for similar properties.

The historical cost of the property was £26.694 million (2020: £26.694 million).

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Debtors

	2021	2020
	£000	£000
Due after more than one year		
Other debtors	51	66
Interest rate swap	137	-
	<u>188</u>	<u>66</u>
	2021	2020
	£000	£000
Due within one year		
Amounts owed by group companies	2,973	3,030
Prepayments and accrued income	-	4
Corporation tax	-	11
Cash held by MPT Limited	866	112
	<u>3,839</u>	<u>3,157</u>

8. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	-	(54)
Corporation tax	(30)	-
Other creditors	(15)	(14)
Accruals and deferred income	(10)	(21)
	<u>(55)</u>	<u>(89)</u>

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Creditors: Amounts falling due after more than one year

	2021	2020
	£000	£000
Bank loans	(10,448)	(10,448)
Amounts owed to group undertakings	(8,293)	(8,293)
Interest rate swap	-	(217)
	(18,741)	(18,958)

Amounts owed to group undertakings represent the principal balance payable as part of an interest bearing loan agreement with principal due at maturity. The loan is unsecured and the repayment date is January 2040.

The Company is a party to a £700 million debt facility with Bank of America. The facility is guaranteed by Medical Properties Trust, Inc. with a repayment date of January 2025. The margin under the agreement is adjustable based on a pricing grid from 0.85% to 1.65%. The principal balance of the facility that is attributed to the Company is reported in Bank loans.

The Company, through its parent MPT Operating Partnership LP, uses a variable to fixed interest rate swap (effective 6 March 2020) to manage its exposure to interest rate movements on its bank borrowings, at an approximate rate of 0.70% for periods up until 2025. The fair value of the interest rate swap that is effective in offsetting the variable interest rate risk on variable rate debt has been recognized in other comprehensive income.

10. Deferred tax

	2021
	£000
At 1 January 2021	(3,075)
Charged to the profit or loss	(1,751)
Charged to other comprehensive income	(75)
At 31 December 2021	(4,901)

MPT DORCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Deferred tax (continued)

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Revaluation of investment property	(5,945)	(4,006)
Tax losses carried forward	1,044	931
	<u>(4,901)</u>	<u>(3,075)</u>

11. Future minimum lease receipts

At 31 December 2021, the Company had future minimum lease receipts due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Within 1 year	1,772	1,709
Between 1 year and 5 years	7,450	7,186
More than 5 years	93,317	93,710
	<u>102,539</u>	<u>102,605</u>

12. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 1A - small entities not to disclose transactions with related parties.

13. Controlling party

The Company's immediate parent undertaking is MPT Propco Holdco Limited and the ultimate parent undertaking is Medical Properties Trust Inc., with registered offices at 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801. The 2021 annual report, including the consolidated financial statements of Medical Properties Trust Inc., is available to the public and may be obtained by visiting www.medicalpropertystrust.com.