

**MPT 38 (Property Holdings) Limited  
(formerly GHG 38 (Property Holdings) Limited)**

Report and Financial Statements

for the year ended 31 March 2020

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Company Number: 05783540

# **MPT 38 (Property Holdings) Limited**

**Report and financial statements  
for the year ended 31 March 2020**

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# **MPT 38 (Property Holdings) Limited**

## **Company Directory**

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### **Directors**

Donna Shorto  
James Barber-Lomax  
James Kevin Hanna

### **Registered Office**

1st Floor Senator House,  
85 Queen Victoria Street,  
London,  
United Kingdom,  
EC4V 4AB

### **Company Secretary**

Praxis Secretaries (UK) Limited

### **Independent Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **MPT 38 (Property Holdings) Limited**

## **Report of the Directors**

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The Directors have the pleasure in presenting this report and the financial statements of MPT 38 (Property Holdings) Limited (formerly GHG 38 (Property Holdings) Limited) ("the Company") for the year 31 March 2020.

### **Incorporation**

The Company was incorporated on 18 April 2006 in the United Kingdom. The Company's name on incorporation was Pantomime Propco 38 Limited and it was changed to GHG 38 (Property Holdings) Limited on 7 November 2006. On 6<sup>th</sup> February 2020, the Company's name was changed to MPT 38 (Property Holdings) Limited.

The World Health Organization declared the outbreak of COVID-19 as a pandemic on 11 March 2020. As of the date of this report, there have been no significant impacts to the Company, but the Directors will continue to monitor the situation.

### **Principal activity**

The principal activity of the Company is to conduct ordinary business activities.

### **Directors**

The Directors holding office during the year and through to the date of signing of this report is:

D Duggins (resigned 8 January 2020)  
Donna Shorto (appointed 8 January 2020)  
James Barber-Lomax (appointed 8 January 2020)  
James Kevin Hanna (appointed 8 January 2020)

### **Independent auditor**

The auditors, BDO LLP have expressed their willingness to continue in office.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board of Directors and signed on 12 March 2021



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**James Barber-Lomax**  
Director

# **MPT 38 (Property Holdings) Limited**

## **Statement of Directors' Responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the Company and its profit or loss for that period. In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and 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 the business.

The Directors confirm they have complied with all the above requirements in preparing the financial statements.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# **MPT 38 (Property Holdings) Limited**

## **Independent Auditor's Report**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHG 38 (PROPERTY HOLDINGS) LIMITED**

#### **Opinion**

We have audited the financial statements of MPT 38 (Property Holdings) Limited ("the Company") for the year ended 31 March 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

#### **Other information**

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

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

We have nothing to report in this regard.

# MPT 38 (Property Holdings) Limited

## Independent Auditor's Report

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### 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### Responsibilities of Directors

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

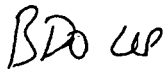
## MPT 38 (Property Holdings) Limited

### Independent Auditor's Report (*continued*)

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#### 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.



Charles Ellis (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

Date: 18 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# MPT 38 (Property Holdings) Limited

## Income Statement for the year ended 31 March 2020

	Note	Year 01.04.19 - 31.03.20 £000	Period 17.04.18 - 31.03.19 £000
Turnover		-	-
Administrative expense	5	165	( 1)
<b>Operating profit / (loss) before tax</b>		<u>165</u>	<u>( 1)</u>
Tax benefit on ordinary activities	6	-	-
<b>Profit / (loss) for the financial year / period</b>		<u>165</u>	<u>( 1)</u>
<b>Total comprehensive profit / (loss) for the year / period</b>		<u>165</u>	<u>( 1)</u>

All operations are considered to be continuing.

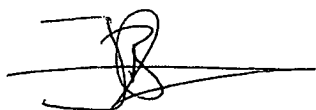
The notes on pages 11 to 15 form part of these financial statements.

# MPT 38 (Property Holdings) Limited

## Statement of Financial Position at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
<b>Current assets</b>			
Debtors: due within one year	7	72	-
<b>Current liabilities</b>			
Creditors: amount falling due within one year	8	(15)	(108)
<b>Net assets / (liabilities)</b>		<u>57</u>	<u>(108)</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		57	(108)
<b>Total equity / (deficit)</b>		<u>57</u>	<u>(108)</u>

The financial statements for MPT 38 (Property Holdings) Limited, registered number 05783540, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the *Companies Act 2006*, Pt. 15 were approved by the Director and authorised for issue on 12 March 2021



James Barber-Lomax  
Director

The notes on pages 11 to 15 form part of these financial statements.

## MPT 38 (Property Holdings) Limited

### Statements of Changes in Equity for the year ended 31 March 2020

	Share Capital £000	Profit and Loss Account £000	Total Equity £000
<b>16 April 2018</b>	-	(107)	(107)
Total comprehensive loss for the period	-	( 1)	( 1)
<b>31 March 2019</b>	-	(108)	(108)
Total comprehensive income for the year	-	165	165
<b>31 March 2020</b>	-	57	57

The notes on pages 11 to 15 form part of these financial statements.

## MPT 38 (Property Holdings) Limited

### Definitions for the year ended 31 March 2020

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Due to the complexity and inter-related nature of a number of matters set out within these financial statements, to eliminate the need for repeated descriptions, the following defined terms are used throughout the financial statements:

**"Lenders"** means the various banks and other financial institutions which provided and continue to provide the Propcos' Debt;

**"Propcos"** means the Company and 34 other UK companies and a further company which has acted as agent; each Propco owning a UK hospital property, the acquisition of which was partly financed by the Propcos' Debt and which properties are leased to and operated by the Tenant and **"Propco"** means any one of the Propcos;

**"Propcos' Debt"** means the amount outstanding up to the point of the sale of the Company of the loan facility of £1.65 billion advanced by the Lenders and drawn in full by the Propcos in 2006 (of which the Company's bank debt forms a part) and which was secured upon all the assets and shares of the Propcos;

**"Tenant"** means BMI Healthcare Limited, which is the sole lessee of all properties owned by the Propcos.

# **MPT 38 (Property Holdings) Limited**

## **Notes forming part of the financial statements for the year ended 31 March 2020**

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### **1 Company Information**

#### **Date of Incorporation**

The Company was incorporated in the United Kingdom under the Companies Act 2006 on 18 April 2006.

#### **Principal activity**

The principal activity of the Company is to conduct ordinary business activities.

#### **Registered office**

The registered office of the Company is 1st Floor Senator House, 85 Queen Victoria Street, London, United Kingdom, EC4V 4AB.

### **2 Principal accounting policies**

The principal accounting policies are summarised below, which have all been applied consistently throughout the period and prior year, except where stated otherwise.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1A – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 1A) and with The Companies Act 2006.

The financial statements have been presented in Pounds Sterling (£), which is the functional currency of the Company.

#### **Going concern**

The financial statements are prepared on the 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 approval of the financial statements.

Note 3 to the financial statements sets out the matters considered by the Directors in arriving at the conclusion that it is appropriate to prepare these financial statements on the going concern basis.

# MPT 38 (Property Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2020 (*continued*)

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## 2 Principal accounting policies (continued)

### Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

### Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### Share capital

Called up share capital is determined using the nominal value of shares that have been issued.

# MPT 38 (Property Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2020 (*continued*)

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## 2 Principal accounting policies (continued)

### Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### Related parties

The Company discloses transactions with related parties. It does not disclose transactions with other Propcos.

### Expenses

Expenses are accounted for on an accruals basis.

## 3 Going concern

The Directors considered several factors in determining whether the Company would continue as a going concern. Although the Company has no remunerated trade of its own, it also has minimal expenses and obligations. Previously, the Company was a co-guarantor of the Propcos' debt; however, there was a change in ownership of the Company and Propcos during the year which resulted in the debt being settled. The Company is no longer party to any debt obligations. On 11 March 2020, the World Health Organization characterized the outbreak of COVID-19 as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus.

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.

## MPT 38 (Property Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2020 (*continued*)

### 4 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements 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. There are no key judgements.

### 5 Expenses

	Year 01.04.19 - 31.03.20 £000	Period 17.04.18 - 31.03.19 £000
Audit fees	4	3
Directors costs	4	6
Intercompany provision movement	(81)	( 8)
Management fees	12	-
Professional fees	(104)	-
<b>Total expenses</b>	<b>(165)</b>	<b>1</b>

There were no employees of the Company in either period.

Prior to the MPT Transaction, certain Directors received remuneration for their activities as directors of Hospital Topco Limited with none of the cost borne by the MPT 38 (Property Holdings) Limited. The Company's share of that remuneration during the period was £4,222 (2019: £6,244). This cost was settled through an intercompany loan account and as described in Note 7 this has been provided for in full.

The audit fee for the audit of the Company's annual accounts was £4,320 (2019: £2,827). The prior period cost was borne by the Tenant. The auditor received no non-audit fees during the year (2019: £Nil).

### 6 Tax benefit on ordinary activities

The Company is not liable to United Kingdom taxation as no taxable income was generated for the year.

### 7 Debtors: due within one year

	31 March 2020 £000	31 March 2019 £000
Amounts owed from other Propcos	69	80
Less Provision	-	(80)
Prepayments	3	-
	<b>72</b>	<b>-</b>

#### Amounts owed from other Propcos

These amounts arose from payments made by the Company on behalf of Propcos to repay and/or service the Propcos' Debt allocated to those companies, where their own rental income is insufficient to cover their obligations. These loans are interest free and repayable on demand.

## MPT 38 (Property Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2020 (*continued*)

### 8 Creditors: amounts falling due within one year

	31 March 2020 £000	31 March 2019 £000
Other creditors	-	106
Accruals and deferred income	15	2
Corporation tax accrual	-	-
	<u>15</u>	<u>108</u>

### 9 Share capital

	31 March 2020 £000	31 March 2019 £000
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares of £1 each (2019: 1)	<u>-</u>	<u>-</u>

On 18 April 2006, the Company was incorporated with 1 £1 shares issued at par. All shares issued during the year were ordinary share capital carrying equal voting rights.

### 10 Reserves

The profit and loss account includes all current year and prior periods retained profit and losses.

### 11 Transactions with related parties

The Company is a wholly owned subsidiary of MPT Propco Holdco Limited and has taken advantage of the exemption in FRS 102 1A not to disclose transactions with MPT Propco Holdco Limited or other wholly owned subsidiaries within the Group.

### 12 Subsequent events

There were no material events identified between 31 March 2020 and the date the financial statements were signed.

### 13 Controlling party

Until 31 March 2020, the Company's immediate parent company was Hospital Midco Sarl, a company incorporated in Luxembourg at which time it changed to MPT Propco Holdco Limited, a company incorporated in Jersey.

Until 8 January 2020, the ultimate parent and controlling party was Hospital Topco Limited, a company incorporated in the United Kingdom. Following the transaction on 8 January 2020 discussed above, the ultimate parent and controlling party is Medical Properties Trust, Inc., a company incorporated in the United States of America.