

Registered number: 03977135

**HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	Rosemary Deeley Amit Thakrar Hannah Holman (appointed 1 March 2021)
<b>Company secretary</b>	Peter Harding
<b>Registered number</b>	03977135
<b>Registered office</b>	3rd Floor, South Building 200 Aldersgate Street London EC1A 4HD
<b>Independent auditors</b>	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ
<b>Bankers</b>	Societe Generale London EC3N 4SG

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Introduction**

The Directors present the Strategic Report and financial statements for the year ended 31 December 2020.

**Principal activity**

The Group is principally engaged in the performance of a PFI contract with Barts Health NHS Trust (formerly Newham Healthcare National Health Service Trust). The principal activity of the Company is as a Holding Company for Healthcare Support (Newham) Limited.

**Business review**

Financial close was achieved on 27 January 2004. Construction of the Newham Hospital was completed on 23 June 2006 and is now operational. The concession period is 35 years.

**Principal risks and uncertainties**

The Group's activities expose it to a number of financial risks including liquidity risk, interest rate risk and credit risk. These risks are further explained in the Directors' Report.

In the annual review of the Group's going concern, the Directors have considered the long term impact of the Covid-19 pandemic. The Group has entered into long term contracts with both the client and suppliers, and after careful review of these contracts the Directors are confident the Group can operate as normal for the next twelve months. The Directors have committed to carrying out regular reviews of the Group's cash flows to monitor the ongoing situation.

**Financial key performance indicators**

The key performance indicator for the Group is the level of performance and unavailability deductions levied by the client, since this reflects the quality of the service being provided. During the period, the Group suffered nominal deductions.

**Future developments**

The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

This report was approved by the board on 29 April 2021 and signed on its behalf.

*Amit Thakrar*

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**Amit Thakrar**  
Director

## HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,107,000 (2019 - £990,000).

Dividends of £569,000 were paid during the year (2019 - £1,316,000). The Directors do not recommend payment of a final dividend.

#### Directors

The Directors who served during the year and up to the date of signature of the financial statements were:

Rosemary Deeley  
Amit Thakrar  
Daniel Vermeer (resigned 1 March 2021)  
Hannah Holman (appointed 1 March 2021)

#### Directors' insurance

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

#### Future developments

The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

#### Financial instruments

##### Liquidity Risk

The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business. At the start of the PFI contract, the Group negotiated debt facilities with an external party to ensure that the Group has sufficient funds over the life of the PFI concession.

##### Interest Rate Risk

The Group's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Group has indexed-linked debt to manage the risk and reduce its exposure to changes in interest rates.

##### Credit Risk

The Group's principal financial assets are cash, financial assets and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables which are with one counterparty, although in the opinion of the board of directors this risk is limited as the receivables are with a local government authority.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

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

**Auditors**

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

**Small companies note**

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

This report was approved by the board on 29 April 2021 and signed on its behalf.

*Amit Thakrar*

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**Amit Thakrar**  
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

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

## HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

#### Opinion

We have audited the financial statements of Healthcare Support (Newham) Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Standard 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 Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.



## **HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED (CONTINUED)**

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

#### **Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; 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.

<b>HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED</b>
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHCARE SUPPORT (NEWHAM)  
HOLDINGS LIMITED (CONTINUED)**

**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHCARE SUPPORT (NEWHAM)  
HOLDINGS LIMITED (CONTINUED)

**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 Group 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 Group and Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, 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 preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 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.

HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHCARE SUPPORT (NEWHAM)  
HOLDINGS LIMITED (CONTINUED)

*Goodman Jones LLP*

Paul Bailey (Senior Statutory Auditor)  
for and on behalf of  
**Goodman Jones LLP**  
29/30 Fitzroy Square  
London  
W1T 6LQ

29 April 2021

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Turnover	4	3,832	3,761
Cost of sales		(2,412)	(2,298)
<b>Gross profit</b>		<u>1,420</u>	<u>1,463</u>
Interest receivable and similar income	7	2,670	2,764
Interest payable and expenses	8	(2,723)	(3,005)
<b>Profit before taxation</b>		<u>1,367</u>	<u>1,222</u>
Tax on profit	9	(260)	(232)
<b>Profit for the financial year</b>		<u><u>1,107</u></u>	<u><u>990</u></u>
 <b>Profit for the year attributable to:</b>			
Owners of the parent Company		<u>1,107</u>	<u>990</u>
		<u><u>1,107</u></u>	<u><u>990</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 29 form part of these financial statements.

**HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03977135**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	42,851	44,907
Debtors: amounts falling due within one year	13	7,826	7,045
Cash at bank and in hand	14	2,248	1,940
		<u>52,925</u>	<u>53,892</u>
Creditors: amounts falling due within one year	15	(4,308)	(4,278)
<b>Net current assets</b>		<u>48,617</u>	<u>49,614</u>
<b>Total assets less current liabilities</b>		<u>48,617</u>	<u>49,614</u>
Creditors: amounts falling due after more than one year	16	(44,617)	(46,152)
<b>Provisions for liabilities</b>			
<b>Net assets</b>		<u><u>4,000</u></u>	<u><u>3,462</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	50	50
Profit and loss account		3,950	3,412
<b>Equity attributable to owners of the parent Company</b>		<u><u>4,000</u></u>	<u><u>3,462</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2021.

*Amit Thakrar*

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**Amit Thakrar**  
 Director

The notes on pages 18 to 29 form part of these financial statements.

**HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03977135**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	12	50	50
		<u>50</u>	<u>50</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	1,238	1,238
Debtors: amounts falling due within one year	13	37	35
		<u>1,275</u>	<u>1,273</u>
Creditors: amounts falling due within one year	15	(37)	(35)
<b>Net current assets</b>		<u>1,238</u>	<u>1,238</u>
<b>Total assets less current liabilities</b>		<u>1,288</u>	<u>1,288</u>
Creditors: amounts falling due after more than one year	16	(1,238)	(1,238)
<b>Net assets</b>		<u><u>50</u></u>	<u><u>50</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	50	50
		<u><u>50</u></u>	<u><u>50</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit or Loss in these financial statements. The Company profit for the year was £569,000 (2019 - £1,316,000)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2021.

*Amit Thakrar*

Amit Thakrar  
Director

The notes on pages 18 to 29 form part of these financial statements.

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

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

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£000	£000	£000	£000
At 1 January 2020	50	3,412	3,462	3,462
<b>Comprehensive income for the year</b>				
Profit for the year	-	1,107	1,107	1,107
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	1,107	1,107	1,107
Dividends: Equity capital	-	(569)	(569)	(569)
<b>Total transactions with owners</b>	-	(569)	(569)	(569)
<b>At 31 December 2020</b>	<b>50</b>	<b>3,950</b>	<b>4,000</b>	<b>4,000</b>

The notes on pages 18 to 29 form part of these financial statements.



# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£000	£000	£000	£000
At 1 January 2019	50	3,738	3,788	3,788
<b>Comprehensive income for the year</b>				
Profit for the year	-	990	990	990
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	990	990	990
Dividends: Equity capital	-	(1,316)	(1,316)	(1,316)
<b>Total transactions with owners</b>	-	(1,316)	(1,316)	(1,316)
<b>At 31 December 2019</b>	<b>50</b>	<b>3,412</b>	<b>3,462</b>	<b>3,462</b>

The notes on pages 18 to 29 form part of these financial statements.

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	50	-	50
<b>Comprehensive income for the year</b>			
Profit for the year	-	569	569
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	569	569
Dividends paid	-	(569)	(569)
<b>Total transactions with owners</b>	-	(569)	(569)
<b>At 31 December 2020</b>	<b>50</b>	<b>-</b>	<b>50</b>

The notes on pages 18 to 29 form part of these financial statements.

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	50	-	50
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,316	1,316
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	1,316	1,316
Dividends Paid	-	(1,316)	(1,316)
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	(1,316)	(1,316)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2019</b>	<b>50</b>	<b>-</b>	<b>50</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 29 form part of these financial statements.

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,107	990
<b>Adjustments for:</b>		
Interest paid	2,723	3,005
Interest received	(2,670)	(2,764)
Taxation charge	260	232
Decrease in debtors	504	1,312
Service charge margin	(3,753)	(3,750)
(Decrease) in creditors	(20)	(668)
Corporation tax (paid)	(349)	(515)
<b>Net cash generated from operating activities</b>	<u>(2,198)</u>	<u>(2,158)</u>
<b>Cash flows from investing activities</b>		
Interest received	30	55
Receipts on financial asset	7,552	8,009
Other financial assets - net change in funds deposited	(388)	(5,968)
<b>Net cash from investing activities</b>	<u>7,194</u>	<u>2,096</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(2,417)	(2,358)
Dividends paid	(569)	(1,316)
Interest paid	(1,702)	(1,731)
<b>Net cash used in financing activities</b>	<u>(4,688)</u>	<u>(5,405)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>308</u>	<u>(5,467)</u>
Cash and cash equivalents at beginning of year	1,940	7,407
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,248</u></u>	<u><u>1,940</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,248	1,940
	<u><u>2,248</u></u>	<u><u>1,940</u></u>

The notes on pages 18 to 29 form part of these financial statements.

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. General information

Healthcare Support Newham Holdings Limited is a private company limited by shares and incorporated and domiciled in England and Wales. The registered office is as stated on the company information page.

### 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit or Loss in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

In preparing the financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personal compensation, as required by paragraph 7 of Section 33 Related Party Disclosures;
- from presenting a reconciliation of the number of shares outstanding at the beginning and of the year, as required by paragraph 12 of Section 4 Statement of Financial Position.
- from presenting a company Cash Flow Statement.

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December each year.

#### 2.3 Going concern

The Directors have at the time of approving the financial statements, a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

In the annual review of the Group's going concern, the Directors have considered the long term impact of the Covid-19 pandemic. The Group has entered into long term contracts with both the client and suppliers, and after careful review of these contracts the Directors are confident the Group can operate as normal for the next twelve months. The Directors have committed to carrying out regular reviews of the Group's cash flows to monitor the ongoing situation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.4 Turnover**

The assets of the Group fall under Service Concession Arrangements by virtue of the fact that the public sector customer ("Grantor") passes both elements of the asset control test:

- i) The Grantor controls the use of the asset via the project agreement and all service level requirements contained therein;
- ii) The Grantor controls the residual interest in the asset.

Under section 34 of FRS102, such assets should be capitalised into a financial asset attributed to the provision of services.

Pursuant to section 23 of FRS102, revenue associated with the financial asset comprises service income related to facilities management, lifecycle maintenance and other administrative running costs of the Group.

**2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.6 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.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.8 Financial instruments**

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

**Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Financial instruments (continued)

quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

**Service Concession**

The Group has been established to provide services under certain private finance agreements with Barts Health NHS Trust. Under the terms of these Agreements, the Barts Health NHS Trust (as grantor) controls the services to be provided by the Group over the contract term. Based on the contractual arrangements the Group has classified the project as a service concession arrangement, and has accounted for the principal assets of, and income streams from, the project in accordance with FRS 102, Section 34.12 Service Concession Arrangements.

The Group has chosen to adopt the transitional arrangements available within FRS 102, Section 35.10 (i) and as such the service concession arrangement has continued to be accounted for using the same accounting policies being applied at the date of transition to FRS 102 (1 January 2014). The nature of the asset has therefore not changed; however, there has been a change in the description from Finance Debtor to Financial Asset.

Under the terms of the arrangement, the Group has the right to receive a baseline contractual payment stream for the provision of the services from or at the direction of the grantor (the Trust), and as such the asset is accounted for as a financial asset. The financial asset has initially been recognised at the fair value of the consideration received, based on the fair value of the construction (or upgrade) services, plus any directly attributable transaction costs, provided in line with FRS 102.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

## HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.9 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.

##### 2.10 Finance costs

Finance costs are 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.11 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.

##### 2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

###### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

**Critical judgements**

Concession arrangements - The concession arrangements undertaken by the Group are considered to fall within the scope of section 34 of FRS 102 "Service Concession Arrangements", as described in the Turnover note. This judgement has been based on a consideration of the nature and terms of the agreements.

**Key sources of estimation uncertainty**

Financial Asset Interest Rate - The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the Financial Asset on a quarterly basis.

Service Margin - After the property is constructed, the group provides property management services. The remuneration for these services is recognised at cost plus an estimated mark up for profit on property management services. The service margin rate used in 2020 is 61.07% (2019: 65.14%) per annum.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £000	2019 £000
Service fee income	3,754	3,750
Pass-through income	78	11
	3,832	3,761

All turnover arose within the United Kingdom.

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 5. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6	6

### 6. Employees

The Group and Company have no employees other than the Directors, who did not receive any remuneration (2019 - £NIL).

### 7. Interest receivable

	2020 £000	2019 £000
Financial asset interest income	2,640	2,709
Interest on bank deposits	30	55
	<u>2,670</u>	<u>2,764</u>

### 8. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	2,571	2,856
Loans from group undertakings	152	149
	<u>2,723</u>	<u>3,005</u>

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. Taxation

	2020 £000	2019 £000
<b>Corporation tax</b>		
Current tax on profits for the year	260	232
	<u>260</u>	<u>232</u>
<b>Total current tax</b>	<u>260</u>	<u>232</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>260</u>	<u>232</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	1,367	1,222
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	260	232
<b>Effects of:</b>		
<b>Total tax charge for the year</b>	<u>260</u>	<u>232</u>

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. Taxation (continued)

#### Factors that may affect future tax charges

An increase to the rate of corporation tax to 25% (effective from 1 April 2023) was announced in the Budget on 3 March 2021. This will increase the Company's future tax charge accordingly.

### 10. Dividends

	2020 £000	2019 £000
Interim dividends paid	569	1,316
	<u>569</u>	<u>1,316</u>

Dividends of £11.38 per share (2019: £26.33) were paid during the year.

### 11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the Parent Company for the year was £569,000 (2019 - £1,316,000).

### 12. Fixed asset investments

#### Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	50
At 31 December 2020	<u>50</u>

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 12. Fixed asset investments (continued)

#### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Healthcare Support (Newham) Limited	3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD	Ordinary Shares	100%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Healthcare Support (Newham) Limited	4,000	1,107

### 13. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	1,238	1,238
Financial asset	42,851	44,907	-	-
	<u>42,851</u>	<u>44,907</u>	<u>1,238</u>	<u>1,238</u>

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Due within one year</b>				
Trade debtors	240	-	-	-
Financial asset	1,206	1,013	-	-
Intercompany debtor	-	-	37	35
Prepayments and accrued income	24	64	-	-
Other financial assets	6,356	5,968	-	-
	<u>7,826</u>	<u>7,045</u>	<u>37</u>	<u>35</u>

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 13. Debtors (continued)

Other financial assets include amounts held within deposit accounts with a maturity greater than 3 months from initial deposit.

### 14. Cash and cash equivalents

	Group 2020 £000	Group 2019 £000
Cash at bank and in hand	2,248	1,940
	<u>2,248</u>	<u>1,940</u>

### 15. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans (Note 17)	2,539	2,411	-	-
Trade creditors	406	59	-	-
Amounts owed to group undertakings	37	35	37	35
Corporation tax	199	288	-	-
Other taxation and social security	173	295	-	-
Other creditors	1	5	-	-
Accruals and deferred income	953	1,185	-	-
	<u>4,308</u>	<u>4,278</u>	<u>37</u>	<u>35</u>

### 16. Creditors: Amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans (Note 17)	43,379	44,914	-	-
Shareholder loans (Note 17)	1,238	1,238	1,238	1,238
	<u>44,617</u>	<u>46,152</u>	<u>1,238</u>	<u>1,238</u>

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 17. Loans

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Amounts falling due within one year</b>				
Bank loans	2,539	2,411	-	-
	<u>2,539</u>	<u>2,411</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	2,369	2,499	-	-
	<u>2,369</u>	<u>2,499</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	7,020	7,001	-	-
	<u>7,020</u>	<u>7,001</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due after more than 5 years</b>				
Bank loans	33,990	35,414	-	-
Shareholder loan	1,238	1,238	1,238	1,238
	<u>35,228</u>	<u>36,652</u>	<u>1,238</u>	<u>1,238</u>
	<u><u>47,156</u></u>	<u><u>48,563</u></u>	<u><u>1,238</u></u>	<u><u>1,238</u></u>

Amounts repayable by installment due after 5 years total £33,309,000 (2019 - £35,414,000).

#### Bonds

In 2004 the Group issued £46,620,000 in aggregate principal amount of 3.2655 per cent index-linked security bonds due in 2037 under a Bond Trust Deed, with Prudential Trustee Company Limited as Trustee, which provides funds for the construction of the project. The bond is repayable in installments based on the Bond Trust Deed over the next 31 years from the last drawdown.

#### Subordinated debt

At the year end, the Company owed £1,238,300 in loans to the immediate parent companies Palio (No4) Limited (50%) and CFS Newham Limited (50%) which in turn are owned by Equitix Fund IV (50%) and Equitix Fund MA 1 respectively. The subordinated debt is unsecured and is subject to interest at 12%. The debt is repayable by installments from surplus funds to 2039.

# HEALTHCARE SUPPORT (NEWHAM) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 18. Financial instruments

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Financial assets</b>				
Financial assets measured at amortised cost	<u>52,901</u>	<u>53,869</u>	<u>1,238</u>	<u>1,238</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(48,693)</u>	<u>(50,001)</u>	<u>(1,275)</u>	<u>(1,273)</u>

Financial assets measured at amortised cost comprise financial asset, cash at bank and trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, loans and provisions.

### 19. Share capital

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
50,000 (2019 - 50,000) Ordinary shares of £1.00 each	<u>50</u>	<u>50</u>

### 20. Controlling party

The Company is a joint venture between Palio (No 4) Limited (50%) and CFS Newham Limited (50%). CFS Newham Limited and Palio (No 4) Limited are incorporated and registered in England and Wales. The Directors consider there to be no ultimate controlling entity at the year end.