

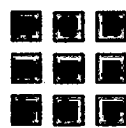


**HEALTHSOURCE (BROMLEY) HOLDINGS
LIMITED**

AUDITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2020**



**Wellden
Turnbull**

Chartered Accountants and
Chartered Tax Advisers
Statutory Auditors

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr A T S Parry Mr A W Hopps Mr S J Johnston (resigned 1 November 2019)
Company secretary	Mr P W Noake
Registered number	04197973
Registered office	4 Greengate Cardale Park Harrogate North Yorkshire HG3 1GY
Independent auditors	Wellden Turnbull Limited Chartered Accountants & Statutory Auditors Albany House Claremont Lane Esher Surrey KT10 9FQ

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 16
 The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	17 - 18

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

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;
- 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 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.

Principal activity

The principal activity of the Company is to act as a parent Company with a single subsidiary, Healthsource (Bromley) Limited. The subsidiary Company's principal activities are to provide new hospital equipment and its replacement and ongoing maintenance to the Princess Royal University Hospital and other sites under the control of King's College Hospital NHS Foundation Trust for a period of 30 years under the Government's Private Finance initiative ('PFI').

On 22 March 2002, the subsidiary Company signed the formal PFI contracts relating to its part of the overall PFI scheme, together with the related equity and loan facilities agreements, to enable it to perform its obligations. The hospital opened on 24 March 2003.

Directors

The directors who served during the year were:

Mr A T S Parry
Mr A W Hopps
Mr S J Johnston (resigned 1 November 2019)

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 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:

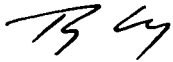
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors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

Post balance sheet events

Subsequent to the year end date, global economies and financial markets experienced significant volatility as a result of the uncertainties arising from the COVID-19 virus pandemic. The Company's subsidiary earns income from a PFI contract with King's College Hospital NHS Foundation Trust which matures 2032. The Directors have assessed the impact and risk of the current market conditions on the Company and do not believe these to be material in nature. Details of the Directors' going concern assessment are included in note 2.4.

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 and signed on its behalf.



Mr A T S Parry
Director

Date: 23 December 2020

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

Opinion

We have audited the financial statements of Healthsource (Bromley) Holdings Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 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 Auditors' 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 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

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 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.

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED (CONTINUED)

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 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 Directors' Responsibilities Statement on page 1, 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.

Auditors' responsibilities for the audit of the financial statements

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

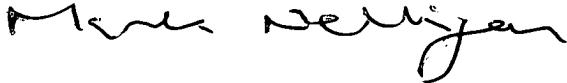
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHSOURCE (BROMLEY) HOLDINGS
LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Mark Nelligan FCA (Senior Statutory Auditor)

for and on behalf of
Wellden Turnbull Limited

Chartered Accountants
Statutory Auditors

Albany House
Claremont Lane
Esher
Surrey
KT10 9FQ

Date: 23/12/2020

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Income from fixed assets investments		409,564	62,190
Interest receivable and similar income	5	129,212	129,212
Interest payable and expenses	6	(129,212)	(129,212)
Profit before tax		<u>409,564</u>	<u>62,190</u>
Tax on profit	7	-	-
Profit for the financial year		<u><u>409,564</u></u>	<u><u>62,190</u></u>

There was no other comprehensive income for 2020 (2019:£NIL).

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

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED
REGISTERED NUMBER:04197973

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	8	100,000	100,000
Current assets			
Debtors: amounts falling due after more than one year	9	1,000,000	1,000,000
Debtors: amounts falling due within one year	9	123,584	123,584
		<u>1,123,584</u>	<u>1,123,584</u>
Creditors: amounts falling due within one year	10	(123,584)	(123,584)
Net current assets		<u>1,000,000</u>	<u>1,000,000</u>
Total assets less current liabilities		<u>1,100,000</u>	<u>1,100,000</u>
Creditors: amounts falling due after more than one year	11	(1,000,000)	(1,000,000)
Net assets		<u><u>100,000</u></u>	<u><u>100,000</u></u>
Capital and reserves			
Called up share capital	13	100,000	100,000
Shareholders' funds		<u><u>100,000</u></u>	<u><u>100,000</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 by:


Mr A T S Parry
 Director

Date: 23 December 2020

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

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	100,000	-	100,000
Comprehensive income for the year			
Profit for the year	-	62,190	62,190
Dividends: Equity capital	-	(62,190)	(62,190)
At 1 April 2019	100,000	-	100,000
Comprehensive income for the year			
Profit for the year	-	409,564	409,564
Dividends: Equity capital	-	(409,564)	(409,564)
At 31 March 2020	100,000	-	100,000

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

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

1. General information

Healthsource (Bromley) Holdings Limited is a private Company, limited by shares, incorporated in England and Wales, registered number 04197973. The registered office is 4 Greengate, Cardale Park, Harrogate, North Yorkshire, HG3 1GY.

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).

These financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

2.2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS 102. There were no material departures from the standard.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cardale PFI Investments Limited as at 31 March 2020 and these financial statements may be obtained from 4 Greengate, Cardale Park, Harrogate, North Yorkshire, HG3 1GY.

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis as the Company's subsidiary has been profitable and generated sufficient cash from operations to meet its liabilities as they fall due. In assessing the appropriateness of the going concern basis of preparation, the Directors have taken into account the key risks of the business, including the uncertainty in relation to the impact of COVID-19. In doing so the Directors have considered the subsidiary Company's business model and availability of cash resources. The Directors have prepared projected cash flow information for at least twelve months from the date of their approval of these financial statements. On the basis of this cash flow information, the Directors consider that the subsidiary Company will continue to operate within the long term facility currently agreed. In addition, during the operational phase of the project, sufficient cash flow is projected to be generated to allow the subsidiary Company to continue to meet its liabilities as they fall due for payment.

The subsidiary company's senior loan is repayable by 31 December 2028 and is supported by the future cash flows from a PFI contract with King's College Hospital NHS Trust Foundation which matures 2032. Furthermore, the Directors acknowledge that the subsidiary Company has Swaps which are significantly out of the money. However it is not the intention of management to close out these instruments before their maturity date and the required cash flows to service the swaps are built into forward cash flow models supporting management's going concern assessment.

Accordingly, the directors believe it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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.

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic 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, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.8 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.

2.9 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.

2.10 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.

2.11 Interest income

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

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

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

There are no judgements or estimates when applying the accounting policies that have a significant effect on the amounts recognised in the financial statements that are not readily apparent from other sources.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Directors	3	3

During the year, no director received any emoluments (2019 - £nil).

5. Interest receivable

	2020 £	2019 £
Other interest receivable	129,212	129,212

6. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	129,212	129,212

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

7. Taxation

	2020 £	2019 £
Current tax on profits for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	409,564	62,190
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	77,817	11,816
Effects of:		
Dividends from UK companies	(77,817)	(11,816)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	100,000
At 31 March 2020	<u>100,000</u>

The Company holds 100% of the ordinary £1 shares and 100% of the Borrower Subordinated Unsecured Loan Notes 2032 in Healthsource (Bromley) Limited, a Company incorporated and registered in England and Wales and engaged in providing equipment and related services. The Notes are unsecured and bear interest at 11.5% per annum compounded. The Notes are repayable in units of £50,000 when permitted by the terms of the Bank borrowings documentation, and have a final redemption date of 31 December 2032.

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Healthsource (Bromley) Limited	4 Greengate, Cardale Park, Harrogate, North Yorkshire, HG3 1GY	Providing equipment and related services	Ordinary	100%

9. Debtors

	2020 £	2019 £
Due after more than one year		
Amounts owed by group undertakings	<u>1,000,000</u>	<u>1,000,000</u>
Due within one year		
Amounts owed by group undertakings	<u>123,584</u>	<u>123,584</u>

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	<u>123,584</u>	<u>123,584</u>

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

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

	2020 £	2019 £
Amounts owed to group undertakings	<u>1,000,000</u>	<u>1,000,000</u>

The Subordinated Unsecured Loan Notes 2032 were acquired on 16 June 2017 by Cardale Infrastructure Investments Limited, the Company's immediate parent Company. The Notes are unsecured and bear interest at 11.5% per annum compounded. The Notes are repayable in units of £50,000 when permitted by the terms of the Bank borrowings documentation, and have a final redemption date of 31 December 2032.

The principal amount of £1,000,000 is repayable after more than five years (2019 - £1,000,000).

12. Financial instruments

Financial assets that are debt instruments at amortised cost amounted to £1,123,584 (2019 - £1,123,584).

Financial liabilities measured at at amortised cost amounted to £1,123,584 (2019 - £1,123,584).

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100,000 (2019 - 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

14. Related party transactions

The Company has taken advantage of FRS102 section 33 paragraph 1A not to disclose transactions with wholly owned group members.

HEALTHSOURCE (BROMLEY) HOLDINGS LIMITED

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

15. Post balance sheet events

Subsequent to the year end, global economies have been affected by the negative financial impact of the spread of the COVID-19 virus pandemic. This is considered a non-adjusting event at the year end date and details of the Directors' going concern assessments are included in note 2.4.

16. Controlling party

The Company is under the control of Cardale Infrastructure Investments Limited which is the immediate parent company.

The ultimate parent undertaking and controlling party is Cardale PFI Investments Limited. Consolidated financial statements are available from the registered office at 4 Greengate, Cardale Park, Harrogate, North Yorkshire, HG3 1GY.