

Registration number: 3533724

# United Healthcare (Bromley) Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2018



## **United Healthcare (Bromley) Holdings Limited**

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## **United Healthcare (Bromley) Holdings Limited**

### **Company Information**

<b>Directors</b>	R Little D Lindesay (alternate to R Little) A Watson
<b>Company secretary</b>	SPC Management Limited
<b>Registered office</b>	Third Floor Broad Quay House Prince Street Bristol BS1 4DJ
<b>Solicitors</b>	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London EC1Y 4AG
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

**United Healthcare (Bromley) Holdings Limited**  
**Strategic Report for the Year Ended 31 March 2018**

The directors present their strategic report for the year ended 31 March 2018.

**Principal activity**

The principal activity of the company is that of a holding company of two subsidiaries, United Healthcare (Bromley) Limited (formerly United Healthcare (Farnborough Hospital) Limited) and United Healthcare (Bromley) Services Limited.

United Healthcare (Bromley) Limited was established principally to undertake the design, construction and maintenance of a new acute general hospital, the Princess Royal University Hospital, and mental health unit (together the 'New Hospital') at Farnborough Common and the provision of domestic, catering and other related services at the New Hospital, Beckenham Hospital and Orpington Hospital, for a period of up to 60 years pursuant to and in accordance with the terms of an agreement with Bromley Hospitals NHS Trust. This agreement together with a loan facilities agreement, a construction contract, facilities management contracts and other related contracts were signed on 19 November 1998. Construction commenced in November 1998; the mental health unit was completed and made available to Bromley Hospitals NHS Trust on 31 March 2000; and the new acute general hospital was completed and made available to Bromley Hospitals NHS Trust on 20 December 2002.

On 1 April 2009, the group's contracts with Bromley Hospitals NHS Trust were assigned to South London Healthcare NHS Trust ('SLHT'), and Bromley Hospitals NHS Trust was dissolved. There was no change in the financial position of the company or group as a result of this change of customer.

Under the Health Act 2009, having failed by other measures to bring SLHT into long term financial balance, the Secretary of State for Health appointed Matthew Kershaw to be the SLHT's Special Administrator (TSA) to exercise the functions of the chairman and directors of SLHT. On 7th January 2013, Mr. Kershaw issued his final report to the Secretary of State for Health outlining his proposals for the future of the Trust. His recommendation in relation to the Princess Royal University Hospital was that it should be acquired by the Kings College NHS Foundation Trust. Consequently, the group's contracts with South London Healthcare NHS Trust were assigned to King's College NHS Foundation Trust (the 'Trust') on 1 October 2013. There was no change in the financial position of the group as a result of this change of customer.

**Results and review of business**

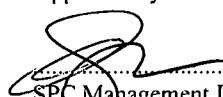
The profit for the year is set out in the profit and loss account on page 8. The directors consider the performance of the company during the year and the financial position at the end of the year, to be in line with the long term expected performance of the project, and its prospects for the future to be satisfactory.

**Principal risks and uncertainties and key performance indicators ('KPIs')**

As described above United Healthcare (Bromley) Holdings Limited acts as a holding company for its subsidiary, United Healthcare (Bromley) Limited. As such the principal risks and key performance indicators adopted by United Healthcare (Bromley) Limited are applicable to the management of the company's investment in United Healthcare (Bromley) Limited and are detailed in the directors' report of the financial statements for United Healthcare (Bromley) Limited for the year ended 31 March 2018.

In addition, the holding company also takes the risk of impairment of its investment in the subsidiary. This risk is directly related to the performance of the subsidiary.

Approved by the Board on 7 August 2018 and signed on its behalf by:

  
SPC Management Limited  
Company secretary

## **United Healthcare (Bromley) Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2018**

**Registration number: 3533724**

The directors present their report and the audited financial statements for the year ended 31 March 2018.

#### **Future developments**

No significant changes are expected to the company's activities, as set out in the Strategic Report, in the foreseeable future.

#### **Dividends**

A dividend of £5,658,000 (£9.15 per ordinary share) was paid during the year (2017: £4,582,000, £7.41 per ordinary share).

#### **Financial risk management**

As described in the strategic report United Healthcare (Bromley) Holdings Limited acts as a holding company for its subsidiaries, United Healthcare (Bromley) Limited and United Healthcare (Bromley) Services Limited. As such the financial risk management adopted by United Healthcare (Bromley) Limited and United Healthcare (Bromley) Services Limited are applicable to the management of its investment in its subsidiaries and are detailed in the Directors' Report for United Healthcare (Bromley) Limited and United Healthcare (Bromley) Services Limited for the year ended 31 March 2018.

#### **Directors of the company**

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

R Little

J Graham (resigned 23 May 2018)

D Lindesay (alternate to R Little) (appointed 24 April 2017)

A Watson

C J Blundell (resigned 24 April 2017)

## **United Healthcare (Bromley) Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2018 (continued)**

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

The independent auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

Approved by the Board on 7 August 2018 and signed on its behalf by:

  
.....  
SPC Management Limited  
Company secretary

## **United Healthcare (Bromley) Holdings Limited**

### **Independent Auditors' Report to the members of United Healthcare (Bromley) Holdings Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, United Healthcare (Bromley) Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with *United Kingdom Generally Accepted Accounting Practice* (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

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

##### *Independence*

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

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

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

- 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.

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

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **United Healthcare (Bromley) Holdings Limited**

### **Independent Auditors' Report to the members of United Healthcare (Bromley) Holdings Limited (continued)**

#### **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

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

In preparing the financial statements, the 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

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



**United Healthcare (Bromley) Holdings Limited**

**Independent Auditors' Report to the members of United Healthcare (Bromley)  
Holdings Limited (continued)**

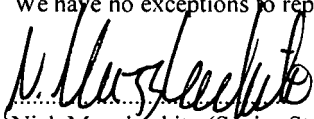
**Other required reporting**

**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Nick Muzzlewhite (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date: 7/9/18

## United Healthcare (Bromley) Holdings Limited

### Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £ 000	2017 £ 000
Income from shares in group undertakings		5,658	4,582
Interest receivable and similar income	5	4,601	3,638
Interest payable and similar charges	6	<u>(4,601)</u>	<u>(3,638)</u>
<b>Profit on ordinary activities before taxation</b>		5,658	4,582
Taxation	7	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<u><u>5,658</u></u>	<u><u>4,582</u></u>

The above results were derived from continuing operations.

The company has no other Comprehensive Income for the year other than the profit for the financial year stated above.


The notes on pages 11 to 19 form an integral part of these financial statements.

# United Healthcare (Bromley) Holdings Limited

## Balance Sheet as at 31 March 2018

	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Investments	8	12,708	12,708
<b>Current assets</b>			
Debtors: Amounts falling due after more than one year	9	40,693	40,693
Debtors: Amounts falling due within one year	10	<u>3</u>	<u>3</u>
		40,696	40,696
<b>Total assets less current liabilities</b>		53,404	53,404
<b>Creditors: Amounts falling due after more than one year</b>	11	<u>(52,783)</u>	<u>(52,783)</u>
<b>Net assets</b>		<u>621</u>	<u>621</u>
<b>Capital and reserves</b>			
Called up share capital	12	6	6
Share premium account		612	612
Profit and loss account		<u>3</u>	<u>3</u>
<b>Total equity</b>		<u>621</u>	<u>621</u>

Approved and authorised by the Board on 7 August 2018 and signed on its behalf by:



A Watson

Director

The notes on pages 11 to 19 form an integral part of these financial statements.

**United Healthcare (Bromley) Holdings Limited**

**Statement of Changes in Equity for the Year Ended 31 March 2018**

	<b>Note</b>	<b>Called up Share capital £ 000</b>	<b>Share premium account £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
At 1 April 2016		6	612	3	621
Profit for the financial year		-	-	4,582	4,582
Total comprehensive income		-	-	4,582	4,582
Dividends	14	-	-	(4,582)	(4,582)
At 31 March 2017		<u>6</u>	<u>612</u>	<u>3</u>	<u>621</u>

	<b>Note</b>	<b>Called up Share capital £ 000</b>	<b>Share premium account £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
At 1 April 2017		6	612	3	621
Profit for the financial year		-	-	5,658	5,658
Total comprehensive income		-	-	5,658	5,658
Dividends	14	-	-	(5,658)	(5,658)
At 31 March 2018		<u>6</u>	<u>612</u>	<u>3</u>	<u>621</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

## **United Healthcare (Bromley) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018**

#### **1 General information**

The principal activity of the company is that of a holding company of two subsidiaries, United Healthcare (Bromley) Limited (formerly United Healthcare (Farnborough Hospital) Limited) and United Healthcare (Bromley) Services Limited.

The company is a private company limited by shares and is incorporated and domiciled in England.

The address of its registered office is:

Third Floor  
Broad Quay House  
Prince Street  
Bristol  
BS1 4DJ

The company's functional and presentation currency is the pound sterling.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

##### **Investment income**

*Investment income* may include dividends and interest receivable. Dividends are included, as 'Income from shares in group undertakings'. Interim dividends are recognised when paid, whilst final dividends are recognised when approved by the paying company. Interest receivable is included, as 'Interest receivable and similar income', on an accruals basis. This heading may also include the amortisation of any premium or discount on the purchase of the loan which has been spread over the life of the loan to determine an effective interest rate.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash balances are held in bank accounts which are subject to controls, exercised by the providers of the company's long term debt facilities, under the terms of its facility agreements.

## **United Healthcare (Bromley) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial Instruments**

###### ***(i) Financial assets***

Basic financial assets, including trade and other receivables, finance debtors, cash and bank balances, are initially recognised at transaction price, 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.

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 a 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) 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.

###### ***(ii) Financial 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

###### ***(iii) Offsetting***

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.

## **United Healthcare (Bromley) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Called up share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Final dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. Interim dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

##### **Indexation**

The index linked loans are revalued half-yearly in line with RPI changes, and the resulting charge or credit is recognised in the profit and loss account as finance income or expense.

##### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions. The exemptions which the company has taken are:

- (i) the requirement to prepare a statement of cash flows;
- (ii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- (iii) the requirement to disclose related party transactions, with the members of the same group, that are wholly owned;
- (iv) the requirement to provide consolidated financial statements.

#### **3 Critical accounting judgements and estimation uncertainty**

Judgements, estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may subsequently differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates made are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Certain critical accounting judgements, adopted by management, in applying the company's accounting policies are described below:

##### ***Finance Debtor***

The company has elected to continue to apply its previous accounting treatment in respect of service concession arrangements entered into prior to the date of transition to FRS 102. This has resulted in the measurement of the finance debtor being different from that which would have resulted had the requirements of FRS 102 Section 34 been fully adopted. The accounting for service concession contracts and finance debtors requires estimation of service margins, finance debtors interest rates and associated amortisation profile which are based on the forecast results of the PFI contracts over the respective concession length. See notes 9 and 10 for the carrying value of the finance debtor.

## **United Healthcare (Bromley) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **3 Critical accounting judgements and estimation uncertainty (continued)**

##### Impairment of debtors

Management makes an estimate of the likely recoverable value of trade and other debtors by considering factors including the current credit rating, the ageing profile and the historic experience of the respective debtor. See notes 9 and 10 for the carrying value of the debtors.

##### Treatment and Measurement of derivatives

The directors have adopted a policy of cash flow hedge accounting for derivative financial instruments and have assessed that the company's interest rate swaps meet the criteria for hedge accounting under FRS 102. This allows unrealised gains and losses to be deferred in a cash flow hedge reserve and only recognised through the profit and loss account at the same time as the hedged cash flows.

The derivative financial instruments are recognised at fair value. The measurement of fair value is based on estimates of future market interest and inflation rates and will therefore be subject to change. The company has used a third party expert to assist with valuing such instruments.

##### Taxation

The assessment of the tax charge may include uncertain tax positions where the tax treatment has not yet been agreed with the taxation authorities. Management make an estimate of the taxation charge for the period and the value of balances, with reference to legislation, discussions with taxation authorities, advice from taxation advisors, and the determination of similar taxation cases.

Deferred tax is recognised at tax rates that are expected to be applicable when the timing differences reverse, to the extent that such rates have been substantially enacted. Given the phased reduction in future tax rates in the UK, the deferred tax asset or liability recognised is therefore dependent upon an estimate of the timing of such reversals.

#### **4 Operating loss**

The company had no employees, other than the directors, during the year (2017: none). The emoluments of the directors are paid by the controlling parties. The directors services to this company and to a number of fellow group companies are primarily of a non executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (2017: £nil) to the company in respect of these services.

The audit fee of £2,251 (2017: £2,185) is borne by United Healthcare (Bromley) Limited and not recharged to the company.



## United Healthcare (Bromley) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 5 Interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest receivable on loans to group undertakings	3,246	2,810
Other finance income	1,355	828
	<u>4,601</u>	<u>3,638</u>

#### 6 Interest payable and similar charges

	2018 £ 000	2017 £ 000
Indexation of loan from subsidiary company	1,553	828
Interest payable on loan from parent	1,232	1,221
Indexation of loan from parent	461	246
Interest payable on loan from subsidiary company	1,355	1,343
	<u>4,601</u>	<u>3,638</u>

#### 7 Tax on profit on ordinary activities

##### (a) Tax expense included in profit or loss

	2018 £ 000	2017 £ 000
<b>Current taxation</b>		
Total current tax	<u>-</u>	<u>-</u>
Tax (credit)/charge on profit on ordinary activities	<u>-</u>	<u>-</u>

##### (c) Reconciliation of tax charge

The tax on profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK (2017: the same as the standard rate of corporation tax in the UK) of 19% (2017: 20%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit on ordinary activities before taxation	5,658	4,582
Corporation tax at standard rate	1,075	916
Income not subject to tax	(1,075)	(916)
Total tax charge	<u>-</u>	<u>-</u>

## United Healthcare (Bromley) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 7 Tax on profit on ordinary activities (continued)

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. From 1 April 2017, changes to the legislation in respect of the utilisation of carried forward tax losses and the restriction of interest deductions have come into force. Changes to the rules governing the treatment of hybrids were also adopted from 1 January 2017. We have therefore reviewed the impact of these changes, with the encompassed figures reflecting their implementation.

#### 8 Investments

	Equity	Subordinated debt	Total
Cost and net book value:	£ 000	£ 000	£ 000
<b>at 1 April 2016</b>	618	12,090	12,708
Indexation of loan	-	246	246
Debt repayments	-	(246)	(246)
<b>At 1 April 2017</b>	618	12,090	12,708
Indexation of loan	-	461	461
Debt repayments	-	(461)	(461)
<b>At 31 March 2018</b>	<b>618</b>	<b>12,090</b>	<b>12,708</b>

The company has an investment of £618,000 (2017: £618,000), representing a holding of 100% (2017: 100%), in United Healthcare (Bromley) Limited, a company registered in England & Wales. The company also has an investment of £1 (2017: £1), representing a holding of 100% (2017: 100%), in United Healthcare (Bromley) Services Limited, a company registered in England & Wales. The registered address for both entities is 3rd Floor, Broad Quay House, Prince Street, Bristol. BS1 4DJ.

The subordinate debt represents a loan to subsidiary undertaking which is unsecured, bears interest at a rate of 10% and is repayable in six monthly instalments which commenced in 2010 and end in 2037. The loan is subject to half yearly indexation, in line with RPI increases.

#### 9 Debtors: Amounts falling due after more than one year

	2018 £ 000	2017 £ 000
Shareholder loan	40,693	40,693

The loan to the parent undertaking is subject to half-yearly indexation, in line with RPI increases, in accordance with the deed poll constituting the loan notes, bears interest at a rate of 3.268%, and is repayable in 6 six-monthly instalments which commence in 2035 and end in 2037.

## United Healthcare (Bromley) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 10 Debtors: Amounts falling due within one year

	2018 £ 000	2017 £ 000
Amounts owed by group undertakings	<u>3</u>	<u>3</u>

#### 11 Creditors: Amounts falling due after one year

	2018 £ 000	2017 £ 000
Loan from parent undertaking	12,090	12,090
Loan from subsidiary undertaking	<u>40,693</u>	<u>40,693</u>
	<u>52,783</u>	<u>52,783</u>

The subordinated debt from the parent undertaking is subject to half-yearly indexation, in line with RPI increases, in accordance with the deed poll constituting the loan notes, bears interest at a rate of 10%, and is repayable in 57 six-monthly instalments which commence in 2010 and end in 2037.

The loan from the company's subsidiary undertaking United Healthcare (Bromley) Services Limited was created in connection with a group refinancing process which occurred on 21 April 2004. The ultimate parent undertaking of the group of which the company is a member is United Healthcare (Bromley) Group Limited, and the principal operating subsidiary of the group is United Healthcare (Bromley) Limited. On 21 April 2004, the group undertook a refinancing process whereby the existing bank borrowings of United Healthcare (Bromley) Limited were replaced with bonds issued by that company. On the same day, as part of the group refinancing process, United Healthcare (Bromley) Services Limited issued 40,693,482 redeemable preference shares of £1 each to United Healthcare (Bromley) Limited and made a loan of £40,693,482 to the company. It is subject to indexation, bears interest at a rate of 3.268%, and is repayable in 6 six-monthly instalments which commence in 2035 and end in 2037.

## United Healthcare (Bromley) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 12 Called up share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.01 each	<u>618</u>	<u>6</u>	<u>618</u>	<u>6</u>

#### 13 Share premium account

##### Called up and paid share premium

	2018		2017	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.99 each	<u>618</u>	<u>612</u>	<u>618</u>	<u>612</u>

#### 14 Dividends

	2018	2017
	£ 000	£ 000
Dividends paid - £9.15 (2017: £7.41) per ordinary share	<u>5,658</u>	<u>4,582</u>

#### 15 Contingent liabilities

The company has given a guarantee and debenture in the form of fixed and floating charges over the assets and undertakings of the company as a security for the bonds issued by its subsidiary undertaking United Healthcare (Bromley) Limited.

#### 16 Related party transactions

As a wholly owned subsidiary of United Healthcare (Bromley) Group Limited the company has taken advantage of the exemption under FRS 102 - paragraph 33.1A of the requirement to disclose transactions between it and other group companies.

## **United Healthcare (Bromley) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **17 Parent and ultimate parent undertaking**

The company's immediate parent is United Healthcare (Bromley) Group Limited ('Groupco'), incorporated in England and Wales.

At 31 March 2016, Groupco was owned and jointly controlled by Innisfree Nominees Limited (which holds legal title on behalf of Innisfree M&G PPP LP) ('Innisfree') and Semperian PPP Investment Partners No. 2 Limited, each of which owned 50% of the issued share capital of the company. In the directors' opinion there is no ultimate controlling party. The smallest group and largest group to consolidate these financial statements is Groupco.

These financial statements are available upon request from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.