

# CHICHESTER HEALTH (HOLDINGS) LIMITED

Registered in England No: 3649465

## ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

THURSDAY



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## **Directors and Officers**

### **Directors:**

Capita Trust Company Limited  
Capita Trust Corporate Services Limited  
Susan Lawrence

### **Officer – Company Secretary**

TB Symes

### **Independent Auditors**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

### **Bankers**

Bank of Scotland  
London Chief Office  
38 Threadneedle Street  
London  
EC2P 2EH

### **Registered Place of Business**

1 Gresham Street  
London  
EC2V 7BX

### **Company Number**

Registered in England and Wales No 3649465

### **Other Information**

Chichester Health (Holdings) Limited (the ‘Company’) is a member of the Aviva plc group of companies (the ‘Group’)

## **Directors' Report**

### **For the year ended 31 December 2013**

The directors present their report and the audited financial statements for ('the Company') for the year ended 31 December 2013

#### **Directors**

The current directors and those in office during the year are as follows

Capita Trust Company Limited  
Capita Trust Corporate Services Limited  
Susan Lawrence

#### **Principal Activities**

Chichester Health (Holdings) Limited is a holding company for the finance Company, Chichester Health Plc

The directors have reviewed the activities of the business for the year and the position as at 31 December 2013 and consider them to be satisfactory

#### **Business Review**

#### **Financial Position and Performance**

The financial position of the Company at 31 December 2013 is shown in the Balance Sheet on page 9, with trading results shown in the Profit and Loss account on page 8

#### **Future Outlook**

The directors expect the level of activity to be maintained in the foreseeable future

#### **Key Performance Indicators**

The directors consider that the key performance indicator for the Company's business is post tax profit. A loss for the financial year of £57,717 was reported for the year (2012 £6,245)

#### **Results and Dividends**

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements

The directors do not recommend the payment of a dividend for the financial year ending 31 December 2013 (2012 £nil)

#### **Going Concern**

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements

## **Directors' Report (continued)**

### **For the year ended 31 December 2013**

#### **Risk and Capital Management Policies**

##### **(a) Approach to risk and capital management**

The Company operates within the governance structure and priority framework of the Group. Details of Aviva plc's governance framework are contained in the financial statements of Aviva plc.

##### **(b) Management of financial and non-financial risks**

Credit risk is reduced by the Company having a fixed long term PFI agreement with the Sussex Partnership NHS Trust.

Operational risk would arise as a result of inadequate or failed internal processes, people or systems, or from external events. Details of Aviva plc's approach to operational risk are set out in the financial statements of Aviva plc.

As with other risk categories, line management of business areas have primary responsibility for the effective identification, management, monitoring and reporting of risks in accordance with Aviva Group policies. The Company's risk management function provides support and independent challenge on the completeness, accuracy and consistency of risk assessments, and the adequacy of mitigating action plans.

##### **(c) Capital management**

Aviva plc maintains an efficient capital structure, which is consistent with its risk profile and the regulatory and market requirements of its business. Details of the Aviva plc capital management process are contained in the financial statements of Aviva plc.

The directors do not believe that there are any material risks facing the Company.

#### **Creditor Payment Policy**

It is the Company's policy that payment to suppliers for goods and services to the Company are made approximately 30 days from receipt of valid invoice unless agreed otherwise as part of a contractual agreement.

#### **Employees**

The Company has no employees (2012: nil).

#### **Disclosure of Information to Independent Auditors**

Each person who was a director of the Company on the date that this report was approved, confirms that so far as the director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Independent Auditors**

It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of Section 487 of the Companies Act 2006.

## **Directors' Report (continued)**

### **For the year ended 31 December 2013**

#### **Directors' Liabilities**

Aviva plc, the Company's ultimate parent, has granted an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007

This indemnity was granted in 2004 and the provisions in the Company's articles of association constitute "qualifying third party indemnities" for the purposes of sections 309A to 309C of the Companies Act 1985

These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No 3, Consequential Amendments, Transitional Provisions and savings) Order 2007

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these 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 UK Accounting Standards 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. 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.

On behalf of the Board *30 April* 2014



Capita Trust Corporate Services Limited  
Director

## ***Independent auditors' report to the members of Chichester Health (Holdings) Limited***

### **Report on the financial statements**

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#### **Our opinion**

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss 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

This opinion is to be read in the context of what we say in the remainder of this report

#### **What we have audited**

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The financial statements, which are prepared by Chichester Health (Holdings) Limited, comprise

- the balance sheet as at 31 December 2013,
- the profit and loss account for the year then ended,
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

#### **What an audit of financial statements involves**

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We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,

- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

### **Opinion on other matters prescribed by the Companies Act 2006**

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In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements

### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

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, 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

We have no exceptions to report arising from this responsibility

#### **Directors' remuneration**

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Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

**Independent Auditors' Report (continued)**

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

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**Our responsibilities and those of the  
directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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.



Sandra Dowling (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

30<sup>th</sup> April 2014



**Profit and loss account**  
for the year ended 31 December 2013

	Note	2013 £	2012 £
Administrative expenses	2	(7,717)	(6,245)
Impairment of investments	4	(50,000)	-
<b>Loss on ordinary activities before taxation</b>		<b>(57,717)</b>	<b>(6,245)</b>
Tax on loss on ordinary activities	3	-	-
<b>Loss for the financial year</b>		<b>(57,717)</b>	<b>(6,245)</b>

All amounts in the profit and loss relate to continuing operations

There are no recognised gains or losses in the year other than the loss for the financial year

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical costs equivalents

The notes on pages 10 to 14 form part of these financial statements

# **Balance sheet**

as at 31 December 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	4	-	50,000
<b>Current assets</b>			
Debtors amounts falling due within one year	5	2	2
<b>Creditors</b> amounts falling due within one year	6	(67,057)	(59,340)
<b>Net current liabilities</b>		(67,055)	(59,338)
<b>Total assets less current liabilities</b>		(67,055)	(9,338)
<b>Creditors:</b> amounts falling due after more than one year	7	(50,000)	(50,000)
<b>Net liabilities</b>		(117,055)	(59,338)
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	(117,057)	(59,340)
<b>Total shareholders' deficit</b>	10	(117,055)	(59,338)

The financial statements were approved by the Board of directors on 30 April 2014 and were signed on its behalf by



Capita Trust Corporate Services Limited  
Director

The notes on pages 10 to 14 form part of these financial statements

**Notes to the financial statements**  
for the year ended 31 December 2013

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**1. Accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention, the accounting policies set out below, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards in the United Kingdom

The accounting policies set out below have been applied consistently throughout the year

**1.2 Going concern**

At the balance sheet date the Company had net liabilities £117,055 (2012 £59,338) The Company is supported by Norwich Union Public Private Partnership Fund to carry out long term investments and the directors are confident that funding will be made available to enable the Company to meet its obligations as they fall due Accordingly the financial statements have been drawn up on a going concern basis

**1.3 Consolidation**

The Company has one wholly owned subsidiary undertaking, Chichester Health Plc The operations of this Company are controlled by another entity NUPPP (Care Technology and Learning Centres) Limited Long-term restrictions hinder the exercise of the rights of Chichester Health (Holdings) Limited over the management of this undertaking and, therefore, consolidated financial statements have not been prepared in accordance with section 398 of the Companies Act 2006 These financial statements present information about the Company as an individual undertaking and not about its group

**1.4 Cash flow statement**

The Company is an indirect wholly owned subsidiary of Norwich Union Public Private Partnership Fund and is included in the consolidated financial statements of that entity Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised), "Cash Flow Statements"

**1.5 Deferred tax**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred Taxation" Deferred tax assets are recognised to the extent that it is regarded as more likely than not profits will be available against which they can be realised

**1.6 Investments**

Investments are included in the financial statements at cost Provision is made for any permanent diminution in value

**1.7 Other payables**

Other payables are recognised on an accruals basis

**2. Administrative expenses**

Auditors' remuneration for audit services was £6,071 (2012 £3,825)

The Company had no employees during the financial year (2012 nil)

The directors received no emoluments for services to the Company for the financial year (2012 £nil)

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

**3. Tax on loss on ordinary activities**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax charge on loss for the financial year	-	-
Adjustments in respect of previous year	-	-
<b>Deferred tax</b>		
Tax losses carried forward	(973)	(1,512)
Deferred tax assets not provided	973	1,512
	<hr/>	<hr/>
<b>Total deferred tax (see note 8)</b>	-	-
	<hr/>	<hr/>
<b>Tax on loss on ordinary activities</b>	-	-
	<hr/>	<hr/>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before taxation	(57,717)	(6,245)
Current credit at standard UK corporation tax rate of 23.25% (2012: 24.5%)	(13,419)	(1,530)
<b>Effects of:</b>		
Non deductible impairment	11,625	-
Losses carried forward	1,794	1,530
	<hr/>	<hr/>
<b>Total current tax credit</b>	-	-
	<hr/>	<hr/>

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

**4. Investments**

	2013 £	2012 £
Cost		
At 1 January 2013	50,000	50,000
Provision for impairment	(50,000)	-
At 31 December 2013	-	50,000

Investments in group undertakings are stated at cost. The Company holds 99.9% of the ordinary share capital of Chichester Health Plc. Chichester Health Plc is a finance Company which has established a programme for the issue of credit enhanced bonds. The operations of Chichester Health Plc is an indirect wholly owned subsidiary of Norwich Union Public Private Partnership Fund. Chichester Health Plc is therefore a quasi-subsiary of NUPPP (Care Technology and Learning Centres) Limited. In accordance with FRS 5, "Reporting the substance of Transactions", the financial statements of Chichester Health Plc are included in the consolidated financial statements of Norwich Union Public Private Partnership Fund. A provision for impairment of £50,000 (2012: £nil) has been recorded as there is objective evidence that the investment in Chichester Health Plc will not be recovered.

**5. Debtors**

	2013 £	2012 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	2	2
<b>Total debtors falling due within one year</b>	<b>2</b>	<b>2</b>

**6. Creditors: amounts falling due within one year**

	2013 £	2012 £
Amounts owed to group undertakings	61,093	53,335
Accruals and deferred income	5,964	6,005
<b>Total creditors falling due within one year</b>	<b>67,057</b>	<b>59,340</b>

**7. Creditors: amounts falling due after more than one year**

	2013 £	2012 £
Amounts owed to group undertakings	50,000	50,000
<b>Total creditors falling due after more than one year</b>	<b>50,000</b>	<b>50,000</b>

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

**8. Deferred taxation**

	2013 £	2012 £
At 1 January	7,445	6,311
Charge for the year	973	1,134
At 31 December	8,418	7,445

The provision for deferred taxation is made up of:

	2013 £	2012 £
Tax losses carried forward	8,418	7,445
Deferred tax asset not provided	8,418	7,445

The above deferred tax assets have not been recognised because there is insufficient evidence under FRS 19, "Deferred Taxation", as to the availability of suitable taxable profits in the foreseeable future

Legislation already enacted at the balance sheet date means that the corporate tax rate is expected to reduce to 21% with effect from 1 April 2014 (from 23%) and a subsequent reduction of 1% to 20% from 1 April 2015. On the basis that it is anticipated that the Company's deferred tax assets are expected to unwind between 1 April 2014 and 1 April 2015, the closing unrecognised deferred tax asset balance has been tax effected at the lower rate of 21%

Where deferred tax assets and liabilities will be realised or settled after 1 April 2015, the maximum impact of the reduction in corporation tax to 20% is a reduction of £401 which could reduce the closing unrecognised deferred tax asset to £8,017

**9. Called up share capital**

	2013 £	2012 £
The allotted, called up and fully paid share capital of the Company at 31 December was		
2 (2012 2) ordinary shares of £1 each	2	2

**10. Reconciliation of movements in shareholders' deficit**

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2013	2	(59,340)	(59,338)
Loss for the financial year	-	(57,717)	(57,717)
At 31 December 2013	2	(117,057)	(117,055)

**11. Contingent liabilities and commitments**

There were no contingent liabilities or commitments at the balance sheet date (2012 £nil)

**Notes to the financial statements (continued)**  
for the year ended 31 December 2013

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**12. Related party transactions**

Net expenses of £7,758 (2012 £7,800) were incurred by the Company during the year and settled on its behalf by companies in Norwich Union Public Private Partnership Fund. At the year end the Company had a balance of £61,093 (2012 £53,335) due to these companies.

There were no other related party transactions entered into by the Company during the year.

**13. Parent and ultimate controlling entity**

The immediate parent undertaking is the Royal Exchange Trust Company Limited.

The ultimate parent undertaking and controlling party is Aviva plc, a company incorporated in the United Kingdom whose registered office is situated at St Helen's, 1 Undershaft, London EC3P 3DQ.

Aviva plc's consolidated financial statements are available on application to the

Group Company Secretary  
Aviva plc  
St Helen's  
1 Undershaft  
London  
EC3P 3DQ