REGISTERED NUMBER: 05049735 (England and Wales)

Report of the Directors and

Financial Statements for the Year Ended 31 December 2017

for

Wolverhampton City and Walsall LIFT Accommodation Services Limited

Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

Contents of the Financial Statements
for the Year Ended 31 December 2017

Wolverhampton City and Walsall LIFT
Accommodation Services Limited

Company Information
for the Year Ended 31 December 2017

Directors:	P S Andrews R Darch M W Grinonneau N Rae M G Hartland
Secretary:	C Pollard
Registered office:	Challenge House International Drive Tewkesbury Business Park Tewkesbury Gloucestershire GL20 8UQ
Registered number:	05049735 (England and Wales)
Auditors:	BDO LLP Statutory Auditor Birmingham West Midlands United Kingdom

Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

Principal activity
The principal activity of the company in the year under review was that of investment in property and property development.

Dividends
The total distribution of dividends for the year ended 31 December 2017 was £231,000 (2016: £388,000).

No further dividend is proposed for the year.

Directors
The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P S Andrews
M W Grinonneau
N Rae

Other changes in directors holding office are as follows:

R Darch - appointed 22 November 2017
C Skidmore - resigned 31 May 2017
R E L Warner - resigned 22 November 2017

M G Hartland was appointed as a director after 31 December 2017 but prior to the date of this report.

Political donations and expenditure
The company made no political or charitable donations in the year (2016: £nil).

Qualifying third party indemnity provisions
The company has put in place qualifying third party indemnity provisions for all of the directors of the company which was in force at the date of approval of this report.

Financial risk management
The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance.

Going concern
The directors are of the opinion that the company has adequate resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors have considered the company's net liabilities position at the statement of financial position date and reviewed cash flow forecasts and have concluded that preparation of the financial statements on a going concern basis is appropriate, given the long term contracts in place with Community Health Partnerships and that the net liabilities of £2,028,000 (2016: £2,301,000) at the year-end include the fair value of the interest rate swaps, which has been included in liabilities, net of deferred tax, at £2,450,000 (2016: £2,749,000). The financial model shows that the company is a going concern, taking into consideration the interest rates which have been fixed by the swap instruments.

Website
The directors do not have or maintain a group or company website.

Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

Report of the Directors
for the Year Ended 31 December 2017

Statement as to disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and 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 company's auditor is aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies including the exemption from preparing the strategic report.

Approved by the board and signed on its behalf:

....
P S Andrews - Director

Date: 18/04/2018

Statement of Directors' Responsibilities
for the Year Ended 31 December 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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;
- 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.

Independent Auditor's Report to the Members of
Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

Opinion

We have audited the financial statements of Wolverhampton City and Walsall LIFT Accommodation Services Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Members of
Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 and the directors' report in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

Our responsibilities for the audit of the financial statements
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

BDO LLP

Stephen Hale (senior statutory auditor)
For and on behalf of BDO LLP
Statutory Auditor
Birmingham
West Midlands
United Kingdom

Date: 26/4/18

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

Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

Statement of Comprehensive Income
for the Year Ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Turnover	3	616	582
Cost of operations		(368)	(360)
Gross profit		248	222
Operating profit	5	248	222
Interest receivable and similar income	6	732	767
Interest payable and similar expenses	7	(723)	(754)
Profit before taxation		257	235
Tax on profit	8	(52)	(25)
Profit for the financial year		205	210
Other comprehensive income/(loss)			
Change in fair value of cash flow hedge		360	(524)
Income tax relating to other comprehensive income/(loss)	8	(61)	61
Other comprehensive income/(loss) for the year, net of income tax		299	(463)
Total comprehensive income/(loss) for the year		504	(253)

The notes form part of these financial statements

Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

Statement of Financial Position
31 December 2017

	Notes	2017 £'000	2016 £'000
Current assets			
Debtors: amounts falling due within one year	10	**478**	291
Debtors: amounts falling due after more than one year	10	**10,413**	11,134
Cash at bank	11	**1,166**	1,081
		12,057	12,506
Creditors			
Amounts falling due within one year	12	**(730)**	(555)
Net current assets		**11,327**	11,951
Total assets less current liabilities		**11,327**	11,951
Creditors			
Amounts falling due after more than one year	13	**(12,877)**	(13,706)
Provisions for liabilities	15	**(478)**	(546)
Net liabilities		**(2,028)**	(2,301)
Capital and reserves			
Called up share capital	16	**-**	-
Cash flow hedge reserve		**(2,450)**	(2,749)
Retained earnings		**422**	448
Shareholders' funds		**(2,028)**	(2,301)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 18/04/2018 and were signed on its behalf by:

P S Andrews - Director

The notes form part of these financial statements

Wolverhampton City and Walsall LIFT
Accommodation Services Limited (Registered number: 05049735)

Statement of Changes in Equity
for the Year Ended 31 December 2017

	Retained earnings £'000	Cash flow hedge reserve £'000	Total equity £'000
Balance at 1 January 2016	626	(2,286)	(1,660)
Changes in equity			
Dividends (see Note 9)	(388)	-	(388)
Total comprehensive loss	210	(463)	(253)
Balance at 31 December 2016	448	(2,749)	(2,301)
Changes in equity			
Dividends (see Note 9)	**(231)**	**-**	**(231)**
Total comprehensive income	**205**	**299**	**504**
Balance at 31 December 2017	**422**	**(2,450)**	**(2,028)**

The notes form part of these financial statements

1. **Statutory information**

Wolverhampton City and Walsall LIFT Accommodation Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Disclosure of values in the financial statements are shown as round £'000.

2. **Accounting policies**

Basis of preparing the financial statements
These financial statements have been 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. The financial statements have been prepared under the historical cost convention as modified by the restatement of certain assets and liabilities at fair value.

The directors have considered the company's net liabilities position at the statement of financial position date and reviewed cash flow forecasts and have concluded that preparation of the financial statements on a going concern basis is appropriate, given the long term contracts in place with Community Health Partnerships and that the net liabilities of £2,028,000 (2016: £2,301,000) at the year-end include the fair value of the interest rate swaps, which has been included in liabilities, net of deferred tax, at £2,450,000 (2016: £2,749,000). The financial model shows that the company is a going concern, taking into consideration the interest rates which have been fixed by the swap instruments.

Public to private concession arrangements
A substantial portion of the company's assets are used within the framework of concession contracts granted by public sector customers ('grantors'). Under these contracts, the company constructs primary care centres that are leased to Community Health Partnerships Limited (CHP), a private limited company wholly owned by the Department of Health (the NHS), on 25 year leases.

In order to fall within the scope of Public to private concession arrangements (FRS 102 s34) a contract must satisfy the following two criteria:

(a) the grantor controls or regulates what services the operator must provide using the infrastructure assets, to whom, and at what price; and

(b) the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the assets at the end of the term of the arrangement.

Pursuant to FRS 102 s34, such infrastructures are not recognised in assets of the operator as property, plant and equipment but in financial assets ('financial asset model').

continued...

2. **Accounting policies - continued**

Financial asset model
The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor.

In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of:

(a) amounts specified or determined in the contract or
(b) the shortfall, if any, between amounts received from users of the public service and amounts specified or determined in the contract.

Financial assets resulting from the application of FRS 102 s34 are recorded in the statement of financial position under the heading finance receivables and measured initially at fair value but subsequently at amortised cost.

An impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate.

The portion falling due within less than one year is presented in current assets, while the portion falling due after more than one year is presented in the non-current heading.

Revenue associated with this financial model comprises revenue determined on a completion basis in the case of the construction of operating financial assets and service remuneration. The stage of completion of construction is determined by comparing independently certified costs incurred to date to total contracted costs.

Revenue is recognised by allocating a proportion of total cash receivable to construction and service income. The consideration received will be allocated by reference to the relevant fair value of the services delivered, when the amounts are separately identified.

During the construction phase, revenue is recognised at fair value, based on the fair value of construction services provided to the extent that this is reasonably certain, in accordance with FRS 102 s34 'Specialised Activities', Service Concession Arrangements s34.14. Costs for this purpose include valuation of all work done by subcontractors whether certified or not, and all overheads other than those relating to the general administration of the relevant companies.

During the operational stage, cash received in respect of the service concessions is allocated to service and maintenance revenue based on its fair value, with the remainder being allocated between capital repayments and interest using the effective interest method.

The finance receivables are held as finance receivable in accordance with FRS 102 s11 'Basic Financial Instruments' s11.13 and s11.14. Finance receivables are recognised initially at fair value. Subsequent to initial recognition, finance receivables are measured at amortised cost using the effective interest method less any impairment losses.

continued...

2. **Accounting policies - continued**

Significant judgements and accounting estimates
The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Key sources of estimation uncertainty
(a) Finance receivables (Note 10) - The calculation of the amortised cost of finance receivables requires an estimate of the amounts receivable from the grantor under the options to purchase the property at the end of the lease term. This estimate has been based on the option price allocated to the contract in the financial models, which form the basis for the calculation of rent charged to the lessees.

(b) RPI index (Note 10) - The finance debtors predict a level of RPI increases for future receipts. This represents a degree of judgement and uncertainty given the nature of RPI. Where RPI differs from the estimated rate of 2.5%, this will impact future receipts and thus increase/reduce the floating rate of interest on finance debtors, which affects the amount of income recognised in any given period.

(c) Construction and operating revenue (Note 3) - Where properties are constructed by the company and are disposed of on finance receivables, construction and operating revenue is recognised at cost plus an estimated mark-up for profit on those services. After the property is constructed, the company provides property management services. The remuneration for these services is recognised at cost plus an estimated mark-up for profit on property management services. It is the policy of the company that the operating margin is reviewed annually to generate a new operating margin, which is to be applied in the proceeding financial year.

(d) Fair value of swap liabilities (Note 13) - Derivatives are professionally valued annually. The estimated value of derivative transactions is the valuation at the balance sheet date and this valuation can change significantly even over a very short space of time. The valuation of derivative transactions is complex and such transactions can be calculated in a number of different ways and using a variety of methods. There are a number of factors that can affect the value of a transaction and which may not be taken into account in the valuation estimate provided. This may result in the transaction having an actual value which is higher or lower than the estimate included in these financial statements.

Critical judgements
Concession arrangements - The concession arrangements undertaken by the company are considered to fall within the scope of FRS102 s34.12. This judgement has been based on a consideration of the nature and terms of the agreements and in all of the contracts the existence of an option for the grantor to purchase the properties.

A further critical judgement in applying service concession arrangement is to have the financial asset interest rate as the fixed element and the operating margin as the fluctuating variable. The financial asset interest rate is based on the weighted average cost of capital of the project and is applied to the carrying value of the financial asset on a quarterly basis.

Turnover
The company has been engaged solely in continuing activities within the United Kingdom. The company recognises income when it has fully fulfilled its contractual obligations.

Other revenue items comprise 'Property management and related services' and 'Rental income'.

Property management and related services revenue relates to lifecycle maintenance and facilities management income and ad hoc property related services income. The former relates to work performed by the company under concession arrangements to maintain and repair the primary care centres that it operates. Consideration received in respect of property management and related services revenue is only recorded as revenue to the extent that the company has performed its contractual obligations in respect of that consideration.

Rental income from operating leases is recognised in income on a straight-line basis over the lease term and revenue attributable to costs in future periods is deferred.

continued...

2. Accounting policies - continued

Financial instruments
Financial instruments are recognised in the Statement of Financial Position when the company becomes party to the contractual provisions of the instrument.

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in Statement of Comprehensive Income.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

continued...

2. **Accounting policies - continued**

Debt issue costs
Costs of debt issue are charged to the profit and loss account over the life of the instrument to which they relate.

Hedge accounting
The company has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

Determination of fair values
The fair value of interest rate swaps is based on market values, fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the company and counterparts when appropriate.

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.

Reserves
The company's reserves are as follows:-
- Called up share capital reserve represents the nominal value of the shares held.
- Cash flow hedge reserve represents the cumulative value of gains and losses on the derivative instrument deemed effective at the year-end, net of deferred tax.
- Retained earnings represents cumulative profits, net of dividends paid and other adjustments.

3. **Turnover**

Turnover comprises

	2017	2016
	£'000	£'000
Property management and related services	587	551
Third party rental income	29	31
	616	582

4. **Directors' emoluments**

The directors have no contract of service with the company. No remuneration was paid to the directors in respect of their services to the company (2016: £nil). It is not possible to accurately apportion the remuneration paid to the directors by their shareholder companies for their work for the company.

5. **Operating profit**

Audit fees for the company are borne by the company's holding company Infracare Wolverhampton and Walsall Limited.

The audit fee in respect of the company is £5,350 (2016: £5,000). Non-audit services to the value of £nil were provided by the auditors (2016: £nil).

The company employed no staff during the year (2016: nil).

continued...

6. Interest receivable and similar income

	2017	2016
	£'000	£'000
Bank interest receivable	-	2
Imputed interest on contract debtor	732	765
	732	767

7. Interest payable and similar expenses

	2017	2016
	£'000	£'000
Bank loan interest	579	599
Sub debt interest payable	113	119
Amortisation of issue costs	6	6
Other bank charges	25	30
	723	754

8. Taxation

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2017	2016
	£'000	£'000
Current tax:		
UK corporation tax	120	-
Deferred tax	(68)	25
Tax on profit	52	25

UK corporation tax has been charged at 19.25%.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£'000	£'000
Profit before tax	257	235
Profit multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	49	47
Effects of:		
Change in rate of tax	3	(22)
Total tax charge	52	25

continued...

8. Taxation - continued

Tax effects relating to effects of other comprehensive income

		2017	
	Gross	**Tax**	**Net**
	£'000	**£'000**	**£'000**
Change in fair value of cash flow hedge	**360**	**(61)**	**299**

		2016	
	Gross	Tax	Net
	£'000	£'000	£'000
Change in fair value of cash flow hedge	(524)	61	(463)

9. Dividends

	2017	2016
	£'000	**£'000**
Ordinary share of £1		
Interim	**231**	388

10. Debtors

	2017	**2016**
	£'000	**£'000**
Amounts falling due within one year:		
Trade debtors	**31**	6
Finance receivable on contract debtor	**414**	259
Prepayments and accrued income	**33**	26
	478	291
Amounts falling due after more than one year:		
Finance receivable on contract debtor	**9,911**	10,571
Deferred tax on fair value of swap at year end	**502**	563
	10,413	11,134
Aggregate amounts	**10,891**	11,425

The finance receivable on contract debtor is the fair value of the financial asset arising from the service concession arrangement as the company has a contractual right to receive cash from the grantor for the construction and services provided.

continued...

11. Cash at bank

Restricted cash

Included in cash at bank are amounts restricted for future use by each project's FM provider (Lifecycle maintenance reserve account) and amounts held for lenders' security (Debt service reserve account).

	2017	2016
	£'000	£'000
Lifecycle maintenance reserve account	651	586
Debt service reserve account	506	462

12. Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Subordinated debt (see note 14)	58	47
Bank loans and overdrafts (see note 14)	395	317
Trade creditors	41	84
Amounts owed to group undertakings	13	13
Corporation tax payable	120	-
VAT	67	64
Accruals and deferred income	36	30
	730	555

13. Creditors: amounts falling due after more than one year

	2017	2016
	£'000	£'000
Subordinated debt (see note 14)	849	908
Bank loans (see note 14)	8,672	9,066
Derivative financial instruments	2,952	3,312
Accruals and deferred income	404	420
	12,877	13,706

Derivative financial instruments

To hedge the potential volatility in future interest cash flows arising from movements in LIBOR, the company has entered into swap agreements with NIBC and SMBC on the term loan facilities relating to the Parkfields Centre and the Children's Resource Centre. These result in the company paying interest and receiving LIBOR (though cash flows are settled on a net basis) and effectively fix the total interest cost on loans and interest rate swaps at the underlying interest rate.

Fair value of swap

Projects	Notional Amount	Underlying interest rate fixed at	2017	2016
	£'000		£'000	£'000
Parkfields and Children's Resource Centre	9,134	5.13%	2,952	3,312

The derivatives are accounted for as a hedge of variable interest rate risks, in accordance with FRS 102. The cash flows arising from the interest rate swaps will continue until their maturity, coinciding with the repayment of the loans.

The change in fair value in the period is recognised in other comprehensive income as the swaps were 100% effective hedges.

continued...

14. Loans

An analysis of the maturity of loans is given below:

	2017 £'000	2016 £'000
Amounts falling due within one year or on demand:		
Subordinated debt	58	47
Bank loans	401	323
Unamortised issue cost	(6)	(6)
	453	364
Amounts falling due between one and two years:		
Subordinated debt	63	58
Bank loans	437	400
Unamortised issue cost	(6)	(6)
	494	452
Amounts falling due between two and five years:		
Subordinated debt	214	204
Bank loans	1,471	1,400
Unamortised issue cost	(18)	(18)
	1,667	1,586
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Subordinated debt	572	646
Bank loans	6,825	7,333
Unamortised issue cost	(37)	(43)
	7,360	7,936

Included in the balance of debt due in more than five years is a bullet value of £2,900,000.

continued...

14. **Loans - continued**

Bank borrowings relate to term loan facilities granted by NIBC and SMBC banks to the company. The loan is analysed as follows:

Projects	2016	Capital Payments	2017
	£'000	£'000	£'000
Parkfields and Children's Resource Centre	9,456	(322)	**9,134**

The loan facility is repayable in half yearly instalments which commenced on 31 December 2006. Interest is charged on balances outstanding on the facility based on the floating LIBOR plus a spread and reserve rate.

Loan issue costs have been offset against bank borrowings and are being amortised over the term of the facility as part of the finance cost.

The term loan facilities are secured by a fixed charge over all land and building interests, book debts, project accounts and intellectual property of the company and by a floating charge over the company's undertakings and assets.

Subordinated loan notes are unsecured and relate to the following:

Project	Interest rate	Date issued	Value at 31 December 2017 £'000	Payment commencement date
Children's Resource Centre	12%	10 November 2004	**663**	31 December 2006
Parkfields Centre	12%	10 November 2004	**244**	31 December 2006

12% interest and principal repayments are payable half yearly on these subordinated loan notes, which can be redeemed at any time by the company but not later than 31 December 2029.

15. **Provisions for liabilities**

	2017	2016
	£'000	£'000
Deferred tax		
Accelerated capital allowances	478	557
Tax losses carried forward	-	(11)
	478	546

continued...

15. Provisions for liabilities - continued

	Deferred tax £'000
Balance at 1 January 2017	546
Credit to Statement of Comprehensive Income during year	(68)
Balance at 31 December 2017	478

Factors that may affect future tax charges
The company has incurred significant expenditure in the construction of the facilities on which it will claim tax relief through capital allowances and claims for interest and loan related expenditure during the construction period. It will use these claims and retained tax losses to offset liabilities in future years. As amounts are recovered to remunerate these costs they will be brought into current taxation in the year in which they are received. As a result of these claims there exist significant timing differences, which are expected to reverse over the life of the contract.

Future tax rate reductions
The main rate of UK corporation tax for the year commencing 1 April 2017 was 19%.

Further reductions in the main rate of UK corporation tax were enacted in the Finance Act 2016 on the 15 September 2016, taking the main rate of UK corporation tax rate to 17% for the year commencing 1 April 2020. These changes have been reflected in the calculation of the carrying value of the deferred tax liability at the balance sheet date. These changes have also been reflected in the calculation of the deferred tax asset on the fair value of the derivative financial instrument at the balance sheet date.

16. Called up share capital

Allotted, issued and fully paid:

Number:	***Class:***	***Nominal value:***	**2017 £**	**2016 £**
1	Ordinary	£1	1	1

17. Other financial commitments

Under terms of contracts signed on 10 November 2004 with G4S Facilities Management (UK) Limited, the company is committed to fixed payments to G4S Facilities Management (UK) Limited for facilities management and lifecycle maintenance for a 25 year period commencing 5 December 2005 and 13 March 2006 respectively. The average annual payment to G4S Facilities Management (UK) Limited for the two buildings (excluding indexation) amounts in total to £170,000.

	2017 £'000	2016 £'000
Facilities management and lifecycle charges for the year made by G4S Facilities Management (UK) Limited	**194**	203

Under the terms of management agreements with its parent company, Infracare Wolverhampton and Walsall Limited (formerly known as Healthcare Improvement Partnership (Wolverhampton City and Walsall) Limited), the company is committed to the payment of fixed and variable fees for a 25 year period until March 2031, based on services provided in the contract term which includes services provided during the period of construction. The average annual payment to Infracare Wolverhampton and Walsall Limited for building management (excluding indexation) amounts in total to £25,560.

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18. Related party disclosures

During the year, rent and other costs were charged by the company to Community Health Partnerships Limited, a company that has a beneficial interest in Infracare Wolverhampton and Walsall Limited (formerly known as Healthcare Improvement Partnership (Wolverhampton City and Walsall) Limited).

	2017	2016
Rent and other costs charged by the company to:	**£'000**	**£'000**
Community Health Partnerships Limited	**1,807**	1,727
Amounts due to / (from) the company at the year-end:		
Community Health Partnerships Limited	**25**	(30)

The following transactions relating to subordinated loan notes occurred during the year with companies which are related to entities which have a beneficial interest in Infracare Wolverhampton and Walsall Limited:

Related Party	**Closing balances**		**Interest charged**	
	2017	**2016**	**2017**	**2016**
	£'000	**£'000**	**£'000**	**£'000**
Community Health Partnerships Limited	**363**	382	**45**	47
G4S Joint Ventures Limited	**93**	97	**12**	12

G4S Joint Ventures Limited is a related party by way of its interests in Lift Healthcare Investments Limited, a shareholder of Infracare Wolverhampton and Walsall Limited.

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £nil (2016: £nil).

19. Ultimate controlling party

The entire share capital of Wolverhampton City and Walsall LIFT Accommodation Services Limited is held by Wolverhampton City and Walsall Holdco Limited, which in turn is held by Infracare Wolverhampton and Walsall Limited (formerly known as Healthcare Improvement Partnership (Wolverhampton City and Walsall) Limited), a company which files individual financial statements in the United Kingdom. Copies of the financial statements can be obtained from Companies House, Cardiff, CF14 3UZ.

60% percent of the shares of Infracare Wolverhampton and Walsall Limited are held by Lift Healthcare Investments Limited. The remaining 40% of the shares are held by Community Health Partnerships Limited.

Lift Healthcare Investments Limited is a company owned 83% by AHBB LHIL Holdings Limited and 17% by G4S Joint Ventures Limited; both companies are incorporated in the United Kingdom.

AHBB LHIL Holdings Limited is a joint venture between Ambrite LIFT Holdings Limited, and Ashley House Plc, a company incorporated in the United Kingdom.

In the opinion of the directors, there is no ultimate controlling party of Infracare Wolverhampton and Walsall Limited.