

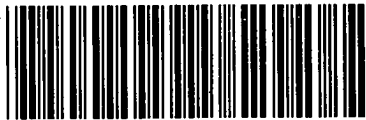
Company Registration Number 07652728

PHP AssetCo (2011) Limited

Annual Report and Financial Statements

Year ended 31 December 2014

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PHP AssetCo (2011) Limited
Annual Report and Financial Statements
Year ended 31 December 2014

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PHP AssetCo (2011) Limited

Officers and Professional Advisers

Year ended 31 December 2014

Board of Directors	H A Hyman P J Holland M H Vaughan	resigned 30 April 2014
Company Secretary	J O Hambro Capital Management Limited Nexus Management Services Limited	resigned 30 April 2014 appointed 30 April 2014
Registered Office	5th Floor, Greener House 66-68 Haymarket London SW1Y 4RF	
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor 2 New Street Square London EC4A 3BZ	

PHP AssetCo (2011) Limited

Directors' Report

Year ended 31 December 2014

The Directors have pleasure in presenting their Annual Report and the audited financial statements of PHP AssetCo (2011) Limited (the "Company") for the year ended 31 December 2014. The Company is registered in England and Wales (company number 07652728).

The Directors have taken advantage of the small companies' exemptions in The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 when preparing the Directors' Report and from including a Strategic Report in these financial statements.

Principal activity and business review

The principal activity of the Company during the year continued to be that of property investment.

The Company's immediate parent as at 31 December 2014 was Primary Health Investment Properties (No.4) Limited ("PHIP4"), a wholly owned subsidiary of Primary Health Properties PLC ("PHP").

The Annual Report for the year ended 31 December 2014 of the Company's ultimate parent undertaking, PHP, contains a fair review of its business and that of its subsidiaries (the "Group") and an indication of future developments, as required by Section 417 of the Companies Act 2006. It is incorporated into this report by reference.

The Company's turnover represents rental income from the letting of the Company's investment properties, which the Directors consider to be the key performance indicator.

For the year ended 31 December 2014 turnover was £482,914 (2013: £482,988) which represents consistent rental income compared to the prior year.

Results and Dividends

The profit for the year amounted to £482,274 (2013: £482,988) the profit for the year is to be transferred to the reserves. The Directors have recommended that no dividend should be declared or paid for the year (2013: £488,427).

Going Concern

Reference to the Company's continued adoption of the going concern basis in preparation of these financial statements is made in Note 1.2 on page 9.

Principal Risks and Uncertainties

Details of the principal risks and uncertainties faced by the Company and the Group and their financial risk management objectives and policies are set out in the Annual Report of PHP, the ultimate parent undertaking.

Directors

The Directors who served the Company during the year, and to the date of this Report, were as follows:

H A Hyman

P J Holland

M H Vaughan

resigned 30 April 2014

Directors' and Officers' Liability Insurance

PHP has procured Directors' and Officers' Liability Insurance for the benefit of its Directors and Directors of all of its subsidiaries. Such insurance was available throughout the year and remains in force at the date of this report. The cost of Director's and Officer's Liability Insurance is met by another Group company.

PHP AssetCo (2011) Limited

Directors' Report

Year ended 31 December 2014

Directors' Responsibilities Statement

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

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 those 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 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.

In so far as the Directors are aware:

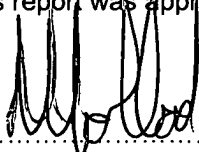
- there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the Board of Directors on 9 June 2015 and signed by its order:



Philip Holland
Director

PHP AssetCo (2011) Limited

Independent Auditor's Report to the Members of PHP AssetCo (2011) Limited

Year ended 31 December 2014

We have audited the financial statements of PHP AssetCo (2011) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the financial statements

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 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

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

PHP AssetCo (2011) Limited

Independent Auditor's Report to the Members of PHP AssetCo (2011) Limited

Year ended 31 December 2014

Matters on which we are required to report by exception

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 take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Claire Faulkner
(Senior Statutory Auditor)

For and on behalf of Deloitte LLP,
Chartered Accountants and Statutory Auditor

London

9 June 2015

PHP AssetCo (2011) Limited
Profit and Loss Account
Year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	482,914	482,988
Administrative expenses		<u>(640)</u>	<u>-</u>
Operating profit	3	<u>482,274</u>	<u>482,988</u>
Profit on ordinary activities before taxation		482,274	482,988
Tax on profit from ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the year		<u><u>482,274</u></u>	<u><u>482,988</u></u>

All of the activities of the Company are classed as continuing.

The notes on pages 9 to 13 form part of these financial statements.

PHP AssetCo (2011) Limited

Statement of Total Recognised Gains and Losses

Year ended 31 December 2014

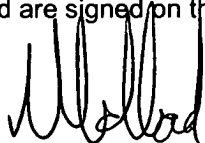
	Note	2014 £	2013 £
Profit for the year attributable to the shareholders		482,274	482,988
Unrealised gain on revaluation of investment property	7	71,633	6,474
Total gains and losses recognised in the year		553,907	489,462

The notes on pages 9 to 13 form part of these financial statements.

PHP AssetCo (2011) Limited**Balance Sheet****As at 31 December 2014**

	Notes	2014 £	2013 £
Fixed assets			
Investment property	7	8,205,000	8,120,000
Current assets			
Debtors	8	5,978	-
Current liabilities			
Creditors: Amounts falling due within one year	9	(7,167,608)	(7,630,537)
Net current liabilities		<u>(7,161,630)</u>	<u>(7,630,537)</u>
Total assets less current liabilities		<u>1,043,370</u>	<u>489,463</u>
Net assets		<u><u>1,043,370</u></u>	<u><u>489,463</u></u>
Capital and reserves			
Called up share capital	10	2	2
Revaluation reserve	11	53,426	(18,207)
Profit and loss account	12	989,942	507,668
Shareholder's funds	13	<u><u>1,043,370</u></u>	<u><u>489,463</u></u>

These financial statements were approved by the Directors and authorised for issue on 9 June 2015, and are signed on their behalf by:



Philip Holland
Director

Company registration number: 07652728

The notes on pages 9 to 13 form part of these financial statements.

PHP AssetCo (2011) Limited
Notes to the Financial Statements
Year ended 31 December 2014

1. Accounting Policies

The following accounting policies have been applied consistently in the current and prior year.

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards.

In November 2012, the FRC issued FRS 100, 'Application of financial reporting requirements'. FRS 100 provides direction as to the relevant standard for an entity between FRS 101, 'Reduced disclosure framework' and FRS 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'. The effective date for FRS 100, FRS 101 and FSR 102 is for accounting periods beginning on or after 1 January 2015. FRS 101 allows subsidiaries and parent entities to prepare their individual financial statements using the recognition and measurement requirements of IFRS, but with reduced disclosures. FRS 102 is a single coherent financial reporting standard that replaces old UK GAAP and is derived from the IFRS for SMEs modified to address company law requirements and incorporate additional accounting options.

The Company has elected to adopt FRS 101 for the period beginning on 1 January 2015.

1.2 Going Concern

After making enquiries of its ultimate parent undertaking the Directors have a reasonable expectation that the Company will continue to receive support as required from its ultimate parent undertaking and therefore has adequate resources to continue in operational existence for the foreseeable future.

As at 31 December 2014 the Company had net current liabilities of £7,161,630. Having reviewed the Company's current position, cash flow projections and amounts owed to Group undertakings the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.3 Cash flow statement

The Directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that a consolidated cash flow statement is presented in the Group financial statements of PHP.

1.4 Investment properties

The Company's properties are held for long-term investment. Investment properties are carried at open market value and are accounted for in accordance with SSAP19, Accounting for Investment Properties as follows:

- i) investment properties are revalued annually by an external valuer. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year; and
- ii) no depreciation is provided in respect of freehold properties.

PHP AssetCo (2011) Limited

Notes to the Financial Statements

Year ended 31 December 2014

1. Accounting Policies (continued)

1.4 Investment properties

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the Directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view since the current value of investment properties and changes to that current value are of prime importance, rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been included cannot be separately identified or quantified.

1.5 Taxation

Taxation on the profit or loss for the period not exempt under UK-REIT regulations comprises current and deferred tax. Taxation is recognised in the profit and loss account except to the extent that it relates to items recognised as direct movements in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2. Turnover

Turnover comprises gross rental income and associated revenue from investment property in the UK. Turnover is derived from one business segment. Rental income will be recognised as invoiced on a receivable basis, adjusted for certain rents invoiced in advance and accrued income receivable following rent reviews.

3. Operating profit

Auditor's remuneration for audit services for the current year and prior year was borne by PHP, the ultimate parent undertaking. The following amount is applicable to the audit of the Company:

	2014 £	2013 £
Auditor's remuneration - audit	<u>2,100</u>	<u>2,000</u>

4. Particulars of employees

The Company had no employees during the year (2013: nil), other than the Directors.

5. Directors' emoluments

PHP procures the services of Directors to all of its subsidiary undertakings under an advisory agreement with Nexus Tradeco Limited, as disclosed in PHP's financial statements. It is not possible to separately identify the amounts payable under the agreement in respect of the services of the Company's Directors.

PHP AssetCo (2011) Limited
Notes to the Financial Statements
Year ended 31 December 2014

6. Tax on profit on ordinary activities

(a) Tax on the profit on ordinary activities is made up as follows:

	2014 £	2013 £
Current tax:		
UK Corporation tax based on the results for the year at 21.5% (2013: 23.3%)	-	-
Total current tax charge (note 6(b))	-	-

(b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	482,274	482,988
Current tax:		
UK Corporation tax at applicable rate of 21.5% (2013: 23.3%)	103,689	112,295
REIT exempt income	(103,689)	(112,295)
Total current tax charge (note 6(a))	-	-

A reduction in the UK corporation tax rate from 23% to 21% was effective from 1 April 2014. Accordingly, these rates have been applied in the measurement of the Company's deferred tax liability as at 31 December 2014.

7. Investment property

	2014 £	2013 £
Valuation:		
At 1 January	8,120,000	8,100,000
Additions	13,367	13,526
Revaluation gain	71,633	6,474
At 31 December	8,205,000	8,120,000

The historical cost of the freehold investment property at 31 December 2014 was £8,151,574 (2013: £8,138,207).

Investment properties were independently valued at 31 December 2014 by Lambert Smith Hampton, acting as external surveyors on the basis of open market value as defined in RICS Appraisal and Valuations Manual.

PHP AssetCo (2011) Limited
Notes to the Financial Statements
Year ended 31 December 2014

8. Debtors

	2014 £	2013 £
Prepayments and accrued income	<u>5,978</u>	<u>-</u>

9. Creditors: Amounts falling due within one year

	2014 £	2013 £
Deferred income	79,449	77,716
Amounts owed to Group undertakings	7,088,159	7,552,821
	<u>7,167,608</u>	<u>7,630,537</u>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

10. Called-up share capital

	2014 £	2013 £
Allotted and fully paid:		
2 (2013: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. Revaluation reserve

	2014 £	2013 £
Balance brought forward	(18,207)	(24,681)
Unrealised gain on revaluation of investment property	71,633	6,474
Balance carried forward	<u>53,426</u>	<u>(18,207)</u>

PHP AssetCo (2011) Limited
Notes to the Financial Statements
Year ended 31 December 2014

12. Profit and loss account

	2014 £	2013 £
Balance brought forward	507,668	513,107
Dividends declared and paid	-	(488,427)
Profit for the year	482,274	482,988
	<hr/>	<hr/>
Balance carried forward	989,942	507,668
	<hr/>	<hr/>

13. Reconciliation of movement in shareholder's funds

	2014 £	2013 £
Opening shareholder's funds	489,463	488,428
Dividends declared and paid	-	(488,427)
Profit for the year	482,274	482,988
Unrealised gain on revaluation of investment property	71,633	6,474
	<hr/>	<hr/>
Closing shareholder's funds	1,043,370	489,463
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14. Related party transactions

The Company has taken advantage of the exemption available in FRS 8 not to disclose transactions with other members of the Group on the basis that 100% of voting rights are controlled within the Group. The consolidated financial statements in which the Company is included are publicly available.

15. Contingent liabilities

As at 31 December 2014, the Company's immediate parent, Primary Health Investment Properties (No.4) Limited, had available term loan facilities totalling £100,000,000, of which £59,159,513 (2013: £49,470,355) was drawn. These facilities are secured by way of a fixed and floating charge over all current and future property owned by the Company.

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Primary Health Investment Properties (No. 4) Limited. The ultimate parent undertaking and controlling party is PHP.

The parent undertaking of the smallest and largest group of undertakings for which consolidated financial statements are prepared and of which the Company is a member, is PHP. Copies of the Annual Report of PHP can be obtained from Companies House or the Company Secretary or downloaded from www.phpgroup.co.uk.