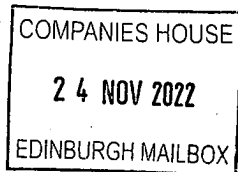


Company Registration No. 08091546 (England and Wales)



**UCLH INVESTORS (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



# UCLH INVESTORS (HOLDINGS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	JS Gordon H O'Gorman R Parekh
<b>Corporate secretary</b>	Pinsent Masons Secretarial Limited
<b>Company number</b>	08091546
<b>Registered office</b>	1 Park Row Leeds United Kingdom LS1 5AB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX

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# **UCLH INVESTORS (HOLDINGS) LIMITED**

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# UCLH INVESTORS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their annual report and audited financial statements for UCLH Investors (Holdings) Limited ("the Company") for the year ended 31 March 2022.

### Principal activities

The principal activity of the Company is that of a holding company to UCLH Investors Limited, which in turn invests in Health Management (UCLH) Holdings Limited. The principal activity of the underlying investment is to provide ongoing maintenance and lifecycle services to a new hospital in London under a Private Finance Initiative ("PFI") concession contract with the University College London Hospitals NHS Foundation Trust. This activity is not anticipated to change in the foreseeable future. The Company has issued debt which is listed on The International Stock Exchange.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

JS Gordon  
H O'Gorman  
R Parekh

### Performance review

The profit for the year is set out on page 10. These show a profit for the financial year, after taxation, of £1,700,318 (2021: £2,850,645) and net assets of £1,031,057 (2021: £1,072,279).

The profit for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

The directors declared dividends of £1,741,540 for the year (2021: £1,779,970) which were all paid prior to the year end.

### Qualifying third party indemnity provisions

During the year, and at the date of this report, the Company has in place qualifying third party indemnity provisions for the benefit of its directors.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

# UCLH INVESTORS (HOLDINGS) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Going concern**

At the balance sheet date the Company has net assets of £1,031,057 (2021: £1,072,279) and net current assets of £1,030,457 (2021: £1,137,279).

Cash flow forecasts are prepared for the underlying investment looking over the expected life of the underlying asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the board has made assumptions based upon its view of the current and future economic conditions, including the impact of COVID-19 and the current inflationary environment, that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investment which are held indirectly. After reviewing the performance of these investments, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In the event that the underlying investment does not perform as expected, the Company may at its discretion elect to defer payment of capital and interest which is due within the twelve month period from the date of signing of these financial statements, as repayment terms under the relevant agreements are at the discretion of the directors of the Company.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Key performance indicators**

In its role as a holding company there are no key performance indicators for the directors to monitor. However, the performance of the underlying investment is assessed regularly, a process which includes the monitoring of distributions against modelled expectations. This exercise indicates that the investment has been performing well and in line with expectations.

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption contained within Part 15 of the Companies Act 2006.

On behalf of the board



JS Gordon

**Director**

22 November 2022

# **UCLH INVESTORS (HOLDINGS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, 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;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

# UCLH INVESTORS (HOLDINGS) LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF UCLH INVESTORS (HOLDINGS) LIMITED

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Report on the audit of the financial statements

#### Opinion

In our opinion, UCLH Investors (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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 statement of financial position as at 31 March 2022; the statement of comprehensive income and 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.

#### Our audit approach

##### Overview

##### Audit scope

- The Company's financial statements comprise one component which was subject to a full scope audit
- All audit work was performed by one team in the UK

##### Key audit matters

- Impairment of investments

##### Materiality

- Overall materiality: £847,000 (2021: £853,000) based on 1% of total assets.
- Performance materiality: £635,500 (2021: £639,500).

# UCLH INVESTORS (HOLDINGS) LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF UCLH INVESTORS (HOLDINGS) LIMITED

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#### **The scope of our audit**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

#### **Key audit matters**

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

#### **Key audit matter**

##### *Impairment of investments*

The Company holds an investment in a UK subsidiary through which the Company makes an indirect investment in a PFI project with a total carrying amount of £80,160,400 as at 31 March 2022.

Management assesses the recoverability of the carrying value of the investment at every reporting period end and where the expected recoverable amount is lower than the carrying value, an impairment is recognised.

We focused on this area due to the material quantum of the carrying value of the investment.

Refer to Investments (Note 9 to the financial statements), Judgements and key sources of estimation uncertainty (Note 2 to the financial statements).

##### *How our audit addressed the key audit matter*

We audited management's impairment indicator assessment via the following;

- We obtained and reviewed management's valuation of the investment done for the purposes of its Parent LP's financial statements to identify if the fair value of the investment was less than the carrying value;
- We reviewed the latest investor reports to ensure there are no matters raised in relation to the investment which could indicate there is an impairment such as the physical condition of the investments, significant changes which could have an adverse effect or the economic performance is worse than expected..
- We considered whether there were any external sources of information including passage of time, significant changes to the external environment applicable to the investments or changes to market rates of return on similar investments which could indicate there is an impairment.

Based on the work performed, we have not identified any indication of impairment in the investments. Due to this no full impairment assessment is required to be completed by management which is inline with FRS 102

#### **How we tailored the audit scope**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The Company, through its immediate holding company, ultimately invests in a PPP Infrastructure asset. The Company is incorporated in the UK and has issued debt which is listed on the International Stock Exchange. All audit work was performed by one team in the UK. We performed a full scope audit over all material financial statement line items.



# UCLH INVESTORS (HOLDINGS) LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF UCLH INVESTORS (HOLDINGS) LIMITED

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#### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall company materiality</i>	£847,000 (2021: £853,000).
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	As the company is a non-profit orientated intermediate investment holding company, we deemed total assets to be the most appropriate benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £635,500 (2021: £639,500) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £42,000 (2021: £42,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

# **UCLH INVESTORS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBER OF UCLH INVESTORS (HOLDINGS) LIMITED**

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

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's going concern assessment for reasonableness and consistency with our audit work
- obtaining an understanding and challenging the forecasted cash flows within the twelve month period from the date of these financial statements and agreeing these to supporting documentation such as loan agreements
- reviewing management's going concern disclosures

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2022 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 Directors' Report.

# **UCLH INVESTORS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBER OF UCLH INVESTORS (HOLDINGS) LIMITED**

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

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

As explained more fully in the Directors' Responsibilities Statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and not recognising impairment where there is evidence that the investment balance is impaired. Audit procedures performed by the engagement team included:

- Enquiries of management around know or suspected instances of non-compliance with laws and regulations, claims, litigation, and instances of fraud
- Understanding of management's controls designed to prevent and detect irregularities
- Reading minutes of relevant meetings
- Challenging management assumptions and judgements made in their significant accounting estimates, in particular in relation to the carrying value of investments
- Identifying and testing journal entries to assess whether any of the journals appeared unusual

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

# **UCLH INVESTORS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBER OF UCLH INVESTORS (HOLDINGS) LIMITED**

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Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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.

#### **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 obtained 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.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
22 November 2022

# UCLH INVESTORS (HOLDINGS) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

		Year ended 31 March 2022 £	Year ended 31 March 2021 £
Administrative expenses	Note	(39,185)	(48)
Interest receivable and similar income	5	9,955,883	11,073,797
Interest payable and similar expenses	6	(8,216,380)	(8,223,104)
<b>Profit before taxation</b>		<b>1,700,318</b>	<b>2,850,645</b>
Taxation	7	-	-
<b>Profit and total comprehensive income for the financial year</b>		<b>1,700,318</b>	<b>2,850,645</b>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

# UCLH INVESTORS (HOLDINGS) LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	9	80,160,400		80,160,400	
<b>Current assets</b>					
Debtors	11	1,100		1,100	
Cash at bank and in hand		4,580,889		5,168,595	
		<u>4,581,989</u>		<u>5,169,695</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,551,532)</u>		<u>(4,032,416)</u>	
<b>Net current assets</b>		1,030,457		1,137,279	
<b>Total assets less current liabilities</b>		<u>81,190,857</u>		<u>81,297,679</u>	
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(80,159,800)</u>		<u>(80,225,400)</u>	
<b>Net assets</b>		<u>1,031,057</u>		<u>1,072,279</u>	
<b>Capital and reserves</b>					
Called up share capital	14	1,100		1,100	
Profit and loss reserves	15	1,029,957		1,071,179	
<b>Total equity</b>		<u>1,031,057</u>		<u>1,072,279</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 13 to 20 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 22 November 2022 and are signed on its behalf by:



JS Gordon  
Director

Company Registration No. 08091546

# UCLH INVESTORS (HOLDINGS) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2020</b>		1,100	504	1,604
<b>Year ended 31 March 2021:</b>				
Profit and total comprehensive income for the financial year		-	2,850,645	2,850,645
Dividends paid and payable	8	-	(1,779,970)	(1,779,970)
<b>Balance at 31 March 2021</b>		1,100	1,071,179	1,072,279
<b>Year ended 31 March 2022:</b>				
Profit and total comprehensive income for the financial year		-	1,700,318	1,700,318
Dividends paid and payable	8	-	(1,741,540)	(1,741,540)
<b>Balance at 31 March 2022</b>		1,100	1,029,957	1,031,057

The notes on pages 13 to 20 form part of these financial statements.

# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

UCLH Investors (Holdings) Limited is a private company limited by shares which is incorporated and domiciled in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

The principal activity of the Company is that of a holding company to UCLH Investors Limited, which in turn invests in Health Management (UCLH) Holdings Limited.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the Company.

The financial statements have been prepared under the historical cost convention. The principal accounting policies set out below have been consistently applied to the years presented, unless otherwise stated.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

At the balance sheet date the Company has net assets of £1,031,057 (2021: £1,072,279) and net current assets of £1,030,457 (2021: £1,137,279).

Cash flow forecasts are prepared for each of the underlying investments looking over the expected life of the underlying asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the board has made assumptions based upon its view of the current and future economic conditions, including the impact of COVID-19 and the current inflationary environment, that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investments which are held indirectly. After reviewing the performance of these investments, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In the event that the underlying investments do not perform as expected, the Company may at its discretion elect to defer payment of capital and interest which is due within the twelve month period from the date of signing of these financial statements, as repayment terms under the relevant agreements are at the discretion of the directors of the Company.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.



# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.3 Investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Any impairment losses or reversals of impairment losses are recognised immediately in the statement of comprehensive income.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.4 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **Basic financial assets**

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and loans from fellow group companies, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

### 1.5 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

### 1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.7 Disclosure exemptions

The Company has taken the available exemption from the requirement to draw up a cash flow statement in accordance with paragraph 1.12b of FRS102.

The Company has taken advantage of the exemption contained in section 33 of FRS 102, not to disclose transactions or balances with entities which form part of a group.

### 2 Judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### **Critical judgments**

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Valuation of investments**

The directors are required to annually review the Company's investments for indicators that they have been impaired. This requires them to revalue the underlying assets that the Company and its associate are invested in. The valuation method is based on a discounted cash flow model, so the directors are required to make judgments about the most appropriate discount rate, growth rate and the future financial performance of each of the underlying assets. The directors will also consider other factors such as the non-financial performance of the various assets.

### 3 Staff costs and directors' remuneration

The Company had no employees during the financial year (2021: none).

The directors did not receive any remuneration in respect of their services to the Company during the year to 31 March 2022 (2021: £nil).

# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 4 Auditors' remuneration

Audit fees of £5,250 (2021: £5,100) for the year ended 31 March 2022 were paid to the Company's auditors.

#### 5 Interest receivable and similar income

	2022 £	2021 £
Interest receivable and similar income includes the following:		
Dividends from participating interests	1,739,504	2,850,693
Loan interest from participating interests	8,216,379	8,223,104
	<u>9,955,883</u>	<u>11,073,797</u>

#### 6 Interest payable and similar expenses

	2022 £	2021 £
Interest payable and similar expenses includes the following:		
Interest on amounts due to parent undertaking	<u>8,216,380</u>	<u>8,223,104</u>

#### 7 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>1,700,318</u>	<u>2,850,645</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	323,060	541,623
Tax effect of income not taxable in determining taxable profit	(330,506)	(541,632)
Unutilised tax losses carried forward	9,883	9
Effect of change in corporation tax rate	(2,437)	-
Taxation charge for the year	<u>-</u>	<u>-</u>

The Company has estimated tax losses of £40,617 (2021: £1,431) available for carry forward against future profits. These have not been recognised on the basis that these future profits are not sufficiently foreseeable in the future.

# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Dividends

	2022 Per share £	2021 Per share £	2022 Total £	2021 Total £
<b>A ordinary shares</b>				
Final paid	1,741.54	1,779.97	1,741,540	1,779,970

### 9 Investments

	2022 £	2021 £
Investments	600	600
Loans	80,159,800	80,159,800
	<u>80,160,400</u>	<u>80,160,400</u>

Loan notes are repayable by instalments ending March 2040. Interest is charged on the loan notes of £80,159,800 (2021: £80,159,800) at a rate of 10.25% (2021: 10.25%) and is payable bi-annually.

In the opinion of the directors, the aggregate value of the shares in joint venture undertakings are not less than the aggregate of the amounts at which they are stated in the Statement of Financial Position.

The joint venture undertakings and the percentage of ownership are set out below. None of the shares relate to a listed investment. All undertakings are incorporated in the United Kingdom, registered in England and Wales and domiciled in the United Kingdom. All investments held are ordinary shares.

### Movements in investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
<b>Cost or valuation</b>			
At 1 April 2021 & 31 March 2022	600	80,159,800	80,160,400
<b>Carrying amount</b>			
At 31 March 2022	600	80,159,800	80,160,400
At 31 March 2021	600	80,159,800	80,160,400

# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 10 Joint ventures

Details of the company's joint ventures at 31 March 2022 are as follows:

Name of undertaking	Registered office	Interest held	% Held	
			Direct	Indirect
UCLH Investors Limited	Third Floor, Broad Quay House, Princess Street, Bristol, BS1 4DJ	Ordinary shares	80.00	-
Health Management (UCLH) Holdings Limited	Third Floor, Broad Quay House, Princess Street, Bristol, BS1 4DJ	Ordinary shares	-	60.00
Health Management (UCLH) Limited	Third Floor, Broad Quay House, Princess Street, Bristol, BS1 4DJ	Ordinary shares	-	60.00

### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Called up share capital not paid	1,100	1,100
	<u>1,100</u>	<u>1,100</u>

### 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts due to group undertakings	3,550,932	4,031,816
Called up share capital not paid	600	600
	<u>3,551,532</u>	<u>4,032,416</u>

Amounts due to group undertakings relates to accrued interest outstanding on the loan balance. It is at the Company's discretion to defer the payment of interest and where it elects to, amounts unpaid bear interest at 10.25%.

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

	2022 £	2021 £
Other creditors	<u>80,159,800</u>	<u>80,225,400</u>

Interest is charged on the unsecured loan of £80,225,400 (2021: £80,225,400) at a rate of 10.25% (2021: 10.25%) and is payable bi-annually. The debt is in the form of Eurobonds listed on The International Stock Exchange ("TISE") and will mature on 31 March 2040. It is at the Company's discretion to defer the payment of interest and where it elects to, amounts unpaid bear interest at 10.25%.

# UCLH INVESTORS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 14 Called up share capital

	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Issued and not fully paid</b>		
500 A ordinary shares of £1 each	500	500
500 B ordinary shares of £1 each	500	500
100 C ordinary shares of £1 each	100	100
	<u>1,100</u>	<u>1,100</u>

The A and B ordinary shares can cast one vote at an AGM, with no right to appoint directors. The C ordinary shareholders cannot cast any vote at an AGM, however have the right to appoint directors.

### 15 Profit and loss reserves

Retained earnings records retained earnings and accumulated losses.

### 16 Related party transactions

#### Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

	Amount owed to		Amounts owed by	
	2022	2021	2022	2021
	£	£	£	£
CFIG Unicorn Holdings SPV LLC	66,225,850	66,280,047	-	-
PFI 2005 Limited	13,933,950	13,945,353	-	-
UCLH Investors Limited	-	-	80,159,800	80,159,800

During the year interest of £1,428,230 (2021: £1,429,399) was payable to PFI 2005 Limited. In addition a dividend of £870,770 (2021: £889,985) was also payable to PFI 2005 Limited.

During the year interest of £6,788,150 (2021: £6,793,705) was payable to CFIG Unicorn Holdings SPV LLC. In addition a dividend of £870,770 (2021: £889,985) was also payable to CFIG Unicorn Holdings SPV LLC.

During the year, the Company received interest of £8,216,379 (2021: £8,223,104) from UCLH Investors Limited. In addition, the Company also received dividends of £1,739,504 (2021: £2,850,963) from UCLH Investors Limited.

### 17 Controlling party

The Company is registered and domiciled in England and Wales. The Company's immediate parent companies are the joint venture partners PFI 2005 Limited, whose registered address is 1 Park, Leeds, LS1 5AB, incorporated in the United Kingdom and CFIG Unicorn Holdings SPV LLC, whose registered address is 251 Little Falls Drive, Wilmington, Delaware, 19808, incorporated in the United States of America and registered in Delaware.