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Registered in England No: 05028621

INVESTORS IN HEALTH (C&T1) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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Investors in Health (C&T1) Limited

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Investors in Health (C&T1) Limited

Directors' report for the year ended 30 June 2017

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2017.

Principal activity and business review

The principal activity of the Company is the development, construction and facilities management operation of two health facilities under the LIFT ("Local Improvement Finance Trust) programme which is promoted by the Department of Health and delivered through Community Health Partnerships Limited.

The scope of the scheme is the delivery of a primary care centre in Colchester and a community hospital in Harwich.

The construction works were completed on the Dovercourt and Harwich Hospital Development and the Colchester Primary Care Centre in November 2005 and February 2006 respectively and services commenced thereafter which are due to run until November 2030 and April 2031 respectively.

The directors have reviewed the activities of the business for the year and the position as at 30 June 2017 and consider them to be satisfactory.

Results and dividends

The trading results for the year to 30 June 2017 and the Company's financial position as at 30 June 2017 are shown in the attached financial statements. The Company has made a profit during the year of £765,716 (2016: £713,904) and the shareholder's funds at 30 June 2017 show a surplus of £395,695 (2016: £1,801,979).

Dividends of £2,172,000 were paid during the year (2016: £91,000).

Investors in Health (C&T1) Limited

Directors' report

for the year ended 30 June 2017 (*continued*)

Directors

The directors of the Company who held office during the year and to the date of this report are listed below:

T B Symes
J C C Hames
K Denwood
P A Cartwright
V L Everett
B Ravi Kumar

Key performance indicators

The Company's management produces comparisons of actual cash flows against forecast cash flows from the finance model and analyse any fluctuations.

The directors believe that there are no other key performance indicators that require disclosure for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Company's revenue is based on a fixed price, subject to adjustments for retail price index increases. Therefore, profit margins are susceptible to inflation rate fluctuations. In order to manage this risk, the Company has ensured that costs are fixed wherever possible. In most cases, contractual costs will be subject to retail price index increases.

The design, installation, and facility management operations of health facilities are sub-contracted out. Significant risks are passed down to the key sub-contractors within limits set out as liability caps.

However, contractual default by these sub-contractors or losses/deductions reaching the liability caps would transfer the risks back to the Company.

Under the lease plus agreements with Community Health Partnerships Limited, any general change in law risk is transferred to the Company. However, some risks are passed on to sub-contractors, e.g. during the services phase this risk is transferred to the sub-contractors under the facilities management contract.

Investors in Health (C&T1) Limited

Directors' report for the year ended 30 June 2017 (*continued*)

Strategic report

The Company has taken advantage of the exemption, under section 414B of the Companies Act 2006, from preparing a strategic report for the financial year.

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

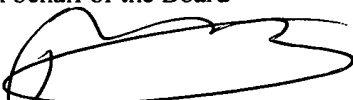
Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in absence of an Annual General Meeting.

Registered office:
Third Floor Broad Quay House
Prince Street
Bristol
BS1 4DJ

Registered number: 05028621
Company Secretary: Imagile Secretariat Services Limited (previously MAMG Company Secretarial Services Limited)

On behalf of the Board


T B Symes
Director

Approved by the directors on 20 December 2017

Investors in Health (C&T1) Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 UK Accounting Standards (UK Generally Accepted Accounting Practice 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 estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Investors in Health (C&T1) Limited

Opinion

We have audited the financial statements of Investors in Health (C&T1) Limited (the 'Company') for the year ended 30 June 2017 which comprise the profit and loss account and statement of other comprehensive income, the balance sheet, and 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, FRS 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 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Investors in Health (C&T1) Limited (continued)

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 the requirement to prepare a strategic report in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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.

Auditor's 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

RSM UK Audit LLP

ANDREW ALLCHIN FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Fifth Floor, Central Square

29 Wellington Street

Leeds LS1 4DL

22 December 2017

Investors in Health (C&T1) Limited

Profit and loss account and statement of other comprehensive income for the year ended 30 June 2017

	Note	2017 £	2016 £
Turnover	2	2,189,321	2,046,473
Cost of sales		(1,268,348)	(1,192,263)
Gross profit		920,973	854,210
Administrative expenses		(82,272)	(73,110)
Other operating income		28,802	25,624
Operating profit		867,503	806,724
Interest receivable and similar income	6	2,468,985	2,516,158
Interest payable and similar charges	7	(2,463,762)	(2,527,932)
Profit on ordinary activities before taxation	3	872,726	794,950
Tax on profit on ordinary activities	8	(107,010)	(81,046)
Profit on ordinary activities after taxation		765,716	713,904

All results are in respect of continuing activities.

The notes on pages 10 to 21 form part of these financial statements.

Investors in Health (C&T1) Limited

Balance sheet

As at 30 June 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	11	503,327	558,837
Debtors: amounts falling due after one year	11	33,726,618	34,101,699
Cash at bank and in hand		3,454,304	4,874,466
		<u>37,684,249</u>	<u>39,535,002</u>
Creditors: amounts falling due within one year	12	(1,350,657)	(1,328,944)
Net current assets		<u>36,333,592</u>	<u>38,206,058</u>
Creditors: amounts falling due after one year	13	(32,970,208)	(33,973,345)
Provisions for liabilities and charges	14	(2,967,689)	(2,430,734)
Net assets		<u><u>395,695</u></u>	<u><u>1,801,979</u></u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	<u>395,694</u>	<u>1,801,978</u>
Total shareholder's equity		<u><u>395,695</u></u>	<u><u>1,801,979</u></u>

The notes on pages 10 to 21 form part of these financial statements.

These financial statements, for company registration number 05028621, were approved by the board of directors and authorised for issue on 20 December 2017 and signed on its behalf by:



T B Symes
Director

Investors in Health (C&T1) Limited

Statement of changes in equity for the year ended 30 June 2017

	Called up share capital £	Profit and loss account £	Total shareholder's equity £
Balance as at 1 July 2015	1	1,179,074	1,179,075
Profit for the year	-	713,904	713,904
Equity dividends	-	(91,000)	(91,000)
Balance as at 30 June 2016	1	1,801,978	1,801,979
Profit for the year	-	765,716	765,716
Equity dividends	-	(2,172,000)	(2,172,000)
Balance as at 30 June 2017	1	395,694	395,695

The notes on pages 10 to 21 form part of these financial statements.

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017

1. Accounting policies

Investors in Health (C&T1) Limited (the “Company”) is a company limited by shares and incorporated and domiciled in England and Wales. The Company’s registered office is Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ.

The principal activity of the Company is the development, construction and facilities management operation of two health facilities under the LIFT (“Local Improvement Finance Trust) programme which is promoted by the Department of Health and delivered through Community Health Partnerships Limited.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention. The presentation currency of these financial statements is sterling and amounts have been rounded to the nearest whole £, unless otherwise stated.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures; and

Going concern

The shareholder’s funds at 30 June 2017 show a surplus of £395,695 (2016: £1,801,979). The Company has a secured bank facility that will enable it to continue trading for the concession period (note 15). The Company is not in breach of its covenant terms. The directors have reviewed the forecast and believe that the financial position will strengthen in the future and therefore consider that it is appropriate to prepare these financial statements on a going concern basis.

Classification of financial instruments issued by the Company

In accordance with Section 22 of FRS 102, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company’s own equity instruments or is a derivative that will be settled by the Company’s exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

1. Accounting policies (*continued*)

Basic financial instruments

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

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

1. Accounting policies (*continued*)

Turnover

All turnover and profit on ordinary activities before taxation originates in the UK. Turnover is recognised in accordance with the finance debtor accounting policy.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Interest

Interest costs have been capitalised during the construction phase of the contract and will be amortised over the period of the concession.

Interest payable and similar charges include interest payable on borrowings and associated ongoing financing fees.

Other interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy below.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

1. Accounting policies (*continued*)

Finance debtor and revenue recognition

The Company is an operator of a Private Finance Initiative (PFI) contract, which was entered into prior to transition to FRS 102. Under UK GAAP, the company recognised the concession asset as a tangible fixed asset on the basis that the company owned the asset until the end of the concession period. However, under FRS 102 it is deemed that the Authority controls the concession asset as there is a contractual obligation to transfer the asset from the company to the Authority at the end of the concession period. With this arrangement the costs incurred by the company on the design and construction of the assets have been treated as a finance debtor within these financial statements.

During the construction phase of the project, all attributable expenditure is included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs are transferred to the finance debtor. During the operational phase unitary charge receipts are included within turnover and the finance debtor in accordance with the long term contract accounting policy.

The Company recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services. Major maintenance costs are recognised on an incurred basis and the revenue receivable in respect of these services is recognised when the services are performed.

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Dividends

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

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

1. Accounting policies (*continued*)

Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may 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 if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Accounting for the service contracts and finance receivables requires estimation of service margins and finance receivable interest rates which is based on forecasted results of the LIFT Lease Plus Agreements.

The directors have reviewed the interest rates applied to the subordinated loan stock and consider these to be at market rate.

The directors have considered the carrying values of the term loan and subordinated loan which were in place prior to the transition to FRS 102 and believe that no material adjustment is required for transition to the effective interest rate method required under FRS 102. The directors have reviewed the interest rates applied to the subordinated loan stock and consider these to be at market rate.

2. Analysis of turnover

	2017	2016
	£	£
Services income	2,189,321	2,046,473

All turnover originates in the United Kingdom.

In addition to the amounts disclosed as turnover above, the Company acts as the invoicing conduit for a number of transactions where the Company bears no risk or reward and the transactions are “pass through costs” where the Company generates neither profit nor loss. These items have been excluded from the turnover stated above as the directors consider this reflects the substance of the transactions. The total value of these pass through costs in the year were £463,207 (2016: £107,312).

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

3. Profit on ordinary activities before taxation

	2017 £	2016 £
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration:		
- for the statutory audit of the company	12,274	13,754
- taxation services	3,640	4,451

Auditor's remuneration is payable to RSM UK Audit LLP and its associates.

4. Directors remuneration

The directors received no emoluments in respect of their services to the Company during the year (2016: £nil).

5. Particulars of employees

The Company had no employees during the year (2016: no employees).

6. Interest receivable and similar income

	2017 £	2016 £
Finance debtor interest	2,453,240	2,489,456
Bank interest	15,745	26,702
	<u>2,468,985</u>	<u>2,516,158</u>

7. Interest payable and similar charges

	2017 £	2016 £
Bank loan interest	2,187,345	2,244,535
Loan stock interest	249,624	256,604
Amortisation of issue costs	26,793	26,793
	<u>2,463,762</u>	<u>2,527,932</u>

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

8. Taxation

(a) Tax on profit on ordinary activities

	2017 £	2016 £
Current tax	-	-
<i>Deferred tax (see note 9)</i>		
Effect of tax rate change on opening balance	(38,972)	(62,045)
Origination and reversal of timing differences	145,983	143,091
Total deferred tax	107,011	81,046
Total tax	107,011	81,046

No amounts relating to tax have been recognised in other comprehensive income or directly in equity.

(b) Reconciliation of tax charge

The constituent elements of the tax charge for the year are set out below.

	2017 £	2016 £
Profit on ordinary activities after taxation	765,716	713,904
Total tax expense	(107,010)	(81,046)
Profit on ordinary activities before taxation	872,726	794,950
Taxation using the UK corporation tax rate of 19.75% (2016: 20%)	172,363	158,990
Expenses not deductible for tax purposes	(2,765)	-
Adjust opening deferred tax to average rate of 19.75% (2016: 20%)	68,201	-
Adjust closing deferred tax to average rate of 19.75% (2016: 20%)	(130,788)	(77,944)
	107,011	81,046

(c) Factors that may affect future tax charges

Legislation already enacted at the balance sheet date means that the corporate tax rate is expected to reduce to 17% from 1 April 2020. The deferred tax asset at 30 June 2017 has been calculated based on the tax rate expected to be in place when the timing/temporary differences are expected to be reversed.

The Company has trade losses available to carry forward of £3,830,539 (2016: £4,790,078).

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

9. Deferred tax

	2017 £	2016 £
Liability at the start of year	701,500	620,454
Charged in the year to the profit and loss account	107,011	81,046
Liability at the end of year	<u>808,511</u>	<u>701,500</u>
	2017 £	2016 £
Tax losses	(651,192)	(862,214)
Capital allowances in excess of depreciation	<u>1,459,703</u>	<u>1,563,714</u>
	<u>808,511</u>	<u>701,500</u>

The deferred tax asset recognised on tax losses has been on the basis to which these can be set off against future profits of the Company. There is no unprovided deferred tax (2016: nil).

10. Dividends

	2017 £	2016 £
Dividends paid: £2,172,000 (2016: £91,000) per share	<u>2,172,000</u>	<u>91,000</u>

11. Debtors

	2017 £	2016 £
<i>Amounts falling due within one year</i>		
Finance debtor	387,402	418,950
Trade debtors	3,721	56,930
Prepayments and accrued income	75,711	81,657
Sundry debtors	33,843	-
Amounts due from group undertakings	2,650	1,300
	<u>503,327</u>	<u>558,837</u>
<i>Amounts falling due after more than one year</i>		
Finance debtor	33,726,618	34,101,699
	<u>33,726,618</u>	<u>34,101,699</u>
Total debtors	<u>34,229,945</u>	<u>34,660,536</u>

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

12. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loan	942,665	899,814
Loan stock - due to group entities	60,472	50,105
Trade creditors	15,666	51,589
Sundry creditors	14,571	14,292
Other taxation and social security	226,878	221,852
Accruals and deferred income	90,405	91,292
	<u>1,350,657</u>	<u>1,328,944</u>

13. Creditors: amounts falling due after one year

	2017	2016
	£	£
Bank loan	31,203,345	32,146,010
Loan stock - due to group entities	1,766,863	1,827,335
	<u>32,970,208</u>	<u>33,973,345</u>

14. Provisions

	2017	2016
	£	£
Lifecycle expenditure	2,159,178	1,729,234
Deferred tax (see note 9)	808,511	701,500
	<u>2,967,689</u>	<u>2,430,734</u>

Lifecycle expenditure:

	2017	2016
	£	£
Opening provision for lifecycle expenditure	1,729,234	1,426,150
Contributions	499,143	444,948
Applications	(69,199)	(141,864)
Closing provision for lifecycle expenditure	<u>2,159,178</u>	<u>1,729,234</u>

Accrued lifecycle expenditure is classified as a provision on the basis that the timing of the expenditure is uncertain.

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

15. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2017 £	2016 £
Bank loan	32,498,786	33,425,393
Subordinated loan stock	1,827,335	1,877,440
	34,326,121	35,302,833
	2017 £	2016 £
Debt can be analysed as falling due as follows:		
Within one year	1,003,137	976,712
Between one and two years	1,122,122	1,029,930
Between two and five years	4,428,504	3,828,013
In five years or more	27,772,358	29,468,178
	34,326,121	35,302,833
Effective interest rate adjustment	(352,776)	(379,569)
	33,973,345	34,923,264

The bank loan has a fixed interest rate of 6.59% per annum and is secured in favour of AVIVA Public Private Finance Limited, with fixed and floating charges over the Company and its property and assets.

On 7 July 2004, the Company issued £3,000,000 of unsecured subordinated loan stock due in 2031 paid at the amount of £1,750,000. The loan stock is subscribed for by Community Health Partnerships Limited(40% share) and John Laing Infrastructure Fund Limited (60%). The loan stock bears a coupon rate of 13.5%.

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (continued)

16. Financial Instruments

Carrying amounts of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2017	2016
	£	£
Assets measured at amortised cost		
- Finance debtor	34,114,020	34,520,649
- Trade and other debtors	37,564	56,930
- Amounts due from group undertakings	2,650	1,300
	<u>34,154,234</u>	<u>34,578,879</u>
Liabilities measured at amortised cost		
- Trade and other payables	(113,442)	(149,973)
- Bank loans	(32,146,010)	(33,045,824)
- Loan stock - due to group entities	(1,827,335)	(1,877,440)
	<u>(34,086,787)</u>	<u>(35,073,237)</u>

17. Share capital

Allotted, called up and fully paid:		2017		2016
	Number	£	Number	£
Ordinary shares of £1 each	1	1	1	1

18. Reserves

Profit and loss account

The profit and loss account contains the retained earnings carried forward net of distributions to owners.

19. Commitments and contingent liabilities

The Company is a member of a VAT group. All group members are jointly and severally liable for the total group VAT liability. At the period end, the liabilities of the other group member totalled £nil. In the usual course of business members meet their own individual liability. There are no other contingent liabilities (2016: £nil).

Investors in Health (C&T1) Limited

Notes to the financial statements for the year ended 30 June 2017 (*continued*)

20. Related party transactions

The Directors consider that Community Health Partnerships Limited is a related party of the Company by virtue of its 40% shareholding in Realise Health Ltd, the parent Company. Community Health Partnerships Limited subscribed 40% of the loan stock in the Company. At the balance sheet date the Company owed Community Health Partnerships Limited £755,536 (2016: £776,252) in unpaid loan stock and loan stock interest payable. During the year the Company paid £100,876 (2016: £103,220) in loan stock interest payable. During the year, the Company paid £15,466 (2016: £15,233) to Community Health Partnerships Limited in respect of Directors' fees.

The Directors consider that JLIF Investments Limited is a related party of the Company by virtue of its 60% shareholding in Realise Health Ltd, the parent Company. JLIF Investments Limited subscribed 60% of the loan stock in the Company. At the balance sheet date the Group owed JLIF Investments Limited £1,133,303 (2016: £1,164,378) in unpaid loan stock and loan stock interest payable. During the year the Group paid £151,314 (2016: £154,830) in loan stock interest. The Company also paid £23,199 (2016: £22,850) to JLIF Investments Limited in respect of Directors' fees. At the balance sheet date the Company owed JLIF Investments Limited £7,127 (2016: £6,904) in respect of these services.

During the year the Company paid £271,178 (2016: £266,330) to Realise Health Limited for asset management services. Realise Health Limited is a related party by virtue of being the Company's parent and by sharing a common directorship; T B Symes, J Hames, K Denwood, B Ravi Kumar, P A Cartwright, V L Everett, J Andrews.

During the year the Company paid £845 (2016: £1,482) to MAMG Asset Management Limited for asset management services. T B Symes and P Cartwright were directors of MAMG Asset Management Limited until their resignation on 31 March 2017.

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

21. Ultimate controlling party

At the balance sheet date the Directors regard John Laing Infrastructure Fund Limited, a close ended investment company, registered in Guernsey, and registered on the London Stock Exchange, as the ultimate controlling entity. John Laing Infrastructure Fund Limited is owned by a number of investors, with no one investor having individual control.

The Company's immediate holding company is Investors in Health (C&T) Holdings Limited. The largest and smallest group for which consolidated financial statements are prepared is the group headed by IIC (C&T) Limited. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ.