Company registration number 07018708 (England and Wales)

RESOUND (DERRIFORD) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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RESOUND (DERRIFORD) LIMITED

COMPANY INFORMATION

Directors	Charlotte Douglass	
	Rodney Chilcott	
	Simon Waters	(Appointed 4 July 2025)
	Joanna Hames	(Appointed 3 September 2026)
Company number	07018708	
Registered office	9th Floor Cobalt Square 83-85 Hagley Road Birmingham B16 8QG	
Auditor	Goodman Jones LLP 1st Floor, Arthur Stanley House 40-50 Tottenham Street London W1T 4RN	

RESOUND (DERRIFORD) LIMITED

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RESOUND (DERRIFORD) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2026

The directors present their annual report and financial statements for the year ended 31 March 2026.

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption and the company has taken advantage of the exemption from the requirement to prepare a strategic report.

Principal activities
The principal activity of the company is to design, build, finance and manage premises under the government's LIFT initiative.

Results
The profit for the year, after taxation, amounted to £161,000 (2025: £150,000).

Interim dividends of £36,000 (2025: £74,000) have been paid during the year. The directors do not recommend any further dividends.

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

Charlotte Douglass	
Rodney Chilcott	
Simon Waters	(Appointed 4 July 2025)
Elaine Siew	(Resigned 3 September 2026)
Akinola Amusu	(Resigned 4 July 2025)
Francesca Kavanagh	(Resigned 29 May 2025)
James Lloyd	(Appointed 29 May 2025 and resigned 3 September 2026)
Joanna Hames	(Appointed 3 September 2026)

Qualifying third party indemnity provisions
The directors of the company have qualifying third party indemnity provisions put in place through other companies of which they are also directors.

Going concern
At the year end, the company has net assets of £551,000 (2025: £419,000), which includes the negative fair value of interest rate, net of related deferred tax, of £699,000 (2025: £706,000), which are on long term agreements as part of the overall financial model of the business. The company has net current assets (excluding debtors due after more than one year) of £497,000 (2025: £475,000), including cash of £862,000 (2025: £846,000).

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. The company produces long term financial forecasts which show the company is able to operate and meet its financial obligations as they fall due, including compliance with all loan covenants. Based on this review and the future business prospects of the company, the directors believe the company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, 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 annual report and accounts.

Auditor
In accordance with the company's articles, a resolution proposing that Goodman Jones LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

.....

Charlotte Douglass

Director

Date: 17-09-26

RESOUND (DERRIFORD) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RESOUND (DERRIFORD) LIMITED

Opinion

We have audited the financial statements of Resound (Derriford) Limited (the 'company') for the year ended 31 March 2026 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

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.

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

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors
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, 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.

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 industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. The further removed instances of non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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.

Goodman Jones LLP

Paul Bailey (Senior Statutory Auditor)
For and on behalf of Goodman Jones LLP, Statutory Auditor
Chartered Accountants
1st Floor, Arthur Stanley House
40-50 Tottenham Street
London
W1T 4RN
Date: 17-09-26

RESOUND (DERRIFORD) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £000	2025 £000
Turnover	3	432	401
Cost of sales		(227)	(215)
Gross profit		205	186
Administrative expenses		(23)	(20)
Operating profit		182	166
Interest receivable and similar income	7	449	459
Interest payable and similar expenses	8	(411)	(422)
Profit before taxation		220	203
Tax on profit	9	(59)	(53)
Profit for the financial year		161	150
Other comprehensive income			
Cash flow hedges gain arising in the year		10	487
Tax relating to other comprehensive income		(3)	(121)
Total comprehensive income for the year		168	516

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 19 form part of these financial statements.

RESOUND (DERRIFORD) LIMITED

BALANCE SHEET

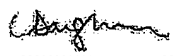
AS AT 31 MARCH 2026

	Notes	2026 £000	2026 £000	2025 £000	2025 £000
Current assets					
Debtors falling due after more than one year	**10**	6,301		6,330	
Debtors falling due within one year	**10**	1		2	
Cash at bank and in hand	**12**	862		846	
		7,164		7,178	
Creditors: amounts falling due within one year	**13**	(366)		(373)	
Net current assets			6,798		6,805
Creditors: amounts falling due after more than one year	**14**		(6,180)		(6,381)
Provisions for liabilities					
Deferred tax liability	**16**	67		5	
			(67)		(5)
Net assets			551		419
Capital and reserves					
Called up share capital	**17**		-		-
Hedging reserve			(699)		(706)
Profit and loss reserves			1,250		1,125
Total equity			551		419

The notes on pages 9 to 19 form part of these financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 17-09-26 and are signed on its behalf by:



Charlotte Douglass
Director

Company registration number 07018708 (England and Wales)

RESOUND (DERRIFORD) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Share capital	Hedging reserve	Profit and loss reserves	Total
		£000	£000	£000	£000
Balance at 1 April 2024		-	(1,072)	1,049	(23)
Year ended 31 March 2025:					
Profit for the year		-	-	150	150
Other comprehensive income:					
Cash flow hedges gains		-	487	-	487
Tax relating to other comprehensive income		-	(121)	-	(121)
Total comprehensive income		-	366	150	516
Dividends		-	-	(74)	(74)
Balance at 31 March 2025		-	(706)	1,125	419
Year ended 31 March 2026:					
Profit for the year		-	-	161	161
Other comprehensive income:					
Cash flow hedges gains		-	10	-	10
Tax relating to other comprehensive income		-	(3)	-	(3)
Total comprehensive income		-	7	161	168
Dividends		-	-	(36)	(36)
Balance at 31 March 2026		-	(699)	1,250	551

Dividends of £36,000 (2025: £74,000) were paid during the year to shareholders. No further dividends are proposed.

The notes on pages 9 to 19 form part of these financial statements.

1 Accounting policies

Company information

Resound (Derriford) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9th Floor Cobalt Square, 83-85 Hagley Road, Birmingham, England, B16 8QG and the nature of the company's operations and its principal activities are set out in the directors' report.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The functional currency is pounds sterling and rounded to the nearest £'000.

In preparing the separate financial statements, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the company;
- The company has taken advantage of exemption, not to disclose related party transactions between members wholly owned member of the group.

1.2 Going concern

At the year end, the company has net assets of £551,000 (2025: £419,000), which includes the negative fair value of interest rate, net of related deferred tax, of £699,000 (2025: £706,000), which are on long term agreements as part of the overall financial model of the business. The company has net current assets (excluding debtors due after more than one year) of £497,000 (2025: £475,000), including cash of £862,000 (2025: £846,000).

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. The company produces long term financial forecasts which show the company is able to operate and meet its financial obligations as they fall due, including compliance with all loan covenants. Based on this review and the future business prospects of the company, the directors believe the company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, 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 annual report and accounts.

1 Accounting policies **(Continued)**

1.3 Revenue

Public to private concession arrangements

A substantial portion of the company's assets are used within the framework of concession contracts granted by public sector customers ('grantors'). Under these contracts, the company constructs primary care centres that are leased to the NHS on 25 year leases.

In order to fall within the scope of FRS 102 s34. 12, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement.

Pursuant to FRS 102 s34. 14, such infrastructures are not recognised in assets of the operator as property, plant and equipment but in financial assets ('financial asset model').

'Financial asset model'

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

In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of amounts specified or determined in the contract; or the shortfall, if any, between amounts received from users of the public service and amounts specified or determined in the contract.

Financial assets resulting from the application of FRS 102 s34. 14 are recorded in the balance sheet under the heading finance debtors and measured at amortised cost.

Pursuant to section 23 of FRS 102, revenue associated with this financial asset model comprises service remuneration which relates to facilities management, lifecycle maintenance and ad hoc property related income. Service remuneration is recognised as services are delivered.

Costs recognised in respect of service remuneration activities in advance of the work being undertaken are recognised as an asset within 'Other debtors' where the asset can be reliably measured and it is considered probable that those costs give rise to future revenue under the concession arrangements.

Other revenue items

Cost recoveries income is recognised to off set costs as those costs are incurred.

Rental income from operating leases is recognised in income on a straight line basis over the lease term.

1.4 Financial assets

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

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, financial debtors, amounts due from group undertakings and related parties, other debtors and accrued income.

1 Accounting policies **(Continued)**

1.5 Financial liabilities and equity

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

Financial liabilities measured at amortised cost comprise bank and loans, amounts due to related parties, trade creditors, other creditors and accruals.

1.6 Hedge accounting

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

1.7 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have been originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.8 Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Cash flow hedge reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective, net of relevant tax charges.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements and key sources of estimation uncertainty

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

Critical judgements

Concession arrangements

The concession arrangements undertaken by the company are considered to fall within the scope of section 34 of FRS 102 "Service Concession Arrangements", as described in the revenue note. This judgement has been based on a consideration of the nature and terms of the agreements and, in all contracts, the existence of an option for the grantor to purchase the properties at the end of the contract.

Key sources of estimation uncertainty

Financial assets (note 11)

The calculation of the amortised cost of finance receivables requires an estimate of the residual value of the property at the end of the lease term. This estimate is based on the residual value allocated to the property in the financial models, which form the basis for the calculation of rent charged to the lessee and which were assessed at financial close.

The directors' have applied their judgement in determining the valuation policy and estimate, and are of the opinion that the values and assumptions currently used in the financial model continue to be appropriate. They continue to take a regular review of these assumptions, and will review and update this assessment as the position becomes less uncertain in future periods.

Financial assets interest rate (notes 7 and 11)

The financial assets interest income is based on the weighted average cost of debt of the project and is applied to the carrying value of the financial assets on a quarterly basis. The interest rate used in 2026 is 7.04% (2025: 7.04%) per annum.

RPI index (note 11)

The finance debtors predict a level of RPI increases for future receipts and expenditure. This represents a degree of judgement and uncertainty given the nature of RPI. Where RPI differs from the estimated rate of 2.5%, this will impact future receipts/expenditure and thus increase/reduce the service margin (see below), which affects the amount of revenue recognised in any given period.

Service margin (notes 3 and 11)

After the property is constructed, the company provides property management services. The remuneration for these services is recognised at cost plus an estimated mark up for profit on property management services. The service margin rate used in 2026 is 89.70% (2025: 83.56%) per annum. It is the policy of the directors that the service margin is reviewed annually on 1 April each year to generate a new service margin rate, which is to be applied in the proceeding financial year.

Derivative valuation (note 18)

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

3 Turnover and other revenue

	2026	2025
	£000	£000
Turnover analysed by class of business		
Service remuneration	385	365
Cost recoveries	47	36
	432	401

	2026	2025
	£000	£000
Other revenue		
Interest income	449	459

4 Auditor's remuneration

Auditor's remuneration is borne by the parent company, Resound (Health) Limited.

5 Employees

The company had no employees during the year or the prior year.

6 Directors' remuneration

The directors did not receive any remuneration from the company for their services to the company during the year or the previous year. The directors are remunerated by the shareholding companies for their services to the group as a whole. It is not practicable to apportion their remuneration for their services to this company.

7 Interest receivable and similar income

	2026	2025
	£000	£000
Interest income		
Interest on bank deposits	17	22
Interest receivable on loan notes to group undertakings	432	437
Total income	449	459

8 Interest payable and similar expenses

	2026	2025
	£000	£000
Interest on financial liabilities measured at amortised cost:		
Bank loan interest payable	337	346
Loan note interest payable	74	76
	411	422

9 Taxation

	2026 £000	2025 £000
Deferred tax		
Origination and reversal of timing differences	59	53

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:

	2026 £000	2025 £000
Profit before taxation	220	203
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2025: 25.00%)	55	51
Tax effect of expenses that are not deductible in determining taxable profit	4	2
Taxation charge for the year	59	53

	2026 £000	2025 £000
Reclassifications from equity to profit or loss:		
Relating to cash flow hedges	3	121

10 Debtors

Amounts falling due within one year:	2026 £000	2025 £000
Amounts owed by related undertakings	-	2
Prepayments and accrued income	1	-
	1	2

Amounts falling due after more than one year:	2026 £000	2025 £000
Financial asset (note 11)	6,301	6,330
Total debtors	6,302	6,332

11 Financial assets

	2026 £000	2025 £000
Balance at 1 April	6,330	6,346
Income recognised in the income statement		
- service remuneration (note 3)	385	365
- interest income (note 7)	432	437
	817	802
Other movements		
- cash payments on RPI swap	59	57
- cash received	(905)	(875)
Balance at 31 March	6,301	6,330
Analysis of expected net receipts timing:		
Within one year	-	-
After more than one year	6,301	6,330
Balance at 31 March	6,301	6,330

12 Cash at bank in hand

Included in cash at bank and in hand are bank balances totalling £801,000 (2025: £782,000) which are restricted for use in pre described circumstances by the bank.

13 Creditors: amounts falling due within one year

	Notes	2026 £000	2025 £000
Bank loans	**15**	159	141
Subordinated debt due to related undertakings	**15**	32	28
Trade creditors		3	-
Amounts owed to group undertakings		32	39
Amounts owed to related undertakings		5	-
Accruals and deferred income		135	165
		366	373

14 Creditors: amounts falling due after more than one year

	Notes	2026 £000	2025 £000
Bank loans and overdrafts	15	4,631	4,790
Subordinated debt owed to related undertakings	15	617	649
Derivative financial instruments		932	942
		6,180	6,381

15 Loans and overdrafts

a) Bank loans

	2026 £000	2025 £000
The bank loans are repayable as follows:		
Within one year	159	141
Between one and two years	181	159
Between two and five years	638	599
After more than five years	3,812	4,032
	4,790	4,931

Bank borrowings relate to a Senior Debt Facility granted by The Royal Bank of Scotland. The bank borrowings are secured by fixed and floating charges over all the company's assets.

The amounts drawn under the Senior Debt Facility are repayable on an agreed repayment profile of six-monthly instalments that commenced on 31 March 2011 and are due to end on 31 December 2040, with a final instalment of £1,773,000.

Interest charges on amounts borrowed are based on floating SONIA plus margins of 2.00% and 2.25% on the amortising and bullet tranches, respectively. The company has entered into interest rate swap agreements whereby it pays fixed rates of 6.53% and 6.82% per annum in respect of amounts drawn under the amortising and bullet senior debt facilities, respectively. The swaps expire on 30 June 2040 and 31 December 2040.

(b) Subordinated loan notes

	2026 £000	2025 £000
The subordinated loan notes are repayable as follows:		
Within one year	32	28
Between one and two years	37	32
Between two and five years	128	121
After more than five years	452	496
	649	677

The loan notes represent amounts borrowed under the Loan Note Agreement. The loans carry a coupon of 11% and are repayable in 6 monthly instalments commencing on 30 September 2011 and ending on 31 December 2040. The loan notes are unsecured.

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	Liabilities 2026 £000	Liabilities 2025 £000
Fixed asset timing differences	377	369
Losses and other deductions	(77)	(128)
Cash flow hedge reserve	(233)	(236)
	67	5

Movements in the year:	2026 £000
Liability at 1 April 2025	5
Charge to profit or loss	59
Charge to other comprehensive income	3
Liability at 31 March 2026	67

17 Share capital

Ordinary share capital Issued and fully paid	2026 Number	2025 Number	2026 £000	2025 £000
Ordinary shares of £1 each	1	1	-	-

The Royal Bank of Scotland plc has a registered charge over the whole share capital of the company.

18 Financial instruments

	2026 £000	2025 £000
Financial assets		
Financial assets measured at amortised cost	7,164	7,178
Financial liabilities		
Derivative financial instruments designated as hedges of variable interest rate and RPI risk	(932)	(942)
Financial liabilities measured at amortised cost	(5,603)	(5,801)

18 Financial instruments **(Continued)**

Derivative financial instruments designated as hedges of variable interest rate risk comprise interest rate and RPI swaps.

The fair values of the interest rate and RPI swaps have been determined by reference to prices available from the markets on which the instruments involved are traded.

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, the company has entered into fixed interest rate swaps with a nominal value equal to that initial borrowings, the same term as the loans and interest re-pricing dates identical to those of the variable rate loans. These result in the company paying a fixed rate of 4.53% and 4.57% per annum and receiving SONIA (though cash flows are settled on a net basis). The company pays SONIA, plus margins of 2.00% and 2.25%, on the amortising and bullet loans, respectively, effectively fixing the total interest cost on loans.

The derivatives are accounted for as a hedge of variable rate interest rate risks, in accordance with FRS 102 and had a positive fair value of £91,000 (2025: negative of £15,000) as at the year end date. The cash flows arising from the interest rate swaps will continue until their maturity in 2040, coincidental with the repayment of the term loans. The positive change in fair value in the period was £106,000 (2025: £264,000) with the entire credit being recognised in other comprehensive income as the swaps were 100% effective hedges.

In 2009, the company entered into one Lease Plus Agreement (LPA) contract having fixed contractual terms which caused their turnover to increase with RPI on a yearly basis.

To hedge the potential volatility in future revenue cash flows arising from movements in RPI, the company has entered into RPI swaps with a nominal value below that of the LPA contract but having the same term as the LPA agreement and RPI re-pricing dates identical to those of the LPA contract. These result in the company paying 3.32% per annum and receiving actual RPI and effectively fixing the inflation on a determined portion on the LPA contract.

The derivatives are accounted for as a hedge of variable rate RPI rate risks, in accordance with FRS 102, and had a negative fair value of £1,023,000 (2025: £927,000) at the year end date. The cash flows arising from the RPI swaps will continue until their maturity in 2041, coincidental with the LPA contractual terms. The negative change in fair value in the period was £96,000 (2025: positive of £223,000) with the entire debit being recognised in other comprehensive income as the swaps were 100% effective hedges.

19 Other commitments

On completion of the buildings, under terms of contracts made, the company is committed to fixed payments, which increase by indexation, for Facilities Management for a 30-year period. The current year payment for these services amounted to £65,000 (2025: £63,000).

Under the terms of management agreements with its parent company, the company is committed to the payment of fixed and variable fees based on services provided in the contract term. The current year payment for these services amounted to £21,000 (2025: £20,000).

20 Ultimate controlling party

The company is a wholly owned subsidiary of Resound (Health) Limited. Resound (Health) Limited is owned by LIFT Investments Limited (60%) and Community Health Partnerships Limited (40%). All these companies are registered in England and Wales.

LIFT Investments Limited is ultimately owned by Community Solutions Investment Partners Limited.

The directors are of the opinion that there is no ultimate parent undertaking or controlling party by virtue of the company's joint ownership and control.

21 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption provided in FRS 102 not to disclose transactions with companies within the group of which it is a member, where the transactions occur between entities which are wholly owned members of that group.

Key management personnel include all directors who together have authority and planning, directing and controlling the activities of the company. See note 6 for details of directors' remuneration.

The directors consider the material transactions undertaken by the company during the year with related parties were as follows:

Name of related party	Nature of relationship
Community Health Partnerships Limited	Joint control shareholder

	Income		Payments	
	2026	2025	2026	2025
	£000	£000	£000	£000
Community Health Partnerships Limited	951	898	-	-

Balances with related parties

	Amounts owed by related parties		Amounts owed to related parties	
	2026	2025	2026	2025
	£000	£000	£000	£000
Community Health Partnerships Limited	-	2	5	-