

Company registration number 03933053 (England and Wales)

**WANSBECK HEALTHCARE FACILITIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# WANSBECK HEALTHCARE FACILITIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Matthew Edwards Prince Dakpoe
<b>Secretary</b>	Infrastructure Managers Limited
<b>Company number</b>	03933053
<b>Registered office</b>	Cannon Place 78 Cannon Street London EC4N 6AF
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Bankers</b>	Barclays Bank Plc City Office 71 Lombard Street London EC3P 3BS
<b>Solicitors</b>	Dentons UK and Middle East LLP 9 Haymarket Square Edinburgh EH3 8RY

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# WANSBECK HEALTHCARE FACILITIES LIMITED

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# WANSBECK HEALTHCARE FACILITIES LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2023*

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The directors present their annual report and the financial statements of Wansbeck Healthcare Facilities Limited ("the Company") for the year ended 31 December 2023.

#### **Principal activities**

The principal activity of the Company is the provision and operation of a maternity and child health facility for the benefit of Northumbria Health Care NHS Trust. The contract is in year 20 of its term expiring in 2033.

#### **Results and dividends**

The results for the year are set out on page 8.

The profit for the financial year, after taxation, amounted to £330,691 (2022: profit of £295,659).

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.

Ordinary dividends were paid amounting to £334,461 (2022: £163,137). The directors do not recommend payment of a further dividend.

#### **Directors**

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

John Cavill	(Resigned 1 April 2024)
Peter Sheldrake	(Appointed 31 January 2023 and resigned 14 November 2023)
Bryan Acutt	(Resigned 31 January 2023)
Matthew Edwards	(Appointed 14 November 2023)
Prince Dakpoe	(Appointed 1 April 2024)

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Financial instruments**

Many of the cash flow risks are addressed by means of contractual provisions. The Company's liquidity risk is principally managed through the Company by means of long term borrowings.

The financial risk management objectives of the Company are to ensure that financial risks are mitigated by the use of financial instruments. The Company uses interest rate swaps to reduce its exposure to interest rate movements. Financial instruments are not used for speculative purposes.

#### **Auditors**

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

#### **Statement of disclosure to auditors**

In the case of each director in office at the date the Directors' Report is approved:

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

# WANSBECK HEALTHCARE FACILITIES LIMITED

## DIRECTORS' REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **Key performance indicators**

The performance of the Company from a cash perspective is assessed six monthly by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio. The Company has been performing well and has been compliant with the covenants laid out in the loan agreement.

### **Climate change**

The directors recognise that it is important to disclose their view of the impact of climate change on the Company.

The Company's key operational contracts are long-term and with a small number of known counterparties. In most cases, the cashflows from these contracts can be predicted with reasonable certainty for at least the medium-term. Having considered the Company's operations, its contracted rights and obligations and forecast cash flows, there is not expected to be a significant impact upon the Company's operational or financial performance arising from climate change.

### **Going concern**

These financial statements have been prepared on the going concern basis for the reasons set out in the Accounting Policies.

### **Small companies exemption**

This report has been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006. Exemption has also been taken from the requirement to prepare a Strategic Report.

This report was approved by the board of directors on 13 June 2024 and signed by order of the board by:

James Cornock  
For and on behalf of Infrastructure Managers Limited  
**Secretary**

13 June 2024

# **WANSBECK HEALTHCARE FACILITIES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 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 FRS102 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.

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.

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.

The financial statements were approved and signed by the director and authorised for issue on 13 June 2024

John Cavill  
**Director**

# WANSBECK HEALTHCARE FACILITIES LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF WANSBECK HEALTHCARE FACILITIES LIMITED

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Report on the audit of the financial statements

##### Opinion

We have audited the financial statements of Wansbeck Healthcare Facilities Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the statement of financial position, 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 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

**Basis for opinion** We have been prepared in accordance with the requirements of the Companies Act 2006.

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 *Auditors' 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

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 the information included in the annual report other than the financial statements and our auditors' 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.

# **WANSBECK HEALTHCARE FACILITIES LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBER OF WANSBECK HEALTHCARE FACILITIES LIMITED**

#### **FOR THE YEAR ENDED 31 DECEMBER 2023**

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#### **Directors' Report**

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.

#### **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.



# **WANSBECK HEALTHCARE FACILITIES LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBER OF WANSBECK HEALTHCARE FACILITIES LIMITED**

#### **FOR THE YEAR ENDED 31 DECEMBER 2023**

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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 inappropriate journal entries and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and detect irregularities;
- Review of board minutes;
- Challenging management on assumptions and judgements made in their significant accounting estimates, in particular in relation to the fair value of derivative financial instruments; and
- Identifying and testing journal entries to assess whether any of the journals appeared unusual, for example impacting revenue and distributable reserves.

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.

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](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' 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.

# **WANSBECK HEALTHCARE FACILITIES LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBER OF WANSBECK HEALTHCARE FACILITIES LIMITED**

#### **FOR THE YEAR ENDED 31 DECEMBER 2023**

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##### **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: 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  
13 June 2024

# WANSBECK HEALTHCARE FACILITIES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	1,412,462	1,310,203
Cost of sales		(420,277)	(431,118)
<b>Gross profit</b>		992,185	879,085
Administrative expenses		(172,735)	(154,581)
<b>Operating profit</b>	<b>4</b>	819,450	724,504
Interest receivable and similar income	<b>6</b>	596,320	579,592
Interest payable and similar expenses	<b>7</b>	(826,705)	(894,207)
<b>Profit before taxation</b>		589,065	409,889
Tax on profit	<b>8</b>	(258,374)	(114,231)
<b>Profit for the financial year</b>		330,691	295,658
<b>Other comprehensive income</b>			
Fair value (loss)/gain on cash flow hedging instruments, net of tax		(19,660)	1,080,583
<b>Total comprehensive income for the year</b>		311,031	1,376,241

This statement has been prepared on the basis that all operations are continuing operations.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2023**

	Notes	2023 £	£	2022 £	£
<b>Current assets</b>					
Debtors: amounts falling due within one year	10	942,886		933,426	
Debtors: amounts falling due after one year	10	3,775,961		5,727,749	
Cash at bank and in hand		6,323,944		5,340,901	
		<u>11,042,791</u>		<u>12,002,076</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,936,280)</u>		<u>(1,662,650)</u>	
<b>Net current assets</b>			9,106,511		10,339,426
<b>Creditors: amounts falling due after more than one year</b>	12		(8,786,903)		(9,607,819)
<b>Provisions for liabilities</b>					
Deferred taxation	14	<u>(404,461)</u>		<u>(793,030)</u>	
			<u>(404,461)</u>		<u>(793,030)</u>
<b>Net liabilities</b>			<u>(84,853)</u>		<u>(61,423)</u>
<b>Capital and reserves</b>					
Called up share capital	15		15,000		15,000
Hedging reserve			(302,372)		(282,712)
Profit and loss reserve			202,519		206,289
			<u>202,519</u>		<u>206,289</u>
<b>Total shareholders' deficit</b>			<u>(84,853)</u>		<u>(61,423)</u>

The notes on pages 11 to 21 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 13 June 2024 and are signed on its behalf by:

John Cavill  
**Director**

Company registration number 03933053 (England and Wales)

# WANSBECK HEALTHCARE FACILITIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Called up share capital £	Hedging reserves £	Profit and loss reserve £	Total £
<b>Balance at 1 January 2022</b>		15,000	(1,363,295)	73,768	(1,274,527)
<b>Year ended 31 December 2022:</b>					
Profit for the financial year		-	-	295,658	295,658
Other comprehensive income:					
Fair value movements on cash flow hedging instruments, net of tax		-	1,080,583	-	1,080,583
Total comprehensive income for the year		-	1,080,583	295,658	1,376,241
Dividends	9	-	-	(163,137)	(163,137)
<b>Balance at 31 December 2022</b>		15,000	(282,712)	206,289	(61,423)
<b>Year ended 31 December 2023:</b>					
Profit for the financial year		-	-	330,691	330,691
Other comprehensive income:					
Fair value movements on cash flow hedging instruments, net of tax		-	(19,660)	-	(19,660)
Total comprehensive income for the year		-	(19,660)	330,691	311,031
Dividends	9	-	-	(334,461)	(334,461)
<b>Balance at 31 December 2023</b>		15,000	(302,372)	202,519	(84,853)

Included in the fair value movement on cash flow hedging instrument is £74,410 (2022: £330,219) that was recycled through Interest Payable in the Statement of Comprehensive Income.

The notes on pages 11 to 21 form part of these financial statements.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **1 Accounting policies**

#### **Company information**

Wansbeck Healthcare Facilities Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom and is registered in England and Wales. The registered office is located at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The principal activity of the Company is the provision and operation of a maternity and child health facility for the benefit of Northumbria Health Care NHS Trust. The contract is in year 20 of its term expiring in 2033.

#### **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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities. The principal accounting policies adopted are set out below and have been consistently applied to the years presented, unless otherwise stated.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Not to disclose transactions with wholly owned members of a group.

The financial statements of the company are consolidated in the financial statements of BIIF Holdco Limited. These consolidated financial statements are available from its registered office, Cannon Place, 78 Cannon Street, London, EC4N 6AF.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements are prepared on a going concern basis notwithstanding net liabilities of £84,853 (2022: £61,423) which the directors believe to be appropriate for reasons set out below.

The directors acknowledge that the Company is in net liabilities, however, this is a result of the interest rate and RPI swaps, which are significantly out of the money, being included on the Statement of Financial Position. It is not the Company's intention to close these instruments before their maturity date on 31 January 2030, therefore there is no impact on the Company's ability to meet its liabilities as they fall due.

The Company prepares cash flow forecasts covering the expected life of the asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period. Based on these forecasts the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In light of this, the Directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

#### 1.3 Turnover

Turnover represents the services' share of the management services income received by the Company for the provision of a PFI (Private Finance Initiative) asset to the customer. This income is received over the life of the concession period. Management service income is allocated between turnover, finance debtor interest and reimbursement of the finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

The Company is obligated to keep cash reserves as at the balance sheet date in respect of requirements in the company's funding agreements. This restricted cash balance, which is shown within the "cash at bank and in hand" balance amounts to £4,620,001 (2022: £3,727,161).

#### 1.5 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.

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

Basic financial assets, which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and debtors 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.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### ***Other financial assets***

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

#### ***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.

#### ***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, bank loans, loans from fellow group 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.



# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The fair values of the derivatives have been calculated by discounting the fixed cash flows at forecasted forward interest rates over the term of the financial instrument. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

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

### 1.6 Equity instruments

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

### 1.7 Hedge accounting

The Company has entered into an arrangement with third parties that is designed to hedge future cash flows arising on variable rate interest loan arrangements, with the net effect of exchanging the cash flows arising under those arrangements for a stream of fixed interest cash flows ("interest rate swaps").

To qualify for hedge accounting, documentation is prepared specifying the hedging strategy, the component transactions and methodology used for effectiveness measurement. Changes in the carrying value of financial instruments that are designated and effective as hedges of future cash flows ("cash flow hedges") are recognised directly in a hedging reserve in equity and any ineffective portion is recognised immediately in the Statement of Comprehensive Income. Amounts deferred in equity in respect of cash flow hedges are subsequently recognised in the Statement of Comprehensive Income in the same period in which the hedged item affects net profit or loss or the hedging relationship is terminated and the underlying position being hedged has been extinguished.

As described in Note 13, the Company's, borrowings and hedge agreements are linked to SONIA.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.8 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.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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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.

#### **1.9 Finance debtor**

The Company has taken the transition exemption in FRS102 Section 35.10(i) that allows the Company to continue the service concession arrangement accounting policies from previous UK GAAP.

The Company accounts for the concession asset based on the ability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the Company on the design and construction of the asset have been treated as a finance debtor within these financial statements.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, 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.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### *Impairment of assets*

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost less any impairment losses, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compare that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

#### *Fair values of derivative contracts*

Fair values for derivative contracts are based on mark-to-market valuations provided by the contract counterparty. Whilst these can be tested for reasonableness, the exact valuation methodology and forecast assumptions for future interest rates or inflation rates are specific to the counterparty.

#### *Service concession contract*

Accounting for the service concession contract and finance debtor requires estimation of service margin, finance debtor interest rates and associated amortisation profile which is based on projected trading results to the end of the contract.

### 3 Turnover

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Rendering of services	1,412,462	1,310,203

The whole of the turnover is attributable to the principal activity of the Company wholly undertaken in the United Kingdom.

### 4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	10,440	9,760

### 5 Employees

The average number of persons employed by the Company during the financial year, including the directors, amounted to £nil (2022: nil). The directors are not employed by the company and did not receive any remuneration during the year (2022: £nil).

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 Interest receivable and similar income

	2023	2022
	£	£
<b>Interest income</b>		
Interest on bank deposits	145,089	7,473
Interest received on finance debtor	448,140	572,119
Other interest income	3,091	-
	<u>596,320</u>	<u>579,592</u>

### 7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	462,985	527,220
Interest payable to group undertakings	355,451	358,101
Other interest payable and similar expenses	8,269	8,886
	<u>826,705</u>	<u>894,207</u>

### 8 Taxation on profit

	2023	2022
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	546,152	307,266
	<u>546,152</u>	<u>307,266</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(287,778)	(193,035)
	<u>(287,778)</u>	<u>(193,035)</u>
<b>Total tax charge</b>	<u>258,374</u>	<u>114,231</u>

In 2021 an increase in the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted. The 23.52% rate used above reflects 9 months of this new rate and 3 months of the previous rate of 19%.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Taxation on profit

(Continued)

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:

	2023 £	2022 £
Profit before taxation	589,065	409,889
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	138,548	77,879
Tax effect of expenses that are not deductible in determining taxable profit	136,852	81,673
Change in unrecognised deferred tax assets	6,556	-
Effect of change in corporation tax rate	(17,417)	(45,321)
Other permanent differences	(6,165)	-
Taxation charge for the year	258,374	114,231

### 9 Dividends

	2023 Per share £	2022 Per share £	2023 Total £	2022 Total £
<b>Ordinary Shares</b>				
Final paid	22.30	10.88	334,461	163,137

### 10 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	4,154
Finance debtor	574,555	547,887
Other debtors	-	95,000
Prepayments and accrued income	368,331	286,385
	942,886	933,426
<b>Amounts falling due after more than one year:</b>		
Finance debtor	3,775,961	5,633,511
Deferred tax asset (note 14)	-	94,238
	3,775,961	5,727,749
<b>Total debtors</b>	4,718,847	6,661,175

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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

	Notes	2023 £	2022 £
Bank loans	13	848,843	791,319
Trade creditors		5,324	4,521
Amounts owed to group undertakings		696,533	459,600
Taxation and social security		162,852	146,366
Accruals and deferred income		222,728	260,844
		<u>1,936,280</u>	<u>1,662,650</u>

The amounts owed to Group undertakings include accrued interest on the Coupon Bearing Investment sum of £150,380 (2022: £152,333) and group relief balance of £546,152 (2022: £307,266). Both balances are not interest bearing, unsecured and are repayable on demand.

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

	Notes	2023 £	2022 £
Bank loans	13	5,830,904	6,678,034
Other borrowings	13	2,552,835	2,552,835
Derivative financial instruments		403,164	376,950
		<u>8,786,903</u>	<u>9,607,819</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	1,808,411	2,922,493
Payable other than by instalments	2,552,835	2,552,835
	<u>4,361,246</u>	<u>5,475,328</u>

### 13 Loans and overdrafts

	2023 £	2022 £
Bank loans	6,679,747	7,469,353
Loans from group undertakings	2,552,835	2,552,835
	<u>9,232,582</u>	<u>10,022,188</u>
Payable within one year	848,843	791,319
Payable after one year	8,383,739	9,230,869

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 13 Loans and overdrafts

(Continued)

The bank loan is secured by a bond and floating charge over all the assets, rights and undertakings of the Company. The loan is repayable under an instalment scheme whereby small repayments are made in the first few years of the loan, the final repayment is due on 31 January 2030. The loan bears interest at SONIA plus 1% however the Company has an interest rate swap arrangement receiving SONIA and paying interest fixed at 5.78% for the full amount of the loan drawn, hence fixing the total interest payable on the bank loan to 6.78%. The full amount of loan drawdowns at 31 December 2023 is £6,710,386 (2022: £7,508,261). Issue costs of £30,639 (2022: £38,908) have been set off against the total loan drawdowns.

Other borrowings in note 12 relates to loans from Group undertakings. On 17 February 2003 the Company issued a £2,500,000 Coupon Bearing Investment sum to its immediate parent company, Wansbeck Healthcare Facilities (Holdings) Limited. The Investment bears a Coupon of 14.00% per annum and payment of capital falls due in the year 2029. The Coupon of the principal amount accrues daily and is payable in cash on 31 January and 31 July each year. Interest not settled by cash on these dates is added to the principal and the Coupon accrues on this uplifted amount in the next interest period. Interest settled using this mechanism in the year was £nil (2022: £52,835). The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the case of a winding up.

#### 14 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
<b>Balances:</b>				
Accelerated capital allowances	642,320	946,521	-	-
Short term timing differences	(137,068)	(153,491)	-	-
Derivative financial instruments	(100,791)	-	-	94,238
	<u>404,461</u>	<u>793,030</u>	<u>-</u>	<u>94,238</u>
<b>Movements in the year:</b>				<b>2023 £</b>
Liability at 1 January 2023				698,792
Credit to profit or loss				(287,778)
Effect of change in tax rate - other comprehensive income				(6,553)
				<u>404,461</u>
Liability at 31 December 2023				<u>404,461</u>

The net deferred tax liability expected to reverse in 2024 is £61,219 (2023: £57,784). This primarily relates to the reversal of timing differences on capital allowances offset by short term timing differences.

# WANSBECK HEALTHCARE FACILITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 15 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary Shares of £1 each	15,000	15,000	15,000	15,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

### 16 Ultimate controlling party

The immediate parent undertaking is Wansbeck Healthcare Facilities (Holdings) Limited.

The intermediate parent undertaking is BIIF Holdco Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the BIIF Holdco Limited consolidated financial statements can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The ultimate parent and controlling party is BIIF L.P.. BIIF L.P. is owned by a number of investors with no one investor having individual control.



