

Registered number: SC199010

PACIFIC SHELF 888 LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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COMPANIES HOUSE

PACIFIC SHELF 888 LIMITED

COMPANY INFORMATION

DIRECTORS

PA Anderson
JP Hartley
CD Winstanley
GM Spence (resigned 1 April 2016)
NG Ward (appointed 1 April 2016)

COMPANY SECRETARY

DJ Rawlinson

REGISTERED NUMBER

SC199010

REGISTERED OFFICE

4th Floor 115 George Street
Edinburgh
EH2 4JN

INDEPENDENT AUDITOR

KPMG LLP, Statutory Auditor
1, St Peter's Square
Manchester
M2 3AE

PACIFIC SHELF 888 LIMITED

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PACIFIC SHELF 888 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Local Improvement Finance Trust ("LIFT") formed under the government LIFT initiative to develop and manage primary healthcare and associated facilities.

The directors' report has been prepared in accordance with the provisions applicable to small companies.

BUSINESS REVIEW

The results for the year and financial position of the company are as shown in the financial statements.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £53,555 (2015 - loss £59,437).

No dividends will be distributed for the year ended 31 December 2016 (2015: £NIL).

DIRECTORS

The directors who served during the year were:

PA Anderson
JP Hartley
CD Winstanley
GM Spence (resigned 1 April 2016)
NG Ward (appointed 1 April 2016)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

PACIFIC SHELF 888 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

AUDITOR

The auditor, KPMG LLP, Statutory Auditor, will be deemed to be reappointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 30 June 2017 and signed on its behalf by



JP Hartley
Director

PACIFIC SHELF 888 LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 judgments 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.

PACIFIC SHELF 888 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACIFIC SHELF 888 LIMITED

We have audited the financial statements of Pacific Shelf 888 Limited for the year ended 31 December 2016, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

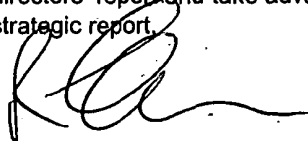
PACIFIC SHELF 888 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACIFIC SHELF 888 LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Richard Evans (Senior Statutory Auditor)

**for and on behalf of
KPMG LLP, Statutory Auditor**

1, St Peter's Square
Manchester
M2 3AE

30 June 2017

PACIFIC SHELF 888 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	70,393	69,551
Cost of sales		(44,132)	(47,198)
Gross profit		26,261	22,353
Administrative expenses		(81,184)	(84,591)
Operating loss		(54,923)	(62,238)
Interest receivable and similar income	6	47	42
Loss before tax		(54,876)	(62,196)
Tax on loss	7	1,321	2,759
Loss for the year		(53,555)	(59,437)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(53,555)	(59,437)

The notes on pages 9 to 17 form part of these financial statements.

PACIFIC SHELF 888 LIMITED
REGISTERED NUMBER: SC199010

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	1,118,220	1,174,775
		<u>1,118,220</u>	<u>1,174,775</u>
Current assets			
Debtors: amounts falling due within one year	9	23,983	12,017
Cash at bank and in hand	10	70,478	83,579
		<u>94,461</u>	<u>95,596</u>
Creditors: amounts falling due within one year	11	(6,773)	(10,908)
Net current assets		<u>87,688</u>	<u>84,688</u>
Total assets less current liabilities		<u>1,205,908</u>	<u>1,259,463</u>
Net assets		<u>1,205,908</u>	<u>1,259,463</u>
Capital and reserves			
Called up share capital	13	1,666,000	1,666,000
Profit and loss account		(460,092)	(406,537)
Shareholders' funds		<u>1,205,908</u>	<u>1,259,463</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



JP Hartley
Director

30th June 2017

The notes on pages 9 to 17 form part of these financial statements.

PACIFIC SHELF 888 LIMITED

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDING 31 DECEMBER 2016**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2016	1,666,000	(406,537)	1,259,463
Comprehensive loss for the year			
Loss for the year	-	(53,555)	(53,555)
Total comprehensive loss for the year	-	(53,555)	(53,555)
At 31 December 2016	1,666,000	(460,092)	1,205,908

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDING 31 DECEMBER 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	1,666,000	(347,100)	1,318,900
Comprehensive loss for the year			
Loss for the year	-	(59,437)	(59,437)
Total comprehensive loss for the year	-	(59,437)	(59,437)
At 31 December 2015	1,666,000	(406,537)	1,259,463

The notes on pages 9 to 17 form part of these financial statements.

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Pacific Shelf 888 Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 judgment in applying the Company's accounting policies (see note 2).

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Foundation for Life Limited as at 31st December 2016 and these financial statements may be obtained from Registrar of Companies, Companies House, Crown Way, Cardiff. The company is a qualifying entity.

The accounting policies set out below have, unless otherwise stated been applied consistently to all periods presented in these statements.

1.3 Going concern

Management have reviewed the future trading forecasts and cashflow forecast factoring the repayment of bank and subordinated debt and have assessed the company will have sufficient available funds to meet all liabilities as they fall due. On this basis management continue to adopt the going concern basis in the preparation of the accounts.

1.4 Revenue

Turnover is stated net of VAT and represents the value of services supplied during the year. Turnover is derived from the provision of serviced healthcare facilities in the Wigan area.

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Freehold property	-	4% cost
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1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (continued)

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

- 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 tax balances are not recognised in respect of permanent difference. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Management have reviewed future trading and cashflow forecasts and consider that the company will have sufficient funds to meet all liabilities as they fall due.

Tangible fixed assets have an estimated useful life of 25 years, and written on a straight line basis based on the historical cost to an estimated residual value.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Provision of serviced healthcare facilities	<u>70,393</u>	<u>69,551</u>

All turnover arose within the United Kingdom.

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. EXPENSES AND AUDITOR'S REMUNERATION

Included in profit/loss are the following:

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	<u>3,725</u>	<u>3,725</u>

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

As the directors' services to the company are insignificant any allocation of remuneration borne by another group company would not be material and therefore no amount has been attributed.

6. INTEREST RECEIVABLE

	2016 £	2015 £
Bank interest receivable	<u>47</u>	<u>42</u>

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. TAXATION

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	(1,474)
Total current tax credit	<u>-</u>	<u>(1,474)</u>
Deferred tax		
Origination and reversal of timing differences	(1,678)	(1,799)
Change in tax rate	357	514
Total deferred tax credit	<u>(1,321)</u>	<u>(1,285)</u>
Taxation credit on loss on ordinary activities	<u>(1,321)</u>	<u>(2,759)</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(54,876)</u>	<u>(62,196)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(10,976)	(12,595)
Effects of:		
Fixed asset differences on ineligible expenditure	9,002	9,096
Group relief surrendered	-	1,474
Receipt for group relief	-	(1,474)
Impact of change in deferred tax rates and difference between current and deferred tax rates	653	740
Total tax credit for the year	<u>(1,321)</u>	<u>(2,759)</u>

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated based on these rates.

8. TANGIBLE FIXED ASSETS

	Freehold property £
Cost	
At 1 January 2016	1,704,221
Additions	12,182
At 31 December 2016	1,716,403
Depreciation	
At 1 January 2016	529,446
Charge for the period	68,737
At 31 December 2016	598,183
At 31 December 2016	1,118,220
<i>At 31 December 2015</i>	<i>1,174,775</i>

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. DEBTORS

	2016	2015
	£	£
Trade debtors	-	3,402
Amounts owed by group undertakings	15,972	2,195
Prepayments and accrued income	270	-
Deferred taxation (see note 12)	7,741	6,420
	<u>23,983</u>	<u>12,017</u>

10. CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank and in hand	<u>70,478</u>	<u>83,579</u>

11. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	-	1,431
Accruals and deferred income	6,773	9,477
	<u>6,773</u>	<u>10,908</u>

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. DEFERRED TAXATION

	Deferred tax £
At 1 January 2016	6,420
Charged to the profit or loss	1,321
At 31 December 2016	7,741

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(41,359)	(45,803)
Other - relating to unutilised losses	49,100	52,223
	7,741	6,420

13. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
250 Ordinary A shares of £1 each	250	250
250 Ordinary B shares of £1 each	250	250
500 Ordinary C shares of £1 each	500	500
1,665,000 Preference Shares shares of £1 each	1,665,000	1,665,000
	1,666,000	1,666,000

The ordinary share capital of the company is divided into three classes of shares. Each class of shares rank pari passu in all respects, except for transfer of shares and appointment of directors.

The preference shares are non-redeemable and have a 0% coupon. The holders of the preference shares have no voting rights.

PACIFIC SHELF 888 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. RELATED PARTY TRANSACTIONS

Eric Wright FM Limited

During the year the company received property management services from Eric Wright FM Limited, a company in which Eric Wright Group Limited has an interest. Eric Wright Group Limited has a 60% shareholding in the parent company of Pacific Shelf 888 Limited. Services totalling £31,415 (2015: £61,395) were received from Eric Wright FM in the year. An amount of £NIL (2015: £NIL) was owed to Eric Wright FM as at 31 December 2016.

Eric Wright Partnerships Limited

During the year the company received management services from Eric Wright Partnerships Limited, a company in which Eric Wright Group Limited has an interest. Eric Wright Group Limited has a 60% shareholding in the parent company of Pacific Shelf 888 Limited. Services totalling £8,295 (2015: £8,195) were received from Eric Wright Partnerships Limited in the year. An amount of £NIL (2015: £2,195) was owed to Eric Wright Partnerships Limited as at 31 December 2016.

Community Health Partnerships

During the year the company charged rent and property management costs to Community Health Partnerships (CHP). CHP has a 40% shareholding and a controlling interest in the parent company of Pacific Shelf 888 Limited. Charges for rent and property management costs in the year totalled £72,705 (2015: £88,906). An amount of £NIL (2015: £3,402) was owed by CHP as at 31 December 2016.

The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 allowing it not to disclose transactions and balances with other wholly owned subsidiaries of Foundation for Life Limited.

15. CONTROLLING PARTY

The company is a subsidiary undertaking of Foundation for Life Limited. The ultimate controlling party is the Eric Wright Trust.

The largest group in which the results of the company are consolidated is that headed by the Eric Wright Trust, Sceptre House, Sceptre Way, Bamber Bridge, Preston PR5 6AW. The smallest group in which they are consolidated is that headed by Foundation for Life Limited, Sceptre House, Sceptre Way, Bamber Bridge, Preston PR5 6AW. The consolidated financial statements of the Eric Wright Trust are available to the public and may be obtained from the Charity Commission <https://www.gov.uk/government/organisations/charity-commission>. The consolidated financial statements of Foundation for Life Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff.