

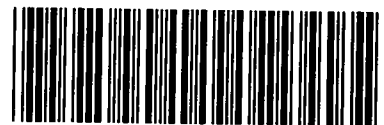
Registered number  
4529319

**PHP (FRMC) Limited**  
**(Previously Primary Health Care Centres (FRMC) Limited)**

**Report and Financial Statements**

**For the period from 1 March 2013 to 31  
December 2013**

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**PHP (FRMC) Limited**  
**Report and financial statements**  
**Period from 1 March 2013 to 31 December 2013**

<b>Contents</b>	<b>Page</b>
Officers and Professional Advisors	1
Directors' Report	2
Independent Auditor's Report	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9

**PHP (FRMC) Limited**  
**Officers and Professional Advisors**  
**Period from 1 March 2013 to 31 December 2013**

**Board of Directors**

P J Holland

appointed as a Director on 4 July 2013

H A Hyman

appointed as a Director on 4 July 2013

T D Walker-Arnott

appointed as a Director on 4 July 2013

M H Vaughan

appointed as a Director on 4 July 2013

J Green

resigned as a Director on 30 April 2014

Primary Health Care Centres (Forest Road) Limited

resigned as a Director on 4 July 2013

Primary Health Care Centres Limited

resigned as a Director on 30 May 2013

appointed as a Director on 30 May 2013

resigned as a Director on 4 July 2013

**Company Secretary**

Nexus Management Services Limited

appointed 30 April 2014

J O Hambro Capital Management Limited

appointed 4 July 2013

resigned 30 April 2014

D A Chisholm

resigned 4 July 2013

**Registered office**

5<sup>th</sup> Floor

Greener House

66-68 Haymarket

London

SW1Y 4RF

**Registered number**

4529319

**Independent auditor**

Deloitte LLP

2 New Street Square

London

EC4A 3BZ

**PHP (FRMC) Limited**  
**Directors' Report**  
**Period from 1 March 2013 to 31 December 2013**

The Directors have pleasure in presenting their Report and the Financial Statements of PHP (FRMC) Limited (the "Company"), previously named Primary Health Care Centres (FRMC) Limited, for the period from 1 March 2013 to 31 December 2013. The Company is registered in England and Wales (company number 4529319).

The Directors have taken advantage of the small companies' exemption in The Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 from including a Strategic Report in these financial statements.

**Principal activities and business review**

During the financial period under review the principal activity of the Company was property investment.

The Annual Report for the year ended 31 December 2013 of the Company's ultimate parent, Primary Health Properties PLC ("PHP") (the "Group"), contains a fair review of the business of the Group and an indication of future developments, as required by Section 417 of the Companies Act 2006. It is incorporated into this report by reference.

On 2 July 2013 the immediate parent undertaking of the Company, PHP 2013 Holdings Limited (previously Primary Health Care Centres Limited), was acquired by PHP. On 31 October 2013 the Company's investment property, and its related assets and liabilities, was transferred at market and net book value to PHP Healthcare Investments Limited. Following this transfer and subsequent to the period end, the Company has been dormant and has not traded.

On 4 July 2013 the Company was renamed PHP (FRMC) Limited, previously Primary Health Care Centres (FRMC) Limited. On 18 July 2013 the Company's immediate parent undertaking was renamed PHP 2013 Holdings Limited, previously Primary Health Care Centres Limited.

The Company's turnover represents rental income on the Company's investment property.

Turnover for the period from 1 March 2013 to 31 December 2013 was £203,510 (unaudited year ended 28 February 2013: £278,956).

**Results and Dividends**

The loss for the period from 1 March 2013 to 31 December 2013 was £133,682 (unaudited year ended 28 February 2013: profit £2,192,847). The Directors have recommended that no dividend should be declared or paid for the period. The loss for the period is to be transferred to reserves.

Reference to the Company's adoption of the break-up basis in preparation of these financial statements is made in Note 1.2. The financial statements of the Company have been prepared on a break-up basis as the Company has ceased trading and it is the intention of the Directors to liquidate the Company.

**Principal Risks and Uncertainties**

Details of the principal risks and uncertainties are set out in the Annual Report of PHP, the ultimate parent undertaking.

**PHP (FRMC) Limited**  
**Directors' Report**  
**Period from 1 March 2013 to 31 December 2013**

**Directors**

The Directors who served the Company during the period and to the date of this Report were as follows:

P J Holland	appointed as a Director on 4 July 2013
H A Hyman	appointed as a Director on 4 July 2013
T D Walker-Arnott	appointed as a Director on 4 July 2013
M H Vaughan	appointed as a Director on 4 July 2013
	resigned as a Director on 30 April 2014
J Green	resigned as a Director on 4 July 2013
Primary Health Care Centres (Forest Road) Limited	resigned as a Director on 30 May 2013
Primary Health Care Centres Limited	appointed as a Director on 30 May 2013
	resigned as a Director on 3 July 2013

**Directors' Responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 those financial statements, the Directors are required to:

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

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

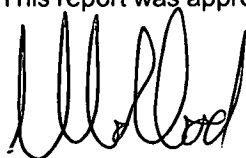
This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

**PHP (FRMC) Limited**  
**Directors' Report**  
**Period from 1 March 2013 to 31 December 2013**

**Auditor**

Following the acquisition of the Company by PHP, and in line with the appointed auditor of the PHP Group, the Board appointed Deloitte LLP as auditor of the Company with effect from 17 June 2013. Prior to the acquisition by PHP the Company was exempt from audit and no auditor was appointed. Deloitte LLP will be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of this report and the financial statements are sent to the member unless a resolution is passed to the effect that their re-appointment is brought to an end.

This report was approved by the Directors on 29 September 2014 and signed by its order.

A handwritten signature in black ink, appearing to read 'Philip Holland', written over a horizontal line.

Philip Holland

Director

**PHP (FRMC) Limited**  
**Independent Auditor's Report to the Members of PHP (FRMC) Limited**  
**Period from 1 March 2013 to 31 December 2013**

We have audited the Financial Statements of PHP (FRMC) Limited for the period ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Emphasis of Matter – Financial Statements prepared on a basis other than as a going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

**Opinion on the 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 2013 and of its loss for the period 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.

**Opinion on other matter prescribed by the Companies Act 2006**

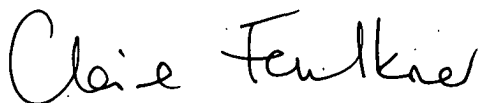
In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

**PHP (FRMC) Limited**  
**Independent Auditor's Report to the Members of PHP (FRMC) Limited**  
**Period from 1 March 2013 to 31 December 2013**

**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.
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report and in preparing a Strategic Report.



**Claire Faulkner**  
**(Senior Statutory Auditor)**

**for and on behalf of Deloitte LLP,**  
**Chartered Accountants and Statutory Auditor**

London  
29 September 2014



**PHP (FRMC) Limited**  
**Profit and Loss Account**  
**Period from 1 March 2013 to 31 December 2013**

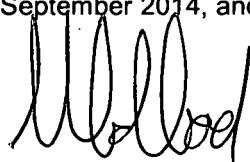
	Notes	Period from 1 March 2013 to 31 December 2013 £	Year ended 28 February 2013 (unaudited) £
<b>Turnover</b>	<b>2</b>	<b>203,510</b>	<b>278,956</b>
Administrative expenses		(41)	(13,753)
<b>Operating profit</b>	<b>3</b>	<b>203,469</b>	<b>265,203</b>
Profit on disposal of investment property	<b>8</b>	32,271	-
Exceptional items: Write off of inter-company loan		-	(2,311,125)
Interest receivable		1,772	4,148
Interest payable and similar charges	<b>6</b>	(371,194)	(151,073)
<b>Loss on ordinary activities before taxation</b>		<b>(133,682)</b>	<b>(2,192,847)</b>
Tax on loss on ordinary activities	<b>7</b>	-	-
<b>Loss for the period</b>		<b>(133,682)</b>	<b>(2,192,847)</b>

The notes on pages 9 to 14 form part of these financial statements

**PHP (FRMC) Limited**  
**Balance Sheet**  
**As at 31 December 2013**

		<b>31 December 2013 £</b>	<b>28 February 2013 (unaudited) £</b>
	<b>Notes</b>		
<b>Fixed assets</b>			
Investment property	<b>8</b>	-	4,850,000
		-	4,850,000
<b>Current assets</b>			
Debtors	<b>9</b>	4,920,172	4,148
Cash at bank and in hand		81,004	160,522
		5,001,176	164,670
Creditors: amounts falling due within one year	<b>10</b>	(2,923,931)	(268,873)
<b>Net current assets / (liabilities)</b>		<b>2,077,245</b>	<b>(104,203)</b>
<b>Total assets less current liabilities</b>		<b>2,077,245</b>	<b>4,745,797</b>
Creditors: amounts falling due after more than one year	<b>11</b>	-	(2,534,870)
<b>Net assets</b>		<b>2,077,245</b>	<b>2,210,927</b>
<b>Capital and reserves</b>			
Share capital	<b>13</b>	1	1
Revaluation reserve	<b>14</b>	-	3,893,430
Profit and loss account	<b>15</b>	2,077,244	(1,682,504)
<b>Shareholders' funds</b>		<b>2,077,245</b>	<b>2,210,927</b>

These financial statements were approved by the Directors and authorised for issue on 29 September 2014, and are signed on their behalf by:



Philip Holland

Director

Company registration number 4529319

The notes on pages 9 to 14 form part of these financial statements

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**For the period from 1 March 2013 to 31 December 2013**

**1 Accounting policies**

The following accounting policies have been applied consistently in the current period.

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards.

**1.2 Break-up basis**

The Company ceased trading following the transfer of its investment property during the period. It is the intention of the Directors to liquidate the Company and accordingly, the Directors adopt the break-up basis in preparing the financial statements. This includes, where appropriate, writing down the company's assets to net realisable value. For the period ended 31 December 2013 and year ended 28 February 2013, this did not result in any changes to the value of the company's assets. Any costs of the future liquidation have not been accounted for except to the extent that they have been incurred at year end.

**1.3 Cash flow statement**

The Directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that a consolidated cash flow statement is presented in the group financial statements of PHP.

**1.4 Investment properties**

The Company's properties are held for long-term investment. Investment properties are carried at market value and are accounted for in accordance with SSAP 19, as follows:

- i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.
- ii) no depreciation is provided in respect of freehold properties.
- i) investment properties in the course of construction are stated at fair value based on market data and a professional valuation made as of each reporting date. Interest less rental income, attributable to properties in the course of construction is deemed to be part of the development cost and is capitalised. The calculation of interest is made by reference to specific borrowings where relevant. Interest is capitalised gross, the related tax benefit being included within taxation. Upon completion the property will be held for its investment potential and is reclassified as investment property.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the Directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view since the current value of investment properties and changes to that current value are of prime importance, rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been included cannot be separately identified or quantified.

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**For the period from 1 March 2013 to 31 December 2013**

**1.5 Taxation**

Taxation on the profit or loss for the period not exempt under UK-REIT regulations comprises current and deferred tax. Taxation is recognised in the profit and loss account except to the extent that it relates to items recognised as direct movements in equity, in which case it is also recognised as a direct movement in equity.

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

**2 Turnover**

Turnover comprises gross rental income and associated revenue from investment properties in the UK. Rental income is normally recognised as invoiced on a receivable basis, adjusted for certain rents invoiced in advance and accrued income receivable following rent reviews.

**3 Operating profit**

Operating profit is stated after charging:

	Period from 1 March 2013 to 31 December 2013 £	Year ended 28 February 2013 (unaudited) £
Auditors' remuneration		
- audit	-	-
- taxation	-	-
	<hr/>	<hr/>

Auditors' remuneration for tax and audit services for the current period was borne by PHP, the ultimate parent undertaking.

**4 Particulars of employees**

The Company had no employees during the period, other than the Directors.

**5 Directors' emoluments**

PHP secures the services of Directors to all of its subsidiary undertakings under agreements with Nexus TradeCo Limited, as disclosed in its Financial Statements. It is not possible to identify the amounts payable under the agreements in respect of the services of the Company's Directors.

**6 Interest payable and similar charges**

	Period from 1 March 2013 to 31 December 2013 £	Year ended 28 February 2013 (unaudited) £
Interest payable on overdrafts and bank loans	82,348	151,073
Loan repayment fees	288,846	-
	<hr/>	<hr/>
	371,194	151,073

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**For the period from 1 March 2013 to 31 December 2013**

**7 Tax on loss on ordinary activities**

(a) Tax on the loss on ordinary activities is made up as follows:

	Period from 1 March 2013 to 31 December 2013 £	Year ended 28 February 2013 (unaudited) £
Current tax		
UK Corporation tax based on the results for the period at 21.8 % (year ended 28 February 2013: 20.0%)	-	-
Total current tax charge (note 7(b))	-	-

(b) Factors affecting the tax charge for the period

The tax assessed for the period is higher (year ending 28 February 2013: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	Period from 1 March 2013 to 31 December 2013 £	Year ended 28 February 2013 (unaudited) £
Loss on ordinary activities before taxation	(133,682)	(2,192,847)
UK Corporation tax at the applicable rate of 21.8% (year ended 28 February 2013: 20.0%)	(29,143)	(438,569)
Expenses not allowable for tax purposes	-	462,225
REIT exempt income	39,174	-
Group relief	(10,031)	(23,656)
Total current tax charge (note 7(a))	-	-

Following the acquisition of the Company by PHP on 3 July 2013, the Company became exempt under UK-REIT regulations.

A reduction in the UK corporation tax rate from 24% to 23% was effective from 1 April 2013. A further reduction from 23% to 21% will take place from 1 April 2014 and 21% to 20% from 1 April 2015. Accordingly, these rates have been applied in the measurement of the Company's tax liability as at 31 December 2013.

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**For the period from 1 March 2013 to 31 December 2013**

**8 Investment property**

	Investment property £
<b>Valuation</b>	
At 1 March 2013 (unaudited)	4,850,000
Additions	81,772
Transfer to other group undertaking	(4,931,772)
At 31 December 2013	<u>-</u>

On 31 October 2013 the Company's investment property was transferred for £4,964,043 to PHP Healthcare Investments Limited, a company wholly owned by PHP.

**9 Debtors**

	31 December 2013 £	28 February 2013 (unaudited) £
Amounts owed by Group undertakings	4,920,172	-
Other debtors	-	4,148
	<u>4,920,172</u>	<u>4,148</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

**10 Creditors: amounts falling due within one year**

	31 December 2013 £	28 February 2013 (unaudited) £
Bank loans and overdrafts	-	111,246
Amounts owed to Group undertakings	2,923,931	-
Other creditors	-	157,627
	<u>2,923,931</u>	<u>268,873</u>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand.

**11 Creditors: amounts falling due after more than one year**

	31 December 2013 £	28 February 2013 (unaudited) £
Bank loans	<u>-</u>	<u>2,534,870</u>

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**For the period from 1 March 2013 to 31 December 2013**

**12 Loans and other borrowings**

	31 December 2013 £	28 February 2013 (unaudited) £
Secured bank loans	-	2,646,116
<b>Maturity of financial liabilities</b>		
Amounts payable in more than five years	-	2,024,685

**13 Share capital**

	31 December 2013 £	28 February 2013 (unaudited) £
Allotted, issued and fully paid:		
1 (28 February 2013: 1) ordinary share of £1 each	1	1

**14 Revaluation reserve**

	Revaluation reserve £
At 1 March 2013 (unaudited)	3,893,430
Transfer of revaluation reserves on transfer of investment property	(3,893,430)
At 31 December 2013	-

**15 Profit and loss account**

	Profit and loss account £
At 1 March 2013 (unaudited)	(1,682,504)
Loss for the period	(133,682)
Transfer of revaluation reserves on transfer of investment property	3,893,430
At 31 December 2013	2,077,244

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**For the period from 1 March 2013 to 31 December 2013**

**16 Reconciliation of shareholders' funds**

	£
Opening shareholders' funds (unaudited)	2,210,927
Loss for the period	(133,682)
Closing shareholders' funds	<u>2,077,245</u>

**17 Related party transactions**

The Company has taken advantage of the exemption available in FRS 8 not to disclose transactions with other members of the PHP Group of companies on the basis that 100% of voting rights are controlled within the PHP Group. The consolidated Financial Statements in which the Company is included are publicly available.

**18 Ultimate parent undertaking and controlling party**

For the period until 2 July 2013 the immediate and ultimate parent undertaking was PHP 2013 Holdings Limited (previously Primary Health Care Centres Limited), a company incorporated in England and Wales. The ultimate controlling party was J Green, a director, by virtue of his holding of 90% of the voting shares in Primary Health Care Centres Limited.

From 2 July 2013 the immediate parent undertaking was PHP 2013 Holdings Limited. The ultimate parent undertaking and controlling party at the period end was Primary Health Properties PLC. The parent undertaking of the smallest and largest group of undertakings for which Group Financial Statements are drawn up and of which the Company is a member is PHP. Copies of the Financial Statements of PHP can be obtained from the Registrar of Companies or the Company Secretary or downloaded from [www.phpgroup.co.uk](http://www.phpgroup.co.uk)