

**PHP (FRMC) Limited**

**Annual Report and Financial Statements**

Year ended 31 December 2014

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**PHP (FRMC) Limited**  
**Annual Report and Financial Statements**  
**Year ended 31 December 2014**

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**PHP (FRMC) Limited**  
**Officers and Professional Advisors**  
**Year ended 31 December 2014**

<b>Board of Directors</b>	H A Hyman	
	P J Holland	
	T D Walker-Arnott	
	M H Vaughan	resigned 30 April 2014
<b>Company Secretary</b>	Nexus Management Services Limited	appointed 30 April 2014
	J O Hambro Capital Management Limited	resigned 30 April 2014
<b>Registered Office</b>	5th Floor, Greener House 66-68 Haymarket London SW1Y 4RF	
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor 2 New Street Square London EC4A 3BZ	

**PHP (FRMC) Limited  
Directors' Report  
Year ended 31 December 2014**

The Directors have pleasure in presenting their Annual Report and the audited financial statements of PHP (FRMC) Limited (the "Company"), for the year ended 31 December 2014. The Company is registered in England and Wales (company number 04529319).

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

**Principal activities and business review**

The Annual Report for the year ended 31 December 2014 of the Company's ultimate parent undertaking, Primary Health Properties PLC ("PHP") contains a fair review of its business and that of its subsidiaries (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 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 year end, the Company has not traded.

For the year ended 31 December 2014 turnover was £nil (period ended 31 December 2013: £203,510), this is as a result of the properties being transferred to PHP Healthcare Investments Limited as noted above.

**Results and Dividends**

The profit for the year ended 31 December 2014 amounted to £5,372 (period ended 31 December 2013 loss: £133,682). The profit for the year was transferred to reserves. The Directors have declared and paid a dividend of £2,082,616 in the year (2013: £nil).

**Going Concern**

Reference to the Company's adoption of a basis other than that of going concern in preparation of these financial statements is made in Note 1.2 on page 8. The financial statements of the Company have been prepared on a basis other than that of going concern 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 faced by the Company and the Group and their financial risk management objectives and policies are set out in the Annual Report of PHP, the ultimate parent undertaking.

**Directors**

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

P J Holland  
H A Hyman  
T D Walker-Arnott  
M H Vaughan

resigned 30 April 2014

**Directors' and Officers' Liability Insurance**

PHP has procured Directors' and Officers' Liability Insurance for the benefit of its Directors and Directors of all of its subsidiaries. Such insurance was available throughout the year and remains in force at the date of this report. The cost of Director's and Officer's Liability Insurance is met by another Group company.

**PHP (FRMC) Limited**  
**Directors' Report**  
**Year ended 31 December 2014**

**Directors' Responsibilities Statement**

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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

**Auditor**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the Board of Directors on 9 June 2015 and signed by its order:



.....  
**Philip Holland**  
**Director**

**PHP (FRMC) Limited**  
**Independent Auditor's Report to the Members of PHP (FRMC) Limited**  
**Year ended 31 December 2014**

We have audited the financial statements of PHP (FRMC) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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.

**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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 modified, 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 other matter prescribed by the Companies Act 2006**

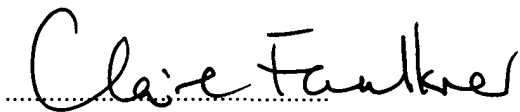
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**PHP (FRMC) Limited**  
**Independent Auditor's Report to the Members of PHP (FRMC) Limited**  
**Year ended 31 December 2014**

**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 from preparing a Strategic Report.



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

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

London  
9 June 2015

**PHP (FRMC) Limited**  
**Profit and Loss Account**  
**Year ended 31 December 2014**

	Notes	Year ended 31 December 2014 £	Period from 1 March 2013 to 31 December 2013 £
<b>Turnover</b>	2	-	203,510
Administrative expenses		<u>(3,203)</u>	<u>(41)</u>
<b>Operating (loss)/profit</b>	3	<b>(3,203)</b>	<b>203,469</b>
Profit on disposal of investment property		-	32,271
Interest receivable		<b>8,575</b>	1,772
Interest payable and similar charges	6	<u>-</u>	<u>(371,194)</u>
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>5,372</b>	<b>(133,682)</b>
Tax on profit / (loss) on ordinary activities	7	<u>-</u>	<u>-</u>
<b>Profit / (loss) for the year / period</b>		<u><b>5,372</b></u>	<u><b>(133,682)</b></u>

All of the activities of the Company are classified as discontinued.

There were no recognised gains and losses other than those included in the profit and loss account. Therefore, no statement of total recognised gains and losses has been presented.

The notes on pages 8 to 11 form part of these financial statements

**PHP (FRMC) Limited**  
**Balance Sheet**  
**As at 31 December 2014**

	Notes	2014 £	2013 £
<b>Current assets</b>			
Debtors	9	4,917,004	4,920,172
Cash at bank and in hand		88,575	81,004
		<u>5,005,579</u>	<u>5,001,176</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	<u>(5,005,578)</u>	<u>(2,923,931)</u>
<b>Net current assets</b>		<u>1</u>	<u>2,077,245</u>
<b>Total assets less current liabilities</b>		<u>1</u>	<u>2,077,245</u>
<b>Net assets</b>		<u>1</u>	<u>2,077,245</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	12	-	2,077,244
<b>Shareholder's funds</b>	13	<u>1</u>	<u>2,077,245</u>

These financial statements were approved by the Directors and authorised for issue on 9 June 2015, and are signed on their behalf by:



Philip Holland  
Director

Company registration number 04529319

The notes on pages 8 to 11 form part of these financial statements

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2014**

**1 Accounting policies**

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

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

In November 2012, the FRC issued FRS 100, 'Application of financial reporting requirements'. FRS 100 provides direction as to the relevant standard for an entity between FRS 101, 'Reduced disclosure framework' and FRS 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'. The effective date for FRS 100, FRS 101 and FRS 102 is for accounting periods beginning on or after 1 January 2015. FRS 101 allows subsidiaries and parent entities to prepare their individual financial statements using the recognition and measurement requirements of IFRS, but with reduced disclosures. FRS 102 is a single coherent financial reporting standard that replaces old UK GAAP and is derived from the IFRS for SMEs modified to address company law requirements and incorporate additional accounting options.

The Company has elected to adopt FRS 101 for the period beginning on 1 January 2015.

**1.2 Going concern**

The Company ceased trading following the transfer of its investment property during the period ended 31 December 2013. It is the intention of the Directors to liquidate the Company and accordingly, the Directors adopt a basis other than that of going concern in preparing the financial statements. This includes, where appropriate, writing down the company's assets to net realisable value. For the year/period ended 31 December 2014 and 31 December 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 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 any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**2 Turnover**

Turnover comprises gross rental income and associated revenue from investment properties in the UK. Turnover is derived from one business segment. Rental income is normally recognised as invoiced on a receivable basis, adjusted for certain rents invoiced in advance, the effect of lease incentives such as rent free periods and accrued income receivable following rent reviews.

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2014**

**3 Operating (loss) / profit**

Auditors' remuneration for audit services for the current year and prior period was borne by PHP, the ultimate parent undertaking. The following amount is applicable to the audit of the Company:

	<b>Year ended 31 December 2014</b>	<b>Period from 1 March 2013 to 31 December 2013</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - audit	<b>2,100</b>	<b>2,000</b>

**4 Particulars of employees**

The Company had no employees during the year (2013: nil), other than the Directors.

**5 Directors' emoluments**

PHP procures the services of Directors to all of its subsidiary undertakings under an advisory agreement with Nexus TradeCo Limited, as disclosed in PHP's financial statements. It is not possible to identify the amounts payable under the agreement in respect of the services of the Company's Directors.

**6 Interest payable and similar charges**

	<b>Year ended 31 December 2014</b>	<b>Period from 1 March 2013 to 31 December 2013</b>
	<b>£</b>	<b>£</b>
Interest payable on overdrafts and bank loans	-	82,348
Loan repayment fees	-	288,846
	<b>-</b>	<b>371,194</b>

**7 Tax on loss on ordinary activities**

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

	<b>Year ended 31 December 2014</b>	<b>Period from 1 March 2013 to 31 December 2013</b>
	<b>£</b>	<b>£</b>
Current tax		
UK Corporation tax based on the results for the year at 21.5 % (2013: 21.8%)	-	-
Total current tax charge (note 7(b))	<b>-</b>	<b>-</b>

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2014**

**7 Tax on loss on ordinary activities (continued)**

(b) Factors affecting the tax charge for the year / period

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

	Year ended 31 December 2014 £	Period from 1 March 2013 to 31 December 2013 £
Profit / (loss) on ordinary activities before taxation	5,372	(133,682)
UK Corporation tax at the applicable rate of 21.5% (2013: 23.3%)	1,155	(29,143)
Transfer pricing adjustment	21,206	-
REIT exempt income	689	39,174
Group relief	<u>(23,050)</u>	<u>(10,031)</u>
Total current tax charge (note 7(a))	<u>-</u>	<u>-</u>

A reduction in the UK corporation tax rate from 23% to 21% was effective from 1 April 2014. Accordingly, these rates have been applied in the measurement of the Company's deferred tax liability as at 31 December 2014.

**8 Investment property**

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**

	2014 £	2013 £
Amounts owed by Group undertakings	<u>4,917,004</u>	<u>4,920,172</u>

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

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

	2014 £	2013 £
Amounts owed to Group undertakings	<u>5,005,578</u>	<u>2,923,931</u>

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

**PHP (FRMC) Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2014**

**11 Called up share capital**

	2014 £	2013 £
<b>Allotted and fully paid</b>		
1 (2013: 1) ordinary share of £1	<u>1</u>	<u>1</u>

**12 Profit and loss account**

	2014 £	2013 £
Balance brought forward	2,077,244	(1,682,504)
Profit / (loss) for the year / period	5,372	(133,682)
Transfer of revaluation reserves on transfer of investment property	-	3,893,430
Dividends paid	<u>(2,082,616)</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>2,077,244</u>

**13 Reconciliation of movement in shareholder's funds**

	2014 £	2013 £
Opening shareholder's funds	2,077,245	2,210,927
Profit / (loss) for the year / period	5,372	(133,682)
Dividends paid	<u>(2,082,616)</u>	<u>-</u>
Closing shareholder's funds	<u>1</u>	<u>2,077,245</u>

**14 Related party transactions**

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

**15 Ultimate parent undertaking and controlling party**

The immediate parent undertaking is PHP 2013 Holdings Limited. The ultimate parent undertaking and controlling party is PHP.

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).