

**St Andrews Property Management Limited**

**Annual report and financial statements**

**for the year ended 31 March 2012**

**Registered company number: 2798380**

TUESDAY



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# **St Andrews Property Management Limited**

## **Annual report and financial statements for the year ended 31 March 2012**

<b>Contents</b>	<b>Pages</b>
Directors and advisers for the year ended 31 March 2012	1
Directors' report for the year ended 31 March 2012	2
Independent auditors' report to the members of St Andrews Property Management Limited	5
Profit and loss account for the year ended 31 March 2012	7
Balance sheet as at 31 March 2012	8
Notes to the financial statements for the year ended 31 March 2012	9

**St Andrews Property Management Limited**  
**Company number 2798380**

**Directors and advisers for the year ended 31 March 2012**

**Directors**

The directors and company secretaries of the company during the year and up to the date of signing of the financial statements are listed below

**Directors**

Professor P A Sugarman	Chairman
Mr N Alcock	
Ms C Auty	Appointed 03/04/2012
Mr W Irving	Appointed 23/08/2011
Mr M Johnston-Wood	Resigned 14/12/2011
Mr J Watkins	Resigned 31/05/2011

**Company Secretaries**

Ms C Auty	Appointed 01/06/2011, resigned 30/03/2012
Mr A Mitchell	Resigned 01/06/2011
Ms D Sugden	Appointed 30/03/2012

**Registered office**

St Andrews Property Management Limited  
Billing Road  
Northampton  
NN1 5DG

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

**Solicitors**

Hewitsons LLP  
7 Spencer Parade  
Northampton  
NN1 5AB

**Bankers**

National Westminster Bank plc  
East of England Corporate Banking  
2<sup>nd</sup> Floor, 152 Silbury Boulevard  
Central Milton Keynes  
MK9 1LT

**St Andrews Property Management Limited**  
**Company number 2798380**

**Directors' report for the year ended 31 March 2012**

The directors present their annual report and the audited financial statements of St Andrews Property Management Limited (the "company") for the year ended 31 March 2012

**Principal activities**

The principal activities of the company are the design and construction of specialist buildings, and the management of residential healthcare and sports club facilities. The profit and loss account for the year is presented on page 7

**Review of business and future developments**

The company's business has continued with the development of new facilities for St Andrew's Healthcare (the company's parent and a registered charity), the management of sports clubs and facilities on behalf of St Andrew's Healthcare and the ownership of its subsidiary undertaking, Three Shires Hospital Limited

There has been a reduction in turnover for the current year due to reduced levels of activities in relation to construction of facilities for its ultimate parent charity, St Andrew's Healthcare

The directors do not expect any changes in the future development of the company

**Development of new facilities**

During the year a second piece of land was purchased in Birmingham to allow preliminary works to begin on expanding the Birmingham facilities

**Management of sports clubs and facilities**

The activity in management of sports clubs and facilities was satisfactory and it is anticipated that the present level of activity will be sustained for the foreseeable future

**Ownership of subsidiary undertaking**

The subsidiary company, Three Shires Hospital Limited continued to operate profitably

Three Shires Hospital Limited, together with Global Diagnostics Limited operate The Pavilion Clinic Limited. Three Shires Hospital has the controlling interest and holds 51% of the issued ordinary share capital in The Pavilion Clinic Limited

**Financial risk management**

The principal risks and uncertainties of the company are the same as the principal risks of the Group and are not managed separately. The company does not believe it is unduly exposed to credit, foreign currency or liquidity risks. Accordingly, the principal risks and uncertainties of St Andrew's Healthcare, which include those of the company, are discussed in St Andrew's Healthcare's consolidated annual report which does not form part of this report. Copies of St Andrew's Healthcare's annual report and accounts are publically available as detailed in note 16

The directors of St Andrew's Healthcare manage the Group's operations as a whole. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of St Andrews Property Management Limited. The development, performance and position of St Andrew's Healthcare which includes the company are discussed in St Andrew's Healthcare's consolidated annual report which does not form part of this report

**St Andrews Property Management Limited**  
**Company number 2798380**

**Directors' report for the year ended 31 March 2012 (continued)**

**Dividends and transfers to reserves**

During the year to 31 March 2012 the company made a profit of £507,128 (2011 £443,547) prior to donations. The company donated its taxable profits of £nil (2011 £253,547) to St Andrew's Healthcare. The directors do not recommend the payment of a dividend (2011 £nil).

**Charitable and political donations**

The donations made by the company for charitable purposes totalled £nil (2011 £253,547).

**Creditor payment policy**

The company aims to pay creditors in line with agreed payment terms, with the average creditor days being below 30 (2011 below 30).

**Taxation status**

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988.

**Independent auditors**

A resolution to appoint auditors was passed at the annual general meeting.

**Statement of 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

**St Andrews Property Management Limited**  
**Company number 2798380**

**Directors' report for the year ended 31 March 2012 (continued)**

In accordance with section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the directors confirm that

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

On behalf of the Board



N Alcock  
Director

29 June 2012

## **Independent auditors' report to the members of St Andrews Property Management Limited**

We have audited the financial statements of St Andrews Property Management Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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).

### **Respective responsibilities of directors and auditors**

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.

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.

### **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 and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 March 2012 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.

### **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.

**Independent auditors' report to the members of St Andrews Property Management Limited  
(continued)**

**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



Mark Smith (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
29 June 2012

**St Andrews Property Management Limited**  
**Company number 2798380**

**Profit and loss account**  
**for the year ended 31 March 2012**

	<b>Note</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Turnover</b>	2, 3	125	9,458
Cost of sales		<u>(44)</u>	<u>(8,716)</u>
Gross profit	3	81	742
Administrative expenses		<u>(21)</u>	<u>(46)</u>
<b>Operating profit</b>		60	696
Income from shares in group undertaking	17	550	190
Interest receivable and similar income	6	4	2
Interest payable and similar charges	7	(107)	(444)
Donation to parent undertaking	18	<u>-</u>	<u>(254)</u>
<b>Profit on ordinary activities before taxation</b>	4	507	190
Tax on profit on ordinary activities	18	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>	14	<u>507</u>	<u>190</u>

The company has no recognised gains and losses other than those included in the result above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents

All transactions recorded in the profit and loss account are in respect of continuing operations

**St Andrews Property Management Limited**  
**Company number 2798380**

**Balance sheet**  
**as at 31 March 2012**

	<b>Note</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Fixed assets</b>			
Tangible assets	8a	1,422	427
Investments	8b	<u>1,250</u>	<u>1,250</u>
		<b>2,672</b>	<b>1,677</b>
<b>Current assets</b>			
Stock	9	422	242
Debtors	10	597	920
Cash at bank and in hand		<u>679</u>	<u>1,542</u>
		<b>1,698</b>	<b>2,704</b>
Creditors amounts falling due within one year	11	<u>(383)</u>	<u>(2,401)</u>
Net current assets		<u>1,315</u>	<u>303</u>
<b>Total asset less current liabilities</b>		<b>3,987</b>	<b>1,980</b>
Creditors amounts falling due after more than one year	12	<u>(2,750)</u>	<u>(1,250)</u>
<b>Net assets</b>		<u><b>1,237</b></u>	<u><b>730</b></u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	<u>1,237</u>	<u>730</u>
<b>Total shareholders' funds</b>	15	<u><b>1,237</b></u>	<u><b>730</b></u>

The financial statements on pages 7 to 14 were approved by the board of directors on **29** June 2012 and were signed on its behalf by



N Alcock  
**Director**

**St Andrews Property Management Limited**  
**Company number 2798380**

**Notes to the financial statements for the year ended 31 March 2012**

**1 Principal accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

**Basis of accounting**

These accounts have been prepared under the going concern basis on the assumption of the continuing support of the company's ultimate parent undertaking, St Andrew's Healthcare, which has confirmed its continuing support for the company in writing

**Consolidation**

Consolidated financial statements have not been prepared as the company qualifies as an "intermediate parent company" under FRS 2. Full consolidated financial statements for St Andrew's Healthcare are available from that company (see note 16)

**Cash flow statement**

A cash flow statement has not been prepared because the company is a wholly owned subsidiary undertaking of St Andrew's Healthcare (see note 16) and is therefore entitled to the exemption under FRS 1 'Cash flow statements'

**Turnover**

Turnover relates to the recharge of construction costs and the management of residential healthcare and sports club facilities. Turnover is recognised at a point when costs are recharged and excludes VAT

**Rental income**

Rental income is recognised on a monthly basis over the life of the lease and excludes VAT

**Tangible assets and depreciation**

Tangible fixed assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Only asset additions in excess of £5,000 per item or group of items are capitalised

Depreciation is charged on additions from the month after acquisition or completion (for those assets under construction), with the exception of land which is not depreciated. Any assets disposed of during the year include depreciation up to and including the month of disposal

The rates used are

Buildings      2%

**St Andrews Property Management Limited**  
**Company number 2798380**

**Notes to the financial statements for the year ended 31 March 2012 (continued)**

**1 Principal accounting policies (continued)**

**Fixed asset investments**

Investments in group undertakings and in participating interests are recorded in the balance sheet at cost less any permanent diminution in value

**Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on first in first out basis. Work in progress represents the cost of preliminary works on future projects.

Turnover and a prudent estimate of the profit attributable to work completed on long-term contracts is recognised once the outcome of the contract can be recognised with reasonable certainty. The amount by which turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as long-term contract balances.

**Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

No provision has been made for deferred tax on the grounds that the company transfers its taxable profits by donation to St Andrew's Healthcare and therefore no deferred tax asset or liability will be realised in the company.

**2 Turnover**

Turnover consists entirely of income generated in the United Kingdom.

**3 Segmental analysis by class of business**

The analysis by class of business of the company's turnover and gross profit is set out below.

	2012 £'000	2011 £'000
<b>Turnover</b>		
Construction	-	9,411
Management of sports club	74	47
Rental income	51	-
	<u>125</u>	<u>9,458</u>
<b>Gross profit</b>		
Construction	8	763
Management of sports club	22	(21)
Rental income	51	-
	<u>81</u>	<u>742</u>

**St Andrews Property Management Limited**  
**Company number 2798380**

**Notes to the financial statements for the year ended 31 March 2012 (continued)**

**4 Profit on ordinary activities before taxation**

	2012 £'000	2011 £'000
Operating profit on ordinary activities before taxation is stated after charging		
Depreciation on owned assets	15	-
<b>Services provided by the company's auditor</b>		
Fee payable for value added tax and tax compliance	6	45
Audit of these financial statements	<u>5</u>	<u>5</u>

The cost of the audit of these financial statements has been borne by the parent company and not recharged

**5 Staff costs and emoluments**

The directors received no emoluments for their services to the company during the year ended 31 March 2012 (2011 £nil) There were no employees other than the directors during the year ended 31 March 2012 (2011 none)

**6 Interest receivable and similar income**

	2012 £'000	2011 £'000
Bank interest receivable	<u>4</u>	<u>2</u>

**7 Interest payable and similar charges**

	2012 £'000	2011 £'000
Interest on loans from parent company (see note 12)	<u>107</u>	<u>444</u>

**8a Tangible fixed assets**

	<b>Freehold land &amp; buildings £'000</b>
<b>Cost</b>	
At 1 April 2011	427
Additions	1,010
At 31 March 2012	<u>1,437</u>
<b>Accumulated depreciation</b>	
At 1 April 2011	-
Charge for the year	15
At 31 March 2012	<u>15</u>
<b>Net book value at 31 March 2012</b>	<u><b>1,422</b></u>
Net book value at 31 March 2011	<u>427</u>

**St Andrews Property Management Limited**  
**Company number 2798380**

**Notes to the financial statements for the year ended 31 March 2012 (continued)**

**8b Fixed asset investments**

	<b>£'000</b>
<b>Cost</b>	
At 1 April 2011 and 31 March 2012	1,250
<b>Impairment</b>	
At 1 April 2011 and 31 March 2012	-
<b>Net book value at 31 March 2012</b>	<u>1,250</u>
Net book value at 31 March 2011	<u>1,250</u>

The company has the following subsidiaries

<b>Name</b>	<b>% of ownership of ordinary shares</b>	<b>Country of incorporation</b>	<b>Principal activity</b>
Three Shires Hospital Limited	50%	England and Wales	Acute medical surgical hospital

On 8 April 2004 the company purchased 1,250,000 of the 2,500,000 issued £1 shares at par, of the ordinary share capital of Three Shires Hospital Limited. The company has a controlling interest in this company through the provisions of a shareholders' agreement giving the company the power to appoint the chairman and exercise a casting vote.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Detail of the results of this entity is included in the financial statements of St Andrew's Healthcare.

**9 Stock**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Work in progress	<u>422</u>	<u>242</u>

**10 Debtors**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Amounts receivable within one year		
Trade debtors	17	10
Amounts owed by parent undertaking	39	-
Prepayments and other debtors	541	895
Value added tax	-	15
	<u>597</u>	<u>920</u>

**St Andrews Property Management Limited**  
**Company number 2798380**

**Notes to the financial statements for the year ended 31 March 2012 (continued)**

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	10	7
Amounts owed to parent undertaking	-	1,023
Accruals and deferred income	373	1,371
	<u>383</u>	<u>2,401</u>

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Amount owed to parent undertaking	<u>2,750</u>	<u>1,250</u>

The company entered into a loan agreement with the parent company, St Andrew's Healthcare, in order to finance the purchase of 50% of the share capital of Three Shires Hospital Limited. The loan is for £1,250,000 at a fixed rate of interest of 7.2% per annum for a period of 20 years from 8 April 2004. The interest rate then reverts to such rate as shall be agreed at the time or in the event that agreement cannot be reached then at a variable rate of 3.25% per annum above the base rate of National Westminster Bank plc.

The company entered into a revolving loan agreement with St Andrew's Healthcare to enable it to finance the purchase and development of sites. The total facility is for £45m and the amount outstanding as at 31 March 2012 was £1.5m (2011: £nil) and is at a variable interest rate of 1% per annum above the base rate of National Westminster Bank plc.

**13 Called up share capital**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**14 Profit and loss account**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April	730	540
Profit for the financial year	507	190
<b>At 31 March</b>	<u>1,237</u>	<u>730</u>

**St Andrews Property Management Limited**  
**Company number 2798380**

**Notes to the financial statements for the year ended 31 March 2012 (continued)**

**15 Reconciliation of movements in shareholders' funds**

	2012 £'000	2011 £'000
Opening shareholders' funds	730	540
Profit for the financial year	507	190
Closing shareholders' funds	<u>1,237</u>	<u>730</u>

**16 Ultimate parent undertaking and controlling party**

The directors regard St Andrew's Healthcare as the immediate and ultimate parent undertaking and controlling party. St Andrew's Healthcare is the smallest and largest entity to prepare consolidated accounts. Copies of the parent's consolidated financial statements may be obtained from the company secretary, St Andrew's Healthcare, Billing Road, Northampton, NN1 5DG which is the parent company's principal place of business. The Board of St Andrew's Healthcare has assured the directors that they will continue to support the company for the foreseeable future.

**17 Related party transactions**

As the company is a wholly owned subsidiary of St Andrew's Healthcare, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with that entity.

	2012 £'000	2011 £'000
Dividend income from Three Shires Hospital Limited	<u>550</u>	<u>190</u>

**18 Tax on profit on ordinary activities**

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation and donation	507	444
Charges paid: donation to St Andrew's Healthcare	-	(254)
Investment income taxed at source	(550)	(190)
Deferred asset tax asset not recognised	<u>(43)</u>	<u>-</u>

The company donated its taxable profits of £nil (2011: £253,547) to St Andrew's Healthcare.

As explained in the accounting policies notes, no provision has been made for deferred tax on the grounds that the company transfers its taxable profits by donation to St Andrew's Healthcare and therefore no deferred tax asset or liability will be realised in the company.

**19 Commitments**

	2012 £'000	2011 £'000
Authorised and contracted for	<u>-</u>	<u>943</u>