

Albion Healthcare (Doncaster) Limited  
Annual report and financial statements  
for the year ended 31 March 2013

Registration number 4495459

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# **Albion Healthcare (Doncaster) Limited**

## **Annual report and financial statements for the year ended 31 March 2013**

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# **Albion Healthcare (Doncaster) Limited**

## **Directors and advisors**

### **Directors**

A Mills  
J P George  
P J Dodd  
K McLellan

### **Company secretary**

SPC Management Limited

### **Registered office**

St Martins House  
1 Gresham Street  
London  
EC2V 7BX

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
31 Great George Street  
Bristol  
BS1 5QD

## **Albion Healthcare (Doncaster) Limited**

**Registration number: 4495459**

### **Directors' report for the year ended 31 March 2013**

The directors submit their annual report and the audited financial statements of the company for the year ended 31 March 2013

#### **Principal activities, results and business review**

The company is a special purpose company that has been incorporated solely to enter into a contract under the framework of the Private Finance Initiative ("PFI")

The company is engaged under a 29 year contract, signed 11 August 2003, with Rotherham Doncaster and South Humber Mental Health NHS Foundation Trust ("Doncaster and South Humber NHS Trust"), for the provision of design, construction and management services, including related financing arrangements, for serviced accommodation for an elderly mental health unit in Doncaster, together with associated development and facilities and the provision of maintenance and operation of the same. The project entered the operational phase on 10 May 2005.

The profit for the financial year is set out in the profit and loss account on page 5. The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

#### **Dividends and transfers to reserves**

A dividend of £nil was paid in the year (year ended 31 March 2012: £nil).

#### **Principal risks and uncertainties**

The company has taken on the activity as detailed above and is risk averse in its trading relationships with its customer, funders and sub-contractors as determined by the terms of their respective detailed PFI contracts. In extreme circumstances, the company could be exposed to subcontractor failure to perform their obligations. The financial risks and the measures taken to mitigate them are as detailed in the following section.

#### **Financial risk management**

The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance. The board has policies for managing each of these risks and they are summarised below.

##### ***Interest rate risk***

The senior debt interest rate has been linked to inflation, plus a fixed margin. The subordinated debt interest has been fixed through the use of a fixed funding rate. Details of these can be found on page 12.

##### ***Inflation risk***

The company's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

##### ***Liquidity risk***

The company adopts a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due.

##### ***Credit risk***

The company receives the bulk of its revenue from Doncaster and South Humber NHS Trust and is not exposed to significant credit risk. Cash investments are with institutions of a suitable credit quality.

##### ***Major maintenance replacement risk***

The company takes the risk that its projections for ongoing major maintenance replacement of the building and relevant equipment are adequate. These projections have been agreed with third parties and are subject to regular review by the directors.

# **Albion Healthcare (Doncaster) Limited**

## **Directors' report for the year ended 31 March 2013 (continued)**

### **Key performance indicators ('KPIs')**

The company's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI contract which stipulates key performance criteria on operational activities. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the performance or position of the business.

### **Directors**

The directors of the company during the year, and up to the date of signing the financial statements, are set out below.

S P Hornby	(resigned 9 August 2012)
P J Dodd	(appointed 9 August 2012)
A Mills	
J P George	
K McLellan	

### **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 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.

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

In the case of each director in office at the date the directors' report is approved, so far as the director is aware, there is no relevant audit information of which PricewaterhouseCoopers LLP ('PwC') are unaware, and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that PwC are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

By order of the board

  
for and on behalf of SPC Management Limited  
Company secretary

16 MAY 2013

## **Independent auditors' report to the members of Albion Healthcare (Doncaster) Limited**

We have audited the financial statements of Albion Healthcare (Doncaster) Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in total shareholders' funds 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 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 2013 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.

### **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.



**Paul Nott (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

7 June 2013

## Albion Healthcare (Doncaster) Limited

### Profit and loss account for the year ended 31 March 2013

	Notes	Year ended 31 March 2013	Year ended 31 March 2012
		£	£
<b>Turnover</b>	1	<b>1,175,548</b>	711,928
Cost of sales		(868,330)	(490,203)
<b>Gross profit</b>		<b>307,218</b>	221,725
Administrative expenses		(211,492)	(185,063)
<b>Operating profit</b>	2	<b>95,726</b>	36,662
Interest receivable and similar income	3	1,328,150	1,350,906
Interest payable and similar charges	3	(1,168,525)	(1,297,627)
<b>Profit on ordinary activities before taxation</b>		<b>255,351</b>	89,941
Tax on profit on ordinary activities	4	(60,088)	(19,109)
<b>Profit for the year</b>	9	<b>195,263</b>	70,832

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom

There is no material difference between the profit for the year on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalent

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

# Albion Healthcare (Doncaster) Limited

## Balance sheet as at 31 March 2013

	Notes	31 March 2013 £	31 March 2012 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	469,737	462,127
Debtors: amounts falling due after more than one year	5	15,526,392	15,890,299
Cash at bank and in hand		1,718,647	1,341,518
		<b>17,714,776</b>	17,693,944
<b>Creditors: amounts falling due within one year</b>	6	<b>(1,014,262)</b>	(1,038,837)
<b>Net current assets</b>		<b>16,700,514</b>	16,655,107
<b>Creditors: amounts falling due after more than one year</b>	6	<b>(15,992,576)</b>	(16,142,432)
<b>Net assets</b>		<b>707,938</b>	512,675
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss reserve	9	707,838	512,575
<b>Total shareholders' funds</b>		<b>707,938</b>	512,675

These financial statements, on pages 5 to 14, were approved by the Board on 16 May 2013 and were signed on its behalf by



Director

J. GEORGE



## **Albion Healthcare (Doncaster) Limited**

### **Reconciliation of movements in total shareholders' funds for the year ended 31 March 2013**

	Notes	Year ended 31 March 2013	Year ended 31 March 2012
		£	£
Profit for the financial year	9	195,263	70,832
Total shareholders' fund as at beginning of year		512,675	441,843
<b>Total shareholders' funds as at end of year</b>		<b>707,938</b>	<b>512,675</b>

# **Albion Healthcare (Doncaster) Limited**

## **Notes to the financial statements for the year ended 31 March 2013**

### **1 Accounting policies**

A summary of the company's principal accounting policies, which have been consistently applied, is set out below

#### **Basis of preparation of accounts**

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

#### **Turnover**

Turnover represents the value of work done and services rendered, excluding sales related taxes. All turnover originates in the United Kingdom

The company recognises income when it has fully fulfilled its contractual obligations. In accordance with Financial Reporting Standard 5 – Application Note G, the company includes sales and purchase transactions related to variations under the original contract where the benefits and risks are retained by the company, within the financial statements as turnover and operating costs

Transactions to which the company does not have access to all the significant benefits and risks are excluded from the financial statements

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted

#### **Financial asset - finance debtor**

In accordance with Financial Reporting Standard (FRS) 5 – Application Note F, the costs incurred in constructing the assets have been treated as a finance debtor. This treatment arose from applying the guidance within the Application Note which indicated that the project's principal agreements transfer substantially all the risks and rewards relating to the property to the customer

The finance debtor represents the costs arising on the construction of the assets including initial tender costs. During asset construction, finance debtor interest income is recognised on an accruals basis and is capitalised within the finance debtor receivable. Once the project reached its operational phase and was accepted by the customer a constant proportion of the planned net revenue arising from the project was allocated to remunerate the finance debtor. Imputed interest receivable is allocated to the finance debtor using a property specific rate to generate a constant rate of return over the life of the contract. Over the course of the contract term the finance debtor is expected to be fully repaid

# **Albion Healthcare (Doncaster) Limited**

## **Notes to the financial statements for the year ended 31 March 2013 (continued)**

### **1 Accounting policies (continued)**

#### **Major maintenance replacement**

As noted in the directors' report, the company is responsible for the major maintenance replacement risk associated with its principal activity. The costs are recorded as cost of sales, in the profit and loss account, in the period in which the costs of major maintenance replacement are incurred.

#### **Debt issue costs**

Debt issue costs incurred have been offset against the related debt and will be charged to the profit and loss account at a constant rate on the carrying value of the debt.

#### **Interest rate swaps**

Interest rate swaps are used to hedge the company's exposure to movements on interest rates. The interest payable on such swaps is accrued in the same way as interest arising on the related borrowings. Interest rate swaps are valued using market value, for disclosures purposes.

#### **Cash flow statement**

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company qualifies as a small entity as defined in section 444 of the Companies Act 2006.

### **2 Operating profit**

The company had no employees, other than the directors, during the year (year ended 31 March 2012: none). The emoluments of the directors are paid by the controlling parties. The directors' services to this company and to a number of fellow group companies are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £81,890 (year ended 31 March 2012: £79,148) to the company in respect of these services.

The audit fee in respect of the company was £7,000 for the year (year ended 31 March 2012: £7,000). In addition, the company bore £2,000 in respect of the audit fee for its parent company during the year (year ended 31 March 2012: £2,000).

# **Albion Healthcare (Doncaster) Limited**

## **Notes to the financial statements for the year ended 31 March 2013 (continued)**

### **3 Interest**

	Year ended 31 March 2013	Year ended 31 March 2012
	£	£
<b>Interest receivable and similar income</b>		
Interest receivable on finance debtor	1,315,794	1,342,069
Interest receivable on cash at bank	12,356	8,837
	<b>1,328,150</b>	<b>1,350,906</b>

### **Interest payable and similar charges**

Interest payable on senior debt	935,192	1,064,133
Interest payable on subordinated loan notes	224,988	224,988
Amortisation of issue costs	8,345	8,506
	<b>1,168,525</b>	<b>1,297,627</b>

### **4 Tax on profit on ordinary activities**

	Year ended 31 March 2013	Year ended 31 March 2012
	£	£
Current tax charge	60,088	19,109
Adjustment in respect of prior years	-	-
Tax charge on profit on ordinary activities	<b>60,088</b>	<b>19,109</b>

# Albion Healthcare (Doncaster) Limited

## Notes to the financial statements for the year ended 31 March 2013 (continued)

### 4 Tax on profit on ordinary activities (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year ending 31 March 2013 is lower (year ended 31 March 2012 lower) than that resulting from applying the standard rate of corporation tax in the UK (24%) (year ended 31 March 2012 26%) The differences are explained below

<b>Profit on ordinary activities before taxation</b>	<b>255,351</b>	<b>89,941</b>
Profit on ordinary activities at standard rate 24% (year ended 31 March 2012 26%)	61,284	23,385
Small companies relief	(1,196)	(4,276)
<b>Current tax charge for the year</b>	<b>60,088</b>	<b>19,109</b>

#### Factors that may affect future tax charges

Finance Act 2012, which was substantively enacted on 3 July 2012, included legislation to reduce the main rate of Corporation Tax to 23% from 1 April 2013 Further reductions to the main rate of Corporation Tax were announced in the Autumn Statement 2012 and Chancellor's Budget 2013 These changes, which are expected to be enacted separately each year, propose to reduce the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015

### 5 Debtors

	<b>31 March 2013</b>	<b>31 March 2012</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>87,150</b>	72,042
Finance debtor	<b>363,907</b>	335,398
Prepayments and accrued income	<b>18,680</b>	54,687
	<b>469,737</b>	462,127
<b>Amounts falling due after more than one year:</b>		
Finance debtor	<b>15,526,392</b>	15,890,299

## Albion Healthcare (Doncaster) Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 6 Creditors

	31 March 2013	31 March 2012
	£	£
<b>Amounts falling due within one year:</b>		
Senior loan	355,711	236,990
Trade creditors	53,346	50,467
VAT payable	86,120	83,820
Corporation tax payable	60,088	19,109
Accruals and deferred income	458,997	648,451
	<b>1,014,262</b>	<b>1,038,837</b>

	31 March 2013	31 March 2012
	£	£
<b>Amounts falling due after more than one year:</b>		
Senior loan	13,993,507	14,350,031
Subordinated loan notes	2,073,394	1,874,900
Less unamortised issue costs	(74,325)	(82,499)
	<b>15,992,576</b>	<b>16,142,432</b>

The senior loan relates to term loan facilities granted by Dexia Credit Local. The senior loan facilities are repayable in forty-eight semi-annual instalments which commenced in 2005. Interest is charged on amounts drawn under the facilities based on floating LIBOR. The company has entered into interest hedging agreements to be applied to the expected future borrowings under the facilities. There is a swap agreement that fixes the interest rate at 5.00% per annum to 30 September 2029 in respect of 50% of the facilities. The fair value of this class of derivative financial instruments at 28 March 2013 is a liability of £1,856,255 (31 March 2012 - a liability of £1,739,425).

There is a further derivative financial instrument held which is an RPI/interest rate swap which converts the variable rate linked to LIBOR to a rate of 2.67% plus RPI. The fair value of this class of derivative financial instruments at 28 March 2013 is a liability of £2,582,891 (31 March 2012 - a liability of £2,477,779).

The facilities are secured by a fixed charge over all book debts, investments, loan notes and goodwill, intellectual property and plant and machinery of the company and its parent undertaking, and by a floating charge over the undertaking and assets of the company and its parent undertaking and by an assignment of all insurances, all bank accounts, certain contracts and all freehold and leasehold property (except that secured by a charge) of the company and its parent undertaking.

# **Albion Healthcare (Doncaster) Limited**

## **Notes to the financial statements for the year ended 31 March 2013 (continued)**

### **6 Creditors (continued)**

Albion Healthcare (Doncaster) Holdings Limited subscribed for £1,874,900 12% coupon loan notes in February 2006. Albion Healthcare (Doncaster) Holdings Limited has in turn received corresponding subscriptions from its shareholders in proportion to their shareholdings. Interest is payable at 12 %, commencing on 1 April 2008, half yearly in arrears on 31 March and 30 September each year. The loan notes are not to be redeemed until 2032 when they will be repaid in full and are unsecured.

### **7 Maturity of debt**

	31 March 2013	31 March 2012
	£	£
<b>Maturity of debt.</b>		
Within one year	363,886	245,335
Between one and two years	557,321	356,493
Between two and five years	1,596,279	1,711,975
In more than five years	13,913,300	14,156,463
	16,430,786	16,470,266
Less: creditors falling due within one year	(355,711)	(236,990)
Less: unamortised issue costs	(82,499)	(90,844)
	15,992,576	16,142,432

### **8 Called up share capital**

	31 March 2013	31 March 2012
	£	£
<b>Allotted and fully paid</b>		
10,000 Ordinary shares of £0.01 each	100	100

## Albion Healthcare (Doncaster) Limited

### Notes to the financial statements for the year ended 31 March 2013 (continued)

#### 9 Profit and loss account

	31 March 2013	31 March 2012
	£	£
At beginning of year	512,575	441,743
Profit for the year	195,263	70,832
At end of year	707,838	512,575

#### 10 Related party disclosures

The following information is provided in accordance with Financial Reporting Standard No 8 – Related Party Transactions' as being transactions with other related parties for the year

##### Year ended 31 March 2013

Name of related party	Relationship	Type of transaction	Transactions in the year	Balance due (to)/from
			£	£
SPC Management Limited	Subsidiary undertaking of controlling party	Management fee	(96,773)	-

##### Year ended 31 March 2012

Name of related party	Relationship	Type of transaction	Transactions in the year	Balance due (to)/from
			£	£
SPC Management Limited	Subsidiary undertaking of controlling party	Management fee	(92,357)	(1,470)

Directors' fees were collected by both Semperian Health Projects Limited and Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L P, for the year Fees amounted to £40,945 (year ended 31 March 2012 £39,574) for each company

As at 31 March 2013, £6,901 (31 March 2012 £6,670) was owed to companies related to Semperian Health Projects Limited and £6,901 (31 March 2012 £6,670) was owed to companies related to Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L P

#### 11 Parent undertaking and controlling party

The company is a wholly owned subsidiary of Albion Healthcare (Doncaster) Holdings Limited, a company registered in England and Wales The share capital of Albion Healthcare (Doncaster) Holdings Limited is held equally by Semperian Health Projects Limited and Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L P

The directors consider Semperian Health Projects Limited and Infrastructure Investments (Portal) GP Limited, as general partner to Infrastructure Investments (Portal) L P, by virtue of a joint venture agreement, to be the controlling entities