

# **IMPREGILO PARKING (GLASGOW) LIMITED**

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**

**31 DECEMBER 2013**

*Company Registration No. 04531874*

TUESDAY



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# **IMPREGILO PARKING (GLASGOW) LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2013**

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# **IMPREGILO PARKING (GLASGOW) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISORS**

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### **DIRECTORS**

G. Catrini  
M. Villa

### **COMPANY SECRETARY**

S. Ahmed

### **REGISTERED OFFICE**

85E Park Drive  
Milton Park, Abingdon  
Oxfordshire  
OX14 4RY

### **BANKERS**

The Royal Bank of Scotland Plc  
London Drummonds Branch  
49 Charing Cross  
London  
SW1A 2DX

### **SOLICITORS**

Eversheds LLP  
1 Callaghan Square, Cardiff  
CF10 5BT

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Reading Central  
23 Forbury Road  
Reading  
RG1 3JH

# **IMPREGILO PARKING (GLASGOW) LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2013. This report has been prepared in accordance with the special provisions within part 15 of the Companies Act 2006 relating to small companies.

### **PRINCIPAL ACTIVITIES**

The company is engaged in a thirty one year Private Finance Initiative (PFI) contract with the NHS Greater Glasgow and Clyde Health Board for the development and management of car parking facilities at Glasgow Royal Infirmary Hospital.

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The results for the year are set out in detail on page 6.

The business is not performing as was originally anticipated at the financial close of the project due to low traffic volumes and space turnover, stagnant customer base, increase in business rates and competition from nearby on street parking facilities, nevertheless the business is producing cash flows to fully service its senior debt obligations and has complied with its debt covenant requirements.

The directors consider future prospects of the company to be satisfactory and believe that preparing the financial statements on the going concern basis is appropriate due to the forecast profitability of the project in the later years of the concession and continued financial support provided by the group companies and the ultimate parent company, Salini Impregilo SpA.

### **RESULTS AND DIVIDENDS**

The company's loss for the financial year was £173,756 (2012: £185,559), which will be deducted from reserves. The directors do not recommend the payment of a dividend (2012: £ Nil).

### **DIRECTORS**

Unless otherwise stated, the following directors held office during the year and up to the date of signing the financial statements:

G. Catrini                      M. Villa                      I.King (Resigned 10 September 2013)

### **FINANCIAL RISK MANAGEMENT**

The company's activities expose it primarily to the financial risks of changes in interest rates and movements in the Retail Price Index (RPI), these are managed with the purpose of minimising any potential adverse effect on the company's performance. The company uses interest rate and RPI swap contracts to hedge these exposures. The company does not use derivative financial instruments for speculative purposes.

### **INDEPENDENT AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS**

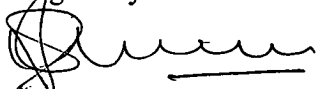
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(1) to (4) of Companies Act 2006.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors  
and signed by order of the Board



S. Ahmed

Company Secretary

Date: 15/05/2014

# **IMPREGILO PARKING (GLASGOW) LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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.

# **IMPREGILO PARKING (GLASGOW) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **IMPREGILO PARKING (GLASGOW) LIMITED**

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#### **Report on the financial statements**

##### **Our Opinion**

In our opinion the financial statements, defined below:

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

This opinion is to be read in the context of what we say in the remainder of this report

##### **What we have audited**

The financial statements, which are prepared by Impregilo Parking (Glasgow) Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 (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 misstatement or inconsistencies we consider the implications for our report.

##### **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.

# **IMPREGILO PARKING (GLASGOW) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **IMPREGILO PARKING (GLASGOW) LIMITED**

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#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you, if in our opinion:

- we have not received all the information and explanations we require for our audit: or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Director's remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statements of Directors' Responsibilities 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, 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.



**Stephen Pascoe (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Reading**

**Date:** 21 May 2014

# IMPREGILO PARKING (GLASGOW) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>		<b>1,837,723</b>	1,761,502
Cost of Sales		<b>(874,331)</b>	(786,671)
<b>GROSS PROFIT</b>		<b>963,392</b>	974,831
Administrative expenses		<b>(519,089)</b>	(517,823)
<b>OPERATING PROFIT</b>	<b>2</b>	<b>444,303</b>	457,008
Interest receivable and similar income	<b>3</b>	<b>2,534</b>	3,428
Interest payable and similar charges	<b>4</b>	<b>(620,593)</b>	(645,995)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(173,756)</b>	(185,559)
Tax on loss on ordinary activities	<b>6</b>	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>12</b>	<b>(173,756)</b>	(185,559)

All activities derive from continuing operations. Turnover relates to a single class of business and geographical location.

There have been no recognised gains and losses for the current or prior financial years other than as stated in the profit and loss account, so no statement of total recognised gains and losses has been presented.

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



# IMPREGILO PARKING (GLASGOW) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible Assets	7	7,333,294	7,673,461
<b>CURRENT ASSETS</b>			
Debtors	8	121,435	114,588
Cash at bank and in hand		666,614	732,877
		788,049	847,465
<b>CREDITORS - Amounts falling due within one year</b>	9	(1,357,638)	(1,408,287)
<b>NET CURRENT LIABILITIES</b>		(569,589)	(560,822)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,763,705	7,112,639
<b>CREDITORS - Amounts falling due after more than one year</b>	10	(9,557,843)	(9,733,021)
<b>NET LIABILITIES</b>		(2,794,138)	(2,620,382)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(2,795,138)	(2,621,382)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		(2,794,138)	(2,620,382)

These financial statements on page 6 to 12 were approved by the Board of Directors on 15-05-2014

Signed on behalf of the Board of Directors

  
G. Catrini  
Director

IMPREGILO PARKING (GLASGOW) LIMITED  
Company Registration No. 04531874

# IMPREGILO PARKING (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 1 ACCOUNTING POLICIES

#### **Basis of Accounting**

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 principal accounting policies, which have been applied consistently throughout the year, are set out below. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the forecast long-term profitability of the project and the continued financial support of the ultimate parent, Salini Impregilo SpA.

#### **Turnover**

Turnover represents revenue due from the management of the car park at Glasgow Royal Infirmary excluding VAT and is recognised at the point the service is provided. It includes both a fixed element invoiced monthly in advance at the start of the month and a variable element invoiced monthly in arrears at the end of each month. The turnover and pre-tax loss, which arise in the United Kingdom, are attributable to the company's principal activity.

#### **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are depreciated at cost in equal annual instalments over the estimated useful lives of the assets. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. The rates of depreciation are as follows:

Freehold land & buildings	30 years
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#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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 an undiscounted basis.

#### **Cash Flow Statement**

The company is not presenting a cash flow statement, in accordance with the exemption in FRS 1 (Revised 1996) - "Cash flow statements". The ultimate parent company has included a consolidated cash flow statement in the group financial statements.

# IMPREGILO PARKING (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### Finance costs

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of these assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to make the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to make the asset ready for use are complete.

### Derivative financial instruments

The company uses derivative financial instruments to manage its exposure to the financial risk of changes in interest rates and adverse movements in the Retail Price Index. The company does not hold or issue derivative financial instruments for speculative purposes. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when gains and losses associated with the hedged transaction have themselves been reflected in the company's financial statements.

Note	2013 £	2012 £
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## 2 OPERATING PROFIT

Operating profit is stated after charging

Depreciation	340,167	340,167
Services provided by the company's auditors:		
Fees payable for the audit	6,750	6,750
Fees payable for tax services	2,100	2,000
Fees payable for iXBRL tagging Service	850	620

## 3 INTEREST RECEIVABLE AND SIMILAR INCOME

Interest on bank deposits	2,534	3,428
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## 4 INTEREST PAYABLE AND SIMILAR CHARGES

Interest and fees on bank loan	555,583	569,744
Interest on loan from group undertaking	65,010	76,251
	620,593	645,995

## 5 DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the financial year and the prior financial year. The directors were remunerated by other group companies for their services to the group as a whole. It is not practicable to allocate their remuneration between services to the company and their services to other group companies. No recharge is made in respect of their services.

# IMPREGILO PARKING (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 6 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit assessed for the year is lower than (2012: lower than) the standard rate of corporation tax in the UK. The difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

Note	2013 £	2012 £
Loss on ordinary activities before tax	(173,756)	(185,559)
Loss on ordinary activities multiplied by the standard rate in the UK 23.25% (2012 : 24.5%)	40,398	45,462
<b>Factors affecting credit for the year:</b>		
Prior year adjustment	-	-
Capital allowance in excess of depreciation	(56)	16
Tax losses utilised/carried forward	23,137	21,471
Expenses not deductible	(63,479)	(66,949)
<b>Current and total tax (charge)/credit for the year</b>	<b>-</b>	<b>-</b>

#### Factors that may affect future tax changes

In the Finance Act 2013 the main rate of corporation tax was reduced from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. As these rate reductions were substantively enacted at the balance sheet date they have been taken into account when considering deferred tax.

#### Deferred Tax

The company has unrecognised deferred tax asset of £25,829.08 (2012: £9,397) which has not been recognised due to the uncertainty over timing of future taxable profits

### 7 TANGIBLE FIXED ASSETS

	Freehold Land & Building 2013 £	Freehold Land & Building 2012 £
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#### Costs

<b>Balance at 1 January and 31 December</b>	<b>10,196,364</b>	<b>10,196,364</b>
<b>Accumulated Depreciation</b>		
Balance at 1 January	2,522,903	2,182,736
Charge for the year	340,167	340,167
<b>Balance at 31 December</b>	<b>2,863,070</b>	<b>2,522,903</b>
<b>Net Book Value as at 31 December</b>	<b>7,333,294</b>	<b>7,673,461</b>

Cumulative finance costs capitalised and included in the cost of tangible fixed assets amount to £452,501 (2012: £452,501).

# IMPREGILO PARKING (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>8 DEBTORS</b>			
Trade debtors		101,499	94,816
Prepayments		19,936	19,772
		<b>121,435</b>	<b>114,588</b>

## 9 CREDITORS: Amount falling due within one year

Bank loan	10.1	175,178	175,178
Trade creditors		28,302	131,705
Amounts owed to group undertakings		987,409	935,717
Accruals and deferred income		166,749	165,687
		<b>1,357,638</b>	<b>1,408,287</b>

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

## 10 CREDITORS: Amount falling due after more than one year

Bank loans	10.1	7,763,870	7,939,048
Amount owed to group undertakings		1,793,973	1,793,973
		<b>9,557,843</b>	<b>9,733,021</b>

### 10.1 Bank loans are repayable as follows:

Within one year	175,178	175,178
Between one and two years	218,972	175,178
Between two and five years	937,202	797,059
After more than five years	6,607,696	6,966,811
	<b>7,763,870</b>	<b>7,939,048</b>
	<b>7,939,048</b>	<b>8,114,226</b>

The bank loans are secured against the assets of the company and interest is charged at average rate of 1.84% (2012: average rate 2.501%) including margin. The loans are repayable by instalments ending in June 2029.

Interest charges on amounts shown are based on floating LIBOR. The company has entered into interest rate swap agreements whereby it pays a fixed rate of 5.67% plus margin per annum in respect of amounts drawn under the facilities. The swaps expire on 30 June 2029.

The fair value of the interest rate swaps at 31 December 2013 was negative £1,835,260.83 (2012: negative £2,863,427).

Amounts owed to group undertakings are unsecured and interest is charged at six month LIBOR plus 3%, average rate for the year is 3.62% (2012: average rate 4.28%). Amount owed to the group undertaking form a subordinated loan which is due to be repaid at the end of the contract.

# IMPREGILO PARKING (GLASGOW) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note	2013 £	2012 £
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### 11 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid

1,000 (2012: 1,000) ordinary shares of £1 (2012: £1) each

**1,000**

**1,000**

### 12 COMBINED STATEMENT OF MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	Called up Share Capital £	Profit and Loss Account £	Total 2013 £	Total 2012 £
Balance at 1 January	1,000	(2,621,382)	<b>(2,620,382)</b>	(2,434,823)
Loss for the year	-	(173,756)	<b>(173,756)</b>	(185,559)
<b>Balance at 31 December</b>	<b>1,000</b>	<b>(2,795,138)</b>	<b>(2,794,138)</b>	<b>(2,620,382)</b>

### 13 DERIVATIVE FINANCIAL INSTRUMENTS

The company's source of income is contractually linked to movements in the Retail Price Index.

The company holds swap contracts to hedge its exposure to adverse movements in the Retail Price Index ("RPI"). The fair value of the swaps at 31 December 2013 was negative £1,791,679.15 (2012: negative £1,380,338).

Details of the interest rate swaps held are given in note 10.

### 14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided in Financial Reporting Standard 8, and not disclosed transactions with other wholly owned Salini Impregilo SpA group companies.

### 15 ULTIMATE PARENT UNDERTAKING

The directors consider that the immediate parent company is Impregilo International Infrastructures NV, a company registered in Holland.

The ultimate parent company and controlling party is Salini Impregilo SpA, a company registered in Italy.

Salini Impregilo SpA is the parent of the largest and smallest group of which the company is a member and for which consolidated financial statements are prepared.

Copies of the financial statements of the above companies are available from: 85E Park Drive, Milton Park, Abingdon, Oxfordshire, OX14 4RY.