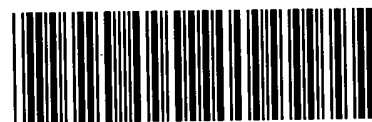


REGISTERED NUMBER: 09047152 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Period 1 March 2015 to 31 March 2016
for
High Wood Health (Hold Co) Limited**

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for the Period 1 March 2015 to 31 March 2016**

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High Wood Health (Hold Co) Limited
Company Information
for the Period 1 March 2015 to 31 March 2016

DIRECTORS:

G Riley
K Brown
K Forbes
D Hunter

SECRETARY:

S J Sullivan

REGISTERED OFFICE:

Bridge Place
Anchor Boulevard
Crossways Business Park
Dartford
Kent
DA2 6SN

REGISTERED NUMBER:

09047152 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
1 Embankment Place
London
WC2N 6RH

**Group Strategic Report
for the Period 1 March 2015 to 31 March 2016**

The directors present their strategic report of the company and the group for the period 1 March 2015 to 31 March 2016.

REVIEW OF BUSINESS

The principal activity of the group in the period under review was that of a holding company to High Wood Health (Project Co) Limited and High Wood Health (Finance Co) Plc. The principal activity of the subsidiary High Wood Health (Project Co) Limited is the design, build, finance and maintenance of a new district general hospital for the Dumfries and Galloway Health Board. Financial close was achieved on 11 March 2015. The principal activity of the subsidiary High Wood Health (Finance Co) Plc is raising the financing for the project and forward loaning the funds to High Wood Health (Project Co) Limited.

The project company will undertake an initial 2.5 year construction period, during which significant capital expenditure will be undertaken to provide the new 350 bed hospital in Dumfries and Galloway. Construction is progressing well, with the programme on target for completion in September 2017. Following completion of the build the Company will provide maintenance services for a 25 year concession period. The Project company has been set up under the Non Profit Distributing (NPD) model supported by the Scottish Government whereby all surpluses are paid to the Dumfries and Galloway Health Board through a rebate to service income.

The results for the financial period were £nil (2015: £nil). An adjustment has been made to revenue which has the effect of reducing profit for the period to £nil, reflecting the contractual arrangements of the group.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's exposure to inflationary risk, particularly in relation to the build and ongoing maintenance cost base is mitigated by having index linked income streams with the Dumfries and Galloway Health Board.

The company's exposure to interest rate risk is mitigated by fixed interest rate loan agreements with European Investment Bank and Aviva Annuity UK Ltd.

The risks to design, construction and delivery of the project are mitigated by the Construction Contractor Parent Company Guarantee in favour of the group, which is to be used should the contractor fail to meet it's obligations, duties and undertakings under the Construction Contract.

During the operational phase of the contract the group will be responsible for the daily operational and maintenance obligations of the hospital. Failure to meet these obligations may result in performance deductions from the unitary charge received from the Dumfries and Galloway Health Board. This risk is mitigated by a back-to-back contract with the facilities management service provider with any performance deductions being passed through under that contract.

At the beginning of the contract, the group negotiated debt facilities with funders and shareholders to ensure it has sufficient funds during the construction period and a sufficient unitary charge to cover operations.

ON BEHALF OF THE BOARD:



.....
K Brown - Director

Date: 8/8/16

**Report of the Directors
for the Period 1 March 2015 to 31 March 2016**

The directors present their report with the financial statements of the company and the group for the period 1 March 2015 to 31 March 2016.

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2015 to the date of this report.

G Riley
K Forbes
D Hunter

Other changes in directors holding office are as follows:

K Brown - appointed 12 August 2015
W Haughey - resigned 12 August 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

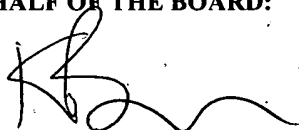
**Report of the Directors
for the Period 1 March 2015 to 31 March 2016**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
K Brown - Director

Date: 8/8/16

Report of the Independent Auditors to the Members of High Wood Health (Hold Co) Limited

Report on the financial statements

Our opinion

In our opinion, High Wood Health (Hold Co) Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 March 2016 and of its result and cash flows for the 13 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Group Strategic Report, Report of the Directors and Consolidated Financial Statements for the period 1 March 2015 to 31 March 2016 (the "Annual Report"), comprise:

- Consolidated Statement of Financial Position as at 31 March 2016;
- Consolidated Income Statement and Consolidated Other Comprehensive Income for the period then ended;
- Consolidated Statement of Cash Flows for the period then ended;
- Consolidated Statement of Changes in Equity for the period 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the Period 1 March 2015 to 31 March 2016 for the financial period for which the financial statements are prepared is consistent with the financial statements.

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. We have no exceptions to report arising from this responsibility.

Directors' 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement 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.

**Report of the Independent Auditors to the Members of
High Wood Health (Hold Co) Limited**

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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with 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 group'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.

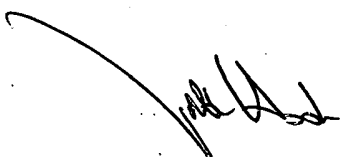
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Other matter

We have reported separately on the company financial statements of High Wood Health (Hold Co) Limited for the 13 month period ended 31 March 2016.



Jonathan Hook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 8/8/16

Report of the Independent Auditors to the Members of High Wood Health (Hold Co) Limited

Report on the financial statements

Our opinion

In our opinion, High Wood Health (Hold Co) Limited's company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 March 2016;
- 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.

What we have audited

The financial statements, included within the Group Strategic Report, Report of the Directors and Consolidated Financial Statements for the period 1 March 2015 to 31 March 2016 (the "Annual Report"), comprise:

- Company Statement of Financial Position as at 31 March 2016; 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the Period 1 March 2015 to 31 March 2016 for the financial period for which the financial statements are prepared is consistent with the financial statements.

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 by the company, 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.

Directors' 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement 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.

**Report of the Independent Auditors to the Members of
High Wood Health (Hold Co) Limited**

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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with 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 group'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.


We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Other matter

We have reported separately on the group financial statements of High Wood Health (Hold Co) Limited for the 13 month period ended 31 March 2016.



Jonathan Hook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 8/8/16

High Wood Health (Hold Co) Limited (Registered number: 09047152)

**Consolidated Income Statement
for the Period 1 March 2015 to 31 March 2016**

	Note	Period 1.3.15 to 31.3.16 £'000	Period 19.5.14 to 28.2.15 £'000
TURNOVER	2	85,924	-
Cost of sales		<u>(86,495)</u>	<u>-</u>
GROSS LOSS		(571)	-
OPERATING LOSS/RESULT	5	(571)	-
Interest receivable and similar income		<u>2,148</u>	<u>-</u>
		1,577	-
Interest payable and similar charges	6	<u>(1,576)</u>	<u>-</u>
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		1	-
Tax on result on ordinary activities	7	<u>(1)</u>	<u>-</u>
RESULT FOR THE FINANCIAL PERIOD FOR THE GROUP		<u>-</u>	<u>-</u>
Result attributable to: Owners of the parent		<u>-</u>	<u>-</u>

The notes form part of these financial statements

**Consolidated Other Comprehensive Income
for the Period 1 March 2015 to 31 March 2016**

	Period 1.3.15 to 31.3.16 £'000	Period 19.5.14 to 28.2.15 £'000
RESULT FOR THE PERIOD	-	-
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-

High Wood Health (Hold Co) Limited (Registered number: 09047152)

Consolidated Statement of Financial Position
As at 31 March 2016

	Note	31 st March 2016 £'000	2015 £'000
FIXED ASSETS			
Investments	9	88,616	-
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	1,816	-
Cash in hand		<u>10,744</u>	<u>26</u>
		12,560	26
CREDITORS			
Amounts falling due within one year	11	<u>(10,431)</u>	<u>(26)</u>
NET CURRENT ASSETS		<u>2,129</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		90,745	-
CREDITORS			
Amounts falling due after more than one year	12	<u>(90,694)</u>	<u>-</u>
NET ASSETS		<u>51</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	14	<u>51</u>	<u>-</u>
TOTAL SHAREHOLDERS' FUNDS	17	<u>51</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 8/8/16 and were signed on its behalf by:



K Brown - Director

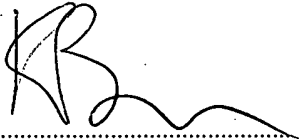
The notes form part of these financial statements

Company Statement of Financial Position
As at 31 March 2016

	Note	31 st March 2016 £'000	2015 £'000
FIXED ASSETS			
Investments	9	51	-
CURRENT ASSETS			
Cash in hand		-	26
CREDITORS			
Amounts falling due within one year	11	-	(26)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>51</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	14	<u>51</u>	<u>-</u>
TOTAL SHAREHOLDERS' FUNDS	17	<u>51</u>	<u>-</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 8/8/16 and were signed on its behalf by:



K Brown - Director

High Wood Health (Hold Co) Limited (Registered number: 09047152)

**Consolidated Statement of Changes in Equity
for the Period 1 March 2015 to 31 March 2016**

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Changes in equity			
Changes in equity			
Issue of share capital	51	-	51
Balance at 31 March 2016	51	-	51

The notes form part of these financial statements

High Wood Health (Hold Co) Limited (Registered number: 09047152)

**Consolidated Statement of Cash Flows
for the Period 1 March 2015 to 31 March 2016**

		Period 1.3.15 to 31.3.16 £'000	Period 19.5.14 to 28.2.15 £'000
	Note		
Cash flows from operating activities			
Cash generated from operations	1	(3,841)	26
Net cash generated from operating activities		<u>(3,841)</u>	<u>26</u>
 Cash flows from investing activities			
Financial asset investment		(78,279)	-
Interest received		<u>2,148</u>	<u>-</u>
Net cash used in investing activities		<u>(76,131)</u>	<u>-</u>
 Cash flows from financing activities			
New loans in year		92,216	-
Share issue		51	-
Interest paid		<u>(1,576)</u>	<u>-</u>
Net cash generated from financing activities		<u>90,691</u>	<u>-</u>
 Increase in cash and cash equivalents		10,719	26
Cash and cash equivalents at beginning of period	2	26	-
 Cash and cash equivalents at end of period	2	<u><u>10,745</u></u>	<u><u>26</u></u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the Period 1 March 2015 to 31 March 2016

1. RECONCILIATION OF RESULT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.3.15 to 31.3.16 £'000	Period 19.5.14 to 28.2.15 £'000
Result before taxation	1	-
Finance income	(2,148)	-
Finance cost	<u>1,576</u>	<u>-</u>
	(571)	-
(Increase)/decrease in trade and other debtors	(1,816)	26
Increase/(decrease) in trade and other creditors	<u>(1,454)</u>	<u>-</u>
Cash generated from operations	<u>(3,841)</u>	<u>26</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 March 2016

	31.3.16 £'000	1.3.15 £'000
Cash and cash equivalents	<u>10,745</u>	<u>26</u>

Period ended 28 February 2015

	28.2.15 £'000	19.5.14 £'000
Cash and cash equivalents	<u>26</u>	<u>-</u>

Notes to the Consolidated Financial Statements
for the Period 1 March 2015 to 31 March 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis, under the historical cost convention.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS102 in these financial statements and the details of the transition are disclosed at the end of the notes to the financial statements.

The group's functional and presentation currency of these financial statements is pounds sterling and all amounts have been rounded to the nearest £1,000, except where otherwise stated.

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the company has not been separately presented in these financial statements. The company's results for the period are £nil.

These financial statements have been prepared for a 13 month period from 1 March 2015 to 31 March 2016. The extended period was adopted in order to include all transactions from financial close date of 11 March 2015, when the group began trading. Prior year comparatives reflect the dormant group before trading commenced.

Turnover

Turnover is recognised at the fair value of work completed in the period, deemed to be cost plus a margin, in accordance with FRS102 schedule 23. Construction income includes the fair value cost of all construction works carried out and certified by subcontractors plus a margin. The income is then adjusted to reflect the rebates payable to the Dumfries and Galloway Health Board under the non-profit distributing model (NPD) (see note 2). Other income includes development costs and overheads recorded at fair value plus a margin.

During the operational phase, income received in respect of the service concession is allocated between the revenue, capital repayment and interest income on the financial asset using the effective interest rate method. Turnover is recognised net of discounts and taxes.

Interest income is recognised using the effective interest rate method.

All turnover takes place in the UK.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Notes to the Consolidated Financial Statements - continued
for the Period 1 March 2015 to 31 March 2016

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial asset - service concessions

High Wood Health (Project Co) Ltd is a special purpose vehicle entity established to provide design, build and maintenance services under certain private finance agreements with Dumfries and Galloway Health Board (the Board). Under the terms of these agreements, the Board (as grantor) controls the services to be provided by High Wood Health (Project Co) Ltd over the contract term as well as holding the asset. The group has classified the project as a service concession arrangement based on the contractual agreements and has accounted for the principal assets of, and income streams from, the project in accordance with FRS102, section 34.12 Service Concession Arrangements.

Under the terms of the arrangement, the group has the right to receive a unitary charge from the Board, and as such the asset created has been accounted for as a financial asset. The financial asset has been recognised at the fair value of the consideration received, based on the fair value of the construction, running and operational costs, in line with FRS102.

The financial assets are classified as basic financial instruments in accordance with FRS102, schedule 11 and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities

All interest bearing loans and borrowings are recognised at amortised cost, using the effective interest rate method. Arrangement and such fees are netted off against the carrying value of the loan facility and amortised over the term of the debt.

Cash and cash equivalents

Cash and cash equivalents in the financial statements comprise of cash at bank.

2. TURNOVER

Turnover in the period is analysed as follows:

	Period 1.3.15 to 31.3.16 £'000	Period 21.5.14 to 28.2.15 £'000
Construction income	81,227	-
Other income	4,697	-
	<u>85,924</u>	<u>-</u>

The company is operating under a non-profit distributing model, as such all surpluses are repaid to the Health Board as a rebate to service income. To reflect these contractual arrangements the company has recorded an adjustment to construction income of (£785k) as to result in a zero profit for the period.

3. STAFF COSTS

There were no staff costs for the period ended 31 March 2016 nor for the period ended 28 February 2015.

The group had no employees for the period (2015: nil).

Notes to the Consolidated Financial Statements - continued
for the Period 1 March 2015 to 31 March 2016

4. **DIRECTORS' EMOLUMENTS**

Directors emoluments of £15k were paid during the period (2015: £nil) in relation to services performed by the B shareholder, payable to the ultimate parent entity rather than the individual director.

5. **OPERATING LOSS/RESULT**

The operating loss/result is stated after charging:

	Period 1.3.15 to 31.3.16 £'000	Period 19.5.14 to 28.2.15 £'000
Audit fees for the group companies	13	-
Non-audit fees for the group companies	4	-
Directors emoluments	15	-

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	Period 1.3.15 to 31.3.16 £'000	Period 19.5.14 to 28.2.15 £'000
Imputed interest payable	1,576	-

7. **TAX ON RESULT ON ORDINARY ACTIVITIES**

	Period 1.3.15 to 31.3.16 £'000	Period 19.5.14 to 28.2.15 £'000
Current tax		
UK corporation tax on profits for the period	1	-
Total current tax	1	-
Total tax per income statement	1	-
The charge for the year can be reconciled to the profit per the income statement as follows:		
Profit for the period – continuing operations	-	-
Result on ordinary activities multiplied by standard rate in the UK 20.05% (2015: 21%)	-	-
Effects of:		
- expenses not deductible	1	-
Tax charge for the period	1	-
Income tax expense reported in the income statement	1	-

Notes to the Consolidated Financial Statements - continued
for the Period 1 March 2015 to 31 March 2016

Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 21% to 20% from 1 April 2015.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £3 (2015 - £0).

9. INVESTMENTS

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Shares in group undertakings	-	-	51	-
Other investments not loans	<u>88,616</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>88,616</u>	<u>-</u>	<u>51</u>	<u>-</u>

Additional information is as follows:

Group

Investments (neither listed nor unlisted) were as follows:

	2016	2015
	£'000	£'000
Financial assets	<u>88,616</u>	<u>-</u>

Company

	Shares in group undertakings £'000
COST	
Additions	<u>51</u>
At 31 March 2016	<u>51</u>
NET BOOK VALUE	
At 31 March 2016	<u>51</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 March 2015 to 31 March 2016

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2016 £'000	2015 £'000
VAT	1,540	-
Prepayments and accrued income	276	-
	<u>1,816</u>	<u>-</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade creditors	10,100	-	-	-
Other creditors	-	26	-	26
Corporation tax	1	-	-	-
Accruals and deferred income	330	-	-	-
	<u>10,431</u>	<u>26</u>	<u>-</u>	<u>26</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2016 £'000	2015 £'000
Bank loans (see note 12)	88,262	-
Retention accrual	1,647	-
Other accruals and deferred income	785	-
	<u>90,694</u>	<u>-</u>

13. LOANS

Maturity of debt	2016 £'000	2015 £'000
Amounts falling due between one and two years:		
Bank loans	4,652	-
Amounts falling due between two and five years:		
Bank loans	24,617	-
Amounts falling due more than five years:		
Bank loans	62,946	-
Unamortised issue costs	(3,953)	-
	<u>58,993</u>	<u>-</u>
Total bank loans	<u>88,262</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 March 2015 to 31 March 2016

During the period £5,529k of issue costs were incurred, of which £1,576k have been amortised in the period.

On 11 March 2015, the group entered into a loan facility agreement with European Investment Bank (EIB) of £108,917,469 at a fixed interest rate of 3.171% due to mature in March 2041. As at 31 March 2016 £46,018,475 has been drawn down and £62,898,994 remains available.

On the same day, the group also entered into an Institutional Investor Note Purchase Agreement with Aviva Annuity UK Ltd of £109,322,784 at a fixed interest rate of 3.769% due to mature in September 2041. As at 31 March 2016 £46,197,707 has been drawn down and £63,125,077 remains available.

All loans are instalment debts, repayable by six monthly instalments starting in September 2017.

The loans are secured by the first fixed charge over all the assets, rights and undertakings of the company.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
51,000	Ordinary	£1	<u>51,001</u>	<u>2</u>

50,999 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

15. RESERVES

Group

	Retained earnings £'000
Result for the period	-
At 31 March 2016	-

Company

	Retained earnings £'000
Result for the period	-
At 31 March 2016	-

Notes to the Consolidated Financial Statements - continued
for the Period 1 March 2015 to 31 March 2016

16. RELATED PARTY TRANSACTIONS

There were related party transactions between the Group and the following parties:

	2016 £'000	2015 £'000
Details of payments made to Laing O'Rourke Plc and subsidiaries are as follows:		
Construction fees	80,160	-
Bid cost recovery	1,909	-
Letter of credit fees	275	-
Other fees and services	44	-
	<u>82,388</u>	<u>-</u>
Balance payable at 31 st March	10,019	-
Details of payments made to Aberdeen Asset Investment (No5) Ltd and subsidiaries are as follows:		
Bid cost recovery	400	-
Letter of credit fees	344	-
	<u>744</u>	<u>-</u>
Balance payable at 31 st March	69	-

17. ULTIMATE CONTROLLING PARTY

The ultimate parent undertakings and controlling parties are a joint venture of Laing O'Rourke plc (50%) and Aberdeen Asset Investment (No5) Ltd (50%). There is no overall parent company nor an overall controlling party in this joint venture.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2016 £'000	2015 £'000
Result for the financial period	-	-
New share capital subscribed	<u>51</u>	<u>-</u>
Net addition to shareholders' funds	51	-
Opening shareholders' funds	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>51</u>	<u>-</u>
Company	2016 £'000	2015 £'000
Result for the financial period	-	-
Opening shareholders' funds	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>51</u>	<u>-</u>