

Robertson Health (Gartnavel) Limited

Directors' report and financial statements

Registered number SC271565

31 March 2007

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Directors and advisors

Directors

WG Robertson
JDG Perks
AP Fordyce
I Wong

Registered Office

10 Perimeter Road
Pinefield Industrial Estate
Elgin
Moray
IV30 6AE

Company Secretary

PK Johnstone

Registered Auditors

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Solicitors

Maclay Murray & Spens
3 Glenfinlas Street
Edinburgh
EH3 6AQ

Bankers

Bank of Scotland
11 Earl Grey Street
Edinburgh
EH3 9BN

Directors' report

The directors present their report and the financial statements for the year ended 31 March 2007

Principal activities

The principal activities of the company are the development of the site of Gartnavel Hospital and the provision of services through an agreement with Greater Glasgow Health Board. The agreement was entered into under the Government's Private Finance Initiative Scheme.

Business review

Robertson Health (Gartnavel) Limited is a special purpose company established by Robertson Capital Projects Limited and Uberior Infrastructure Investments Limited. On 25 November 2005 the company entered into a contract with Greater Glasgow Health Board to develop the site of Gartnavel Hospital including the provision of facilities management services.

During the year the company commenced the construction phase of the project. The results for the year are set out in the profit and loss account on page 5. The profit for the year is £nil.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. The retained profit for the year is £nil.

Directors

The directors who held office during the year are set out below.

WG Robertson

JDG Perks

AP Fordyce

I Wong

Appointed 12 March 2007

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to a shareholders' resolution the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board



PK Johnstone
Secretary

25 / 11 / 2008 Stirling

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments and 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, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Independent auditors' report to the members of Robertson Health (Gartnavel) Limited

We have audited the financial statements of Robertson Health (Gartnavel) Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
25 January 2008

Saltire Court
20 Castle Terrace
Edinburgh

Profit and loss account
for the year ended 31 March 2007

Note

		2007 £	2006 £
Turnover		13,623,516	4,439,908
Operating expenses	2	(13,629,347)	(4,445,933)
Operating loss		(5,831)	(6,025)
Interest receivable and similar income	5	5,831	6,025
Result on ordinary activities before taxation	3		
Tax on result on ordinary activities	6		
Result for the financial year	12		

The result for the year has been derived from continuing activities

The company has no recognised gains or losses for the financial year other than those reported above

Balance sheet
at 31 March 2007

	<i>Note</i>	2007 £	2006 £
Current assets			
Debtors due within one year	7	542,074	207,451
Debtors due after more than one year	7	17,906,295	4,439,908
Cash at bank and in hand		26,759	210,914
		<hr/>	<hr/>
		18,475,128	4,858,273
Creditors, amounts falling due within one year	8	(1,274,385)	(896,697)
		<hr/>	<hr/>
Net current assets		17,200,743	3,961,576
Creditors: amounts falling due after more than one year	9	(16,998,743)	(3,759,576)
		<hr/>	<hr/>
Net assets		202,000	202,000
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	2,020	2,020
Share premium account	11	199,980	199,980
Profit and loss account	12		
		<hr/>	<hr/>
Shareholders' funds	13	202,000	202,000
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 25/11 2008 and were signed on its behalf by

Alan Fordyce

A Fordyce
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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 preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

Cash flow statement

The company is exempt from the requirements of Financial Reporting Standard number 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under section 246 to 249 of the Companies Act 1985

Turnover

Turnover represents the value of work done and services rendered, excluding sales and related taxes

Amounts recoverable under contracts

Costs incurred in the construction of the hospital have been accounted for under Financial Reporting Standard ('FRS') 5 Application Note F. Applying the guidance within the Application Note indicates that the project's principal agreements transfer substantially all the risks and rewards of ownership to the Greater Glasgow Health Board. As such, all construction costs incurred on the project, including interest on finance up to the date of commission and incidental costs are recorded as construction work in progress during the construction phase of the project. Costs are recognised as cost of sales to the extent that they relate to the value of work done in respect of turnover recognised.

On completion of the construction phase the resultant contract receivable debtor will be reclassified as a finance debtor.

Financial instruments

The company is party to a derivative interest rate swap agreement, which has been issued to manage exposures to fluctuations in interest rates.

Finance costs in accordance with FRS4 are charged to the profit and loss account over the life of the loan once the project reaches an operational phase.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Operating expenses

	2007 £	2006 £
Materials, site and production costs	13,603,646	4,432,621
Other operating expenses	25,701	13,312
	<u>13,629,347</u>	<u>4,445,933</u>

3 Result on ordinary activities before taxation

	2007 £	2006 £
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration		
Audit of these financial statements	3,240	3,000
Audit of parent company financial statements pursuant to legislation	1,000	1,000
Other services relating to taxation	3,000	3,000
	<u>7,240</u>	<u>7,000</u>

4 Directors' and employees' remuneration

The directors received no emoluments from the company during the year. The company has no employees.

Robertson Capital Projects Limited received fees of £9,306 (2006 £3,156) from the company during the year in respect of the services of WG Robertson and A Fordyce as directors.

Bank of Scotland received fees of £9,305 (2006 £3,156) from the company during the year in respect of the services of JDG Perks and I Wong as directors.

5 Interest receivable and similar income

	2007 £	2006 £
Bank interest receivable	<u>5,831</u>	<u>6,025</u>

Notes (continued)

6 Taxation

	2007 £	2006 £
Analysis of charge in year		
UK corporation tax		
Tax on result on ordinary activities		

Factors affecting the tax charge for the current year

The current tax charge for the year is the same as (2006 the same as) the standard rate of corporation tax in the UK (30%), (2006 30%)

7 Debtors

	2007 £	2006 £
<i>Amounts falling due within one year</i>		
Amount recoverable on contracts	157,130	
Prepayments and accrued income	37,762	111,117
VAT	347,182	96,334
	<u>542,074</u>	<u>207,451</u>
<i>Amounts falling due after more than one year</i>		
Amounts recoverable on contracts	17,906,295	4,439,908

Amounts recoverable on contracts include interest of £699,121 (2006 £95,955) and represent payments due from Greater Glasgow Health Board in respect of the project agreement. These payments are recoverable over the remaining life of the agreement starting from the date of operation.

8 Creditors: amounts falling due within one year

	2007 £	2006 £
Senior debt (note 9)	58,630	
Trade creditors	734,338	769,738
Accruals and deferred income	48,496	43,555
Other creditors	432,921	83,404
	<u>1,274,385</u>	<u>896,697</u>

Notes (continued)

9 Creditors amounts falling due after more than one year

	2007 £	2006 £
Senior debt (secured)	15,263,923	2,265,013
Subordinated debt	1,734,820	1,494,563
	<u>16,998,743</u>	<u>3,759,576</u>

The senior debt due to the Bank of Scotland is secured by a bond and floating charge over the assets and undertakings of the company and by a guarantee supported by a bond and floating charge over the assets and undertakings of its parent company. The loan bears interest at 5.67% per annum under a swap agreement entered into by the company. The swap rate is fixed for the duration of the term loan. The term loan is repayable in quarterly instalments which commence 15 January 2008. The final repayment is due 15 July 2035.

Subordinated debt provided by Robertson Health (Gartnavel) Holdings Limited bears interest at 15% per annum and is repayable in 2035.

	2007 £	2006 £
Debt can be analysed as falling due		
In one year or less, or on demand	58,630	
Between one and two years	107,739	58,630
Between two and five years	500,244	398,263
In five years or more	16,578,760	3,490,683
Finance cost	(188,000)	(188,000)
	<u>17,057,373</u>	<u>3,759,576</u>

10 Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
202,000 Ordinary shares of £0.01 each	2,020	2,020
	<u>2,020</u>	<u>2,020</u>
	2007 £	2006 £
<i>Allotted, called up and fully paid</i>		
202,000 Ordinary shares of £0.01 each	2,020	2,020
	<u>2,020</u>	<u>2,020</u>

Notes (continued)

11 Share premium account

	2007 £
At beginning and end of year	199,980

12 Profit and loss account

	£
At beginning of year	
Profit for the year	
At end of year	

13 Reconciliation of movements in shareholders' funds

	2007 £
Result for the financial year being net addition to shareholders' funds	
Opening shareholders' funds	202,000
Closing shareholders' funds	202,000

14 Commitments

At 31 March 2007 the company had authorised and contracted capital commitments of £1,568,593

15 Related party disclosures

The main construction contract for the project was placed with Robertson Construction (Central) Limited, whose ultimate holding company is Robertson Group Limited. Robertson Group Limited is a 95% shareholder in Robertson Capital Projects Limited, a 70% shareholder in the company's ultimate holding company, Robertson Health (Gartnavel) Holdings Limited.

Notes (continued)

15 Related party disclosures

During the year the company incurred the following expenditure with the following related parties. The amounts receivable and payable outstanding at the end of the year are also set out below.

Related Party	Relationship	Class of Transaction	2007 Expenditure £	2006 Expenditure £	2007 Creditor £	2006 Creditor £
Uberior Infrastructure Investments Ltd	30% shareholders of Robertson Health (Gartnavel) Holdings Ltd	Financial Advisory Work	(96,104)	(438,434)	(15,846,617)	(2,760,701)
Robertson Capital Projects Limited	70% shareholders of Robertson Health (Gartnavel) Holdings Limited	Construction/Management Services	(12,686,429)	(3,273,238)	(2,394,224)	(1,742,331)

During the year the company paid interest of £ 240,257 (2006 £75,563) to Robertson Health (Gartnavel) Holdings Limited, the immediate parent company.

16 Ultimate parent company

The company's ultimate holding company is Robertson Health (Gartnavel) Holdings Limited, a company incorporated in Scotland. The accounts of Robertson Health (Gartnavel) Holdings Limited can be obtained from Companies House.