

**Robertson Health (Gartnavel) Limited**

**Directors' report and financial statements**

**Registered number SC271565**

**31 March 2011**

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## **Directors and advisors**

### **Directors**

WG Robertson  
JDG Perks  
AP Fordyce  
B Balfour

### **Registered Office**

10 Perimeter Road  
Pinefield Industrial Estate  
Elgin  
Moray  
IV30 6AE

### **Company Secretary**

PK Johnstone

### **Registered Auditor**

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

### **Solicitors**

Maclay Murray & Spens LLP  
1 George Square  
Glasgow  
G2 1AL

### **Bankers**

Bank of Scotland Plc  
New Uberior House  
11 Earl Grey Street  
Edinburgh  
EH3 9BN

## Directors' report

The directors present their report and the financial statements for the year ended 31 March 2011.

### 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 design, build, finance and operate Gartnavel Royal Hospital. The hospital is operational and the company provides facilities management services.

The profit for the year is set out in the profit and loss account on page 5. The profit for the year after providing for taxation is £98,217 (2010: profit £83,736).

### Dividend

The dividend paid in the year is £nil (2010: £301,000)

### Directors

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

WG Robertson  
JDG Perks  
AP Fordyce  
B Balfour

### Disclosure of information to auditor

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 Section 487 of the companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



PK Johnstone  
Secretary

12th September 2011

## **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).

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 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 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 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

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

## **Independent auditor's 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 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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.

**Hugh Harvie, (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

16 September 2011

**Profit and loss account**  
*for the year ended 31 March 2011*

	<i>Note</i>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Turnover</b>	<b>2</b>	<b>952,905</b>	<b>867,275</b>
Operating expenses	3	(595,006)	(520,721)
<b>Operating profit</b>		<b>357,899</b>	<b>346,554</b>
Interest receivable and similar income	6	1,095,829	1,096,221
Interest payable and similar charges	7	(1,317,315)	(1,326,475)
<b>Profit on ordinary activities before taxation</b>	<b>4</b>	<b>136,413</b>	<b>116,300</b>
Tax on profit on ordinary activities	8	(38,196)	(32,564)
<b>Profit for the financial year</b>	<b>14</b>	<b>98,217</b>	<b>83,736</b>

The profit for the year has been derived from continuing activities.

The company has no recognised gains or losses for the current or previous financial years other than those reported above.

**Balance sheet**  
**at 31 March 2011**

	Note	2011 £	2010 £
<b>Current assets</b>			
Debtors : due within one year	9	779,020	616,993
Debtors : due after more than one year	9	18,977,507	19,310,030
<b>Total debtors</b>		<b>19,756,527</b>	<b>19,927,023</b>
Cash at bank and in hand		1,362,009	984,034
		<b>21,118,536</b>	<b>20,911,057</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,137,048)</b>	<b>(844,272)</b>
<b>Net current assets</b>		<b>19,981,488</b>	<b>20,066,785</b>
<b>Creditors: amounts falling due after more than one year</b>	11	<b>(19,638,535)</b>	<b>(19,822,049)</b>
<b>Net assets</b>		<b>342,953</b>	<b>244,736</b>
<b>Capital and reserves</b>			
Called up share capital	12	2,020	2,020
Share premium account	13	199,980	199,980
Profit and loss account	14	140,953	42,736
<b>Shareholders' funds</b>	15	<b>342,953</b>	<b>244,736</b>

These financial statements were approved by the board of directors on 12th September 2011 and were signed on its behalf by:

*Alan Fordyce*

**A P 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.

#### ***Going concern***

The directors have prepared cash flow forecasts for the company for the entire Private Finance Initiative contract which covers a period of at least twelve months from the date of approval of these financial statements. These cash flow forecasts indicate that the company will generate a cash surplus and will be able to meet its liabilities as they fall due and accordingly the directors have prepared the financial statements on the going concern basis.

#### ***Cash flow statement***

The company is exempt from the requirements of Financial Reporting Standard number 1 to prepare a cash flow statement on the grounds of its size.

#### ***Turnover***

Turnover represents the value of work done and services rendered, excluding VAT.

#### ***Amounts recoverable under contracts/finance debtor***

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 were 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 was reclassified as a finance debtor. Fees are allocated between turnover and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract.

#### ***Financial instruments***

The company is party to a derivative interest rate swap agreement, which has been entered into by the company.

Finance costs in accordance with FRS4 are charged to the profit and loss account over the life of the loan.

#### ***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 Turnover**

	2011 £	2010 £
Services fees	952,905	851,606
Other income	-	15,669
	<u>952,905</u>	<u>867,275</u>

**3 Operating expenses**

	2011 £	2010 £
Other operating expenses	564,581	506,349
Management fees	30,425	29,240
	<u>595,006</u>	<u>535,589</u>

**4 Profit on ordinary activities before taxation**

	2011 £	2010 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration:		
Audit of these financial statements	3,495	3,495
Audit of parent company financial statements pursuant to legislation	1,000	1,000
Other services relating to taxation	2,925	2,925
	<u>7,420</u>	<u>7,420</u>

**5 Remuneration of directors**

The directors received no emoluments from the company during the year. There are no employees of the company.

Elgin Infrastructure Limited received fees of £10,531 (2010: £5,042) from the company during the year in respect of the services of WG Robertson and A Fordyce as directors.

BOS Infrastructure (No.3) Limited received fees of £10,531 (2010: £10,084) from the company during the year in respect of the services of JDG Perks and B Balfour as directors.

## Notes (continued)

### 6 Interest receivable and similar income

	2011 £	2010 £
Bank interest receivable	2,916	3,098
Interest receivable on finance debtor	1,092,913	1,093,123
	<u>1,095,829</u>	<u>1,096,221</u>

### 7 Interest payable and similar charges

	2011 £	2010 £
Senior debt	1,021,569	1,030,729
Subordinated debt – to parent company	280,878	280,878
Amortisation of finance costs in accordance with FRS 4	14,868	14,868
	<u>1,317,315</u>	<u>1,326,475</u>

### 8 Taxation

	2011 £	2010 £
<i>UK corporation tax</i>		
Current tax on income for year	38,196	32,564
	<u>38,196</u>	<u>32,564</u>
Tax on profit on ordinary activities		
	<u>38,196</u>	<u>32,564</u>

#### *Factors affecting the tax charge for the current year*

The current tax charge for the year (*and previous year*) is the same as the standard rate of corporation tax in the UK 28%, (2010: 28%).

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	136,413	116,300
	<u>136,413</u>	<u>116,300</u>
Corporation tax at 28% (2010: 28%)	38,196	32,564
	<u>38,196</u>	<u>32,564</u>

## Notes (continued)

### 9 Debtors

	2011 £	2010 £
<i>Amounts falling due within one year</i>		
Finance debtor	332,523	314,644
Prepayments and accrued income	5,876	23,450
Other debtors	440,621	278,899
	<u>779,020</u>	<u>616,993</u>
<i>Amounts falling due after more than one year</i>		
Finance debtor	18,977,507	19,310,030
	<u>18,977,507</u>	<u>19,310,030</u>
	2011 £	2010 £
<i>Finance debtor</i>		
At beginning of year	19,624,669	19,866,361
Additions	-	51,600
Repayments	(314,634)	(293,292)
	<u>19,310,035</u>	<u>19,624,669</u>
<b>At end of year</b>	<b>19,310,035</b>	<b>19,624,669</b>

The finance debtor represents payments due from Greater Glasgow Health Board in respect of the Project Agreement. These payments are received over the remaining life of the agreement.

### 10 Creditors: amounts falling due within one year

	2011 £	2010 £
Senior debt (note 11)	198,783	145,612
Trade creditors	68,823	46,669
Accruals and deferred income	742,020	574,141
Other creditors	111,683	51,276
Corporation tax	15,739	26,574
	<u>1,137,048</u>	<u>844,272</u>

### 11 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Senior debt (secured)	17,766,017	17,949,531
Subordinated debt due to parent company	1,872,518	1,872,518
	<u>19,638,535</u>	<u>19,822,049</u>

## Notes (continued)

### 11 Creditors: amounts falling due after more than one year (continued)

The senior debt due to the Bank of Scotland Plc 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 5.62% 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 commenced 15 January 2008. The final repayment is due 15 July 2035. Senior debt is stated net of finance costs of £401,634 (2010: £416,502).

Subordinated debt provided by Robertson Health (Gartnavel) Holdings Limited bears interest at 15% per annum and is repayable in 2035. Accrued interest of £57,715 is included in accruals due within one year.

	2011 £	2010 £
Debt can be analysed as falling due:		
In one year or less, or on demand	198,783	145,612
Between one and two years	242,561	198,783
Between two and five years	732,943	732,191
In five years or more	19,064,665	19,307,577
Finance costs	(401,634)	(416,502)
	<hr/>	<hr/>
	19,837,318	19,967,661
	<hr/>	<hr/>

### 12 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
202,000 Ordinary shares of £0.01 each	2,020	2,020
	<hr/>	<hr/>

### 13 Share premium account

	2011 £	2010 £
At beginning and end of year	199,980	199,980
	<hr/>	<hr/>

### 14 Profit and loss account

	£
At beginning of year	42,736
Profit for the year	98,217
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At end of year	140,953
	<hr/>

## Notes (continued)

### 15 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
<b>Profit for the financial year</b>	<b>98,217</b>	83,736
Dividend paid during the year	-	(301,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	<b>98,217</b>	(217,264)
Opening shareholders' funds	<b>244,736</b>	462,000
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>342,953</b>	244,736
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### 16 Commitments

At 31 March 2011 the company had no authorised and contracted capital commitments (2010: £10,000 (retention)).

### 17 Related party disclosures

Robertson Group Limited is a 95% shareholder in Robertson Capital Projects Limited who owns 50.1% in Elgin Infrastructure Limited, a 70% shareholder in the company's immediate holding company, Robertson Health (Gartnavel) Holdings Limited.

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

Related party	Relationship	Class of transaction	2011 Expenditure £	2010 Expenditure £	2011 Creditor £	2010 Creditor £
BOS Infrastructure (No.3) Limited	30% shareholder in Robertson Health (Gartnavel) Holdings Limited	Directors' fees	10,531	10,084	-	2,522
Bank of Scotland Plc	32.4% effective shareholding in BOS Infrastructure (No.3) Limited	Senior Debt Provider	1,063,016	1,075,593	18,579,611	18,708,352
Robertson Capital Projects Limited	50.1% shareholder in Elgin Infrastructure Limited, a 70% shareholder in Robertson Health (Gartnavel) Holdings Limited	Management fees	31,925	34,282	-	-
Elgin Infrastructure Ltd	70% shareholder of Robertson Health (Gartnavel) Holdings Limited	Directors' fees	10,531	5,044	-	-
Robertson Facilities Management Limited	Fellow subsidiary of Robertson Group Limited	FM Services	325,183	251,581	86,059	20,965

## Notes *(continued)*

### **17 Related party disclosures *(continued)***

During the year the company paid interest of £280,878 (2010: £280,878) to Robertson Health (Gartnavel) Holdings Limited, its immediate parent company. Subordinated debt due to parent company is disclosed in note 11.

### **18 Immediate ultimate holding company**

The immediate holding company is Robertson Health (Gartnavel) Holdings Limited, a company incorporated in Scotland. This company's accounts can be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

At the year end Robertson Health (Gartnavel) Holdings Limited is owned 70% by Elgin Infrastructure Limited, which is a joint venture between Robertson Capital Projects Limited and 3i Infrastructure Plc, and 30% by BOS Infrastructure (No.3) Limited, which is part of Lloyds Banking Group Plc.