

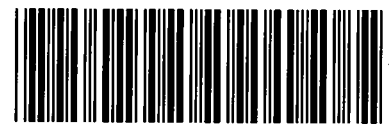
Registered number: SC400342

# **ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	Mark Baxter Andrew Bruce Gerald Donald Hugh Murdoch Gavin MacKinlay Paul McGirk
<b>Registered number</b>	SC400342
<b>Registered office</b>	11 Thistle Place Aberdeen AB10 1UZ
<b>Independent auditor</b>	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
<b>Solicitors</b>	Harper MacLeod LLP 8 Melville Street Edinburgh EH3 7N3

**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

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# **ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

### **Business review**

The directors have considered the performance of the company during the year and the financial position at the end of the year and believe its prospects for the future to be satisfactory and consistent with expectations.

### **Principal risks and uncertainties**

The directors consider the principal risks and uncertainties to be as follows:

- Ability to meet loan covenants to be able to pay senior and sub debt repayments. This risk is mitigated by regular operational reporting at board level and for the senior debt provider.
- Underperformance of the maintenance of the building. Regular lifecycle reviews are required for the board and the senior debt provider, which ensure that the assets are managed appropriately and any issues identified early.
- Insolvency of key supply chain members. Significant reliance is placed on the supply chain members. The financial status of such companies is reviewed and provisions are put in place within the agreements to cover the risks against poor performance and management.
- Variable economic and market conditions. The level of income is relatively stable as most revenue is due under long term contract from NHS Grampian, subject to satisfactory performance. Most operating costs are fixed through agreed contracts with suppliers and most financing costs are fixed through long term agreement with financiers.

Overall, the company's business risks are managed under the processes set out in the On-going and Project method statements of the company's parent, hub North Scotland Limited.

### **Financial key performance indicators**

The company's financial performance is monitored across the life of the project. The key indicators that the company is performing as planned are the loan covenant ratios and shareholder internal rate of return.

### **Other key performance indicators**

KPI's are used to provide information on project performance, so that any underperformance can be promptly identified and addressed. These are focused around health and safety, value for money and quality. KPI's are reported and monitored at the hub North Scotland group level. It is the intention of the company to continually improve the reporting and use of such KPI's.

This report was approved by the board on

  
**Andrew Bruce**  
Director

1/5/15

and signed on its behalf.

**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

**Principal activities**

The principal activity of the company is the design, build and maintenance of the Aberdeen Community Health Care Village.

**Results**

The profit for the year, after taxation, amounted to £5,324 (2013 - £35,600).

**Directors**

The directors who served during the year were:

Mark Baxter (resigned 31 January 2014 and reappointed 25 September 2014)  
Andrew Bruce  
Martin Cooper (appointed 31 January 2014 and resigned 25 September 2014)  
Hugh Crossley (appointed 21 January 2014 and resigned 25 September 2014)  
Tom De La Motte (appointed 03 August 2014 and resigned 25 September 2014)  
Gerald Donald  
Michael Felton (resigned 21 January 2014)  
Hugh Murdoch  
Gavin MacKinlay (appointed 25 September 2014)  
Paul McGirk (appointed 25 September 2014)

**Provision of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board on

and signed on its behalf.



**Andrew Bruce**  
Director

1/5/15

## **ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

## **ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

We have audited the financial statements of Aberdeen Community Health Care Village Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

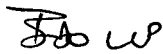
**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**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 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.



**Alastair Rae** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Edinburgh  
United Kingdom

*15 May 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>TURNOVER</b>	<b>1</b>	<b>498,490</b>	<b>11,598,477</b>
Cost of sales		<b>(402,718)</b>	<b>(11,540,646)</b>
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>95,772</b>	<b>57,831</b>
Administrative expenses		<b>(104,263)</b>	<b>(24,988)</b>
		<hr/>	<hr/>
<b>OPERATING (LOSS)/PROFIT</b>	<b>2</b>	<b>(8,491)</b>	<b>32,843</b>
Interest receivable and similar income	<b>4</b>	<b>983,318</b>	<b>96,481</b>
Interest payable and similar charges	<b>5</b>	<b>(969,503)</b>	<b>(93,724)</b>
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>5,324</b>	<b>35,600</b>
Tax on profit on ordinary activities	<b>6</b>	<b>-</b>	<b>-</b>
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>11</b>	<b>5,324</b>	<b>35,600</b>
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**  
**REGISTERED NUMBER: SC400342**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due after more than one year	7	17,419,487		17,769,981	
Debtors: amounts falling due within one year	7	581,613		619,475	
Cash at bank		631,441		384,445	
		<u>18,632,541</u>		<u>18,773,901</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(1,127,389)</u>		<u>(813,075)</u>	
<b>NET CURRENT ASSETS</b>			<u>17,505,152</u>		<u>17,960,826</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>17,505,152</u>		<u>17,960,826</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9		<u>(17,470,936)</u>		<u>(17,931,934)</u>
<b>NET ASSETS</b>			<u>34,216</u>		<u>28,892</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		1,000		1,000
Profit and loss account	11		33,216		27,892
<b>SHAREHOLDERS' FUNDS</b>	12		<u>34,216</u>		<u>28,892</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 11/5/15  
**Andrew Bruce**  
 Director

The notes on pages 8 to 12 form part of these financial statements.

## **ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

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

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

The financial statements have been prepared on the going concern basis. The financial projections indicate that sufficient funds will be generated to allow ongoing obligations to be met as they fall due and the directors are therefore satisfied that the going concern basis is appropriate. The directors have considered a period of at least 12 months from the date of approval of the financial statements.

##### **1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### **1.4 Turnover**

Turnover represents the value of work done and services rendered and is recognised when earned. It arises entirely in the UK and excludes Value Added Tax. Turnover also includes the recharge of certain costs passed on to the local authority.

##### **1.5 Amounts recoverable on contracts**

During the construction phase of the project SSAP 9 "Stocks and Long Term Contracts" principles have been applied. All construction costs incurred, including directly attributable finance costs, are shown as amounts recoverable on contracts.

Amounts recoverable on contracts are valued at the lower of cost and net realisable value. Costs include overheads appropriate to the stage of construction. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion. Finance costs have been capitalised to the extent that they relate to the construction period.

In accordance with Financial Reporting Standards (FRS5) Application Note F, the costs at the end of the construction phase are recorded as a finance debtor on the balance sheet.

**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - audit services	<b>5,005</b>	4,425
Auditor's remuneration - non-audit services	<b>620</b>	775
	<u><b>5,625</b></u>	<u>5,200</u>

**3. STAFF COSTS**

The company has no employees other than the directors, who did not receive any remuneration (2013: £Nil).

**4. INTEREST RECEIVABLE**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Finance lease interest receivable	<b>983,318</b>	96,481
	<u><b>983,318</b></u>	<u>96,481</u>

**5. INTEREST PAYABLE**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Interest on senior debt loan	<b>788,825</b>	76,292
Interest on subordinated loans	<b>180,678</b>	17,432
	<u><b>969,503</b></u>	<u>93,724</u>

Interest of £151,648 (2013 - £93,724) was paid during the year, to both Cyril Sweett Group plc and Galliford Try Holdings Limited, on the subordinated loans provided by those entities.

**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. TAXATION**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>5,324</u>	<u>35,600</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	1,144	8,277
<b>Effects of:</b>		
Tax losses (utilised)	-	(1,792)
Losses surrendered by group companies for nil consideration	(1,144)	(6,485)
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

There were no other factors that may affect future tax charges.

**7. DEBTORS**

	2014 £	2013 £
<b>Due after more than one year</b>		
Finance lease debtor	<u>17,419,487</u>	<u>17,769,981</u>
<b>Due within one year</b>		
Trade debtors	49,259	-
Finance lease debtor	335,355	373,646
Other debtors	-	48,857
Prepayments and accrued income	196,999	196,972
	<u>581,613</u>	<u>619,475</u>

**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**8. CREDITORS:**  
**Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Senior debt loan	<b>453,898</b>	521,487
Subordinated loans	<b>27,900</b>	20,800
Trade creditors	<b>53,464</b>	38,987
Other taxation and social security	<b>83,791</b>	-
Other creditors	<b>106,206</b>	1,430
Accruals and deferred income	<b>402,130</b>	230,371
	<b><u>1,127,389</u></b>	<b><u>813,075</u></b>

**9. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Senior debt loan	<b>15,713,771</b>	16,167,669
Subordinated loans	<b>1,757,165</b>	1,764,265
	<b><u>17,470,936</u></b>	<b><u>17,931,934</u></b>

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Repayable by instalments	<b><u>15,974,195</u></b>	<b><u>16,308,333</u></b>

The senior debt loan represents a loan from Aviva Public Private Finance Limited which is secured over the share capital of the company. The total loan facility is for £16,900,000.

The subordinated loans represent loans from entites in the same corporate groups as the joint controlling parties and shareholders of the immediate parent. The loans are repayable in half yearly instalments commencing in March 2014 with the final repayment due in March 2039. The loans are unsecured and bear interest at a rate of 10.2%.

**10. SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted and called up</b>		
1,000 Ordinary shares of £1 each	<b><u>1,000</u></b>	<b><u>1,000</u></b>

**ABERDEEN COMMUNITY HEALTH CARE VILLAGE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2014	<b>27,892</b>
Profit for the year	<b>5,324</b>
	<hr/>
At 31 December 2014	<b>33,216</b>
	<hr/>

**12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2014 £</b>	<b>2013 £</b>
Opening shareholders' funds/(deficit)	<b>28,892</b>	<b>(6,708)</b>
Profit for the financial year	<b>5,324</b>	<b>35,600</b>
	<hr/>	<hr/>
Closing shareholders' funds	<b>34,216</b>	<b>28,892</b>
	<hr/>	<hr/>

**13. RELATED PARTY TRANSACTIONS**

The company has taken advantage of FRS 8 and chosen not to disclose related party transactions with other members of the consolidated group.

During the year, an amount of £100,645 (2013: £87,807) was invoiced by ACP: North Hub Limited, a shareholder of hub North Scotland Limited, the immediate parent company, in respect of services provided. £5,453 (2013: £Nil) was outstanding at the year end.

During the year, Galliford Try Construction (UK) Limited, an entity in the same corporate group as Galliford Try (North Hub) Investments Limited, a shareholder in ACP: North Hub Limited, invoiced an amount of £167,732 (2013: £12,503,712) in respect of construction services provided during the year. £20,074 (2013: £124,602) was outstanding at the year end and is included in trade debtors.

During the year, an amount of £4,130 (2013: £50,876) was invoiced by Sweett (UK) Limited, an entity in the same corporate group as Sweett Investments Limited, a shareholder in ACP: North Hub Limited, in respect of services provided. £Nil (2013: £13,327) was outstanding at the year end and is included in trade creditors.

At the year end subordinated loans totalling £1,785,065 (2013: £1,768,065) had been provided by entities in the same corporate groups as the shareholders of ACP: North Hub Limited (Galliford Try (North Hub) Investments Limited and Sweett Investments Limited) and shareholders of hub North Scotland Limited (Scottish Futures Trust Investments Limited and Grampian Health Board). The total subordinated loans included rolled up interest of £242,178 (2013: £194,802).

**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is hub North Scotland Limited. The consolidated financial statements of hub North Scotland Limited are available at Companies House, Edinburgh. The directors do not consider that there is an ultimate controlling party.