

Company Registration No. SC248921 (Scotland)

AYRSHIRE HOSPITALS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2007

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AYRSHIRE HOSPITALS LIMITED

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AYRSHIRE HOSPITALS LIMITED

INDEPENDENT AUDITORS' REPORT TO AYRSHIRE HOSPITALS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Ayrshire Hospitals Limited for the year ended 31 August 2007 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Wylie & Bisset LLP

Wylie & Bisset LLP

12 May 2009

**Chartered Accountants
Registered Auditor**

168 Bath Street
Glasgow
G2 4TP

AYRSHIRE HOSPITALS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 AUGUST 2007

	Notes	2007 £	£	2006 £	£
Current assets					
Debtors	2	18,687,094		18,867,313	
Cash at bank and in hand		<u>1,425,517</u>		<u>1,351,542</u>	
		20,112,611		20,218,855	
Creditors: amounts falling due within one year	3	<u>(1,169,188)</u>		<u>(18,755,085)</u>	
Total assets less current liabilities		18,943,423		1,463,770	
Creditors: amounts falling due after more than one year		(19,112,949)		(1,554,920)	
		<u>(169,526)</u>		<u>(91,150)</u>	
Capital and reserves					
Called up share capital	4	2,000		2,000	
Profit and loss account		<u>(171,526)</u>		<u>(93,150)</u>	
Shareholders' funds		<u>(169,526)</u>		<u>(91,150)</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and authorised for issue on 12 May 2009

James Muir
Director

AYRSHIRE HOSPITALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The nature of the company's business is such that there is considerable variation in the timing of cash inflows. The directors have prepared projected cash flow information for the period covering the life of the PFI project. On the basis of this cash flow information, the directors consider that the company will continue to operate within the current bank facility and that it is appropriate to prepare the financial statements on the going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.4 Financial instruments

The company is party to a derivative interest swap agreement, which is used to manage exposures to fluctuations in interest rates.

Finance costs during the construction period of the project are accounted for under SSAP 9 and debited to work in progress. On completion of the project finance costs have been accounted for under Financial Reporting Standard 4, and are charged to the profit and loss account over the lives of the relevant loans.

1.5 Finance Debtor

On completion of the project total costs incurred have been accounted for under Financial Reporting Standard 5, Application Note F. As such the total costs incurred on the project have been treated as a finance debtor, on the basis that the project's principal agreement transfers substantially all the risks and rewards of ownership of the asset to the customer.

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

2 Debtors

Debtors include an amount of £18,014,709 (2006 - £18,125,859) which is due after more than one year.

3 Creditors: amounts falling due within one year

The bank loan is repayable on demand and is secured by a floating charge and standard security over the assets of the company.

Bank loans bear interest based on LIBOR. As part of its interest rate management strategy the company entered an interest rate swap agreement in respect of the debt maturing in September 2033. Under this swap the company pays interest at a fixed rate of 5.285%.

AYRSHIRE HOSPITALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

4	Share capital	2007	2006
		£	£
	Authorised		
	2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
	Allotted, called up and fully paid		
	2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

5 Post balance sheet events

On 9th December 2008, George Street Capital Limited entered into a Share Purchase Agreement with Dawn Construction Limited to purchase that company's entire interest (32.5%) in Ayrshire Hospitals Limited.

On 9th December 2008, George Street Capital Limited entered into a Share Purchase Agreement with FES Limited to acquire 100% of the share capital of FES (Scotland) Limited, and as a result became the ultimate owner of FES (Scotland) Limited's entire interest (10%) in Ayrshire Hospitals Limited.

On 9th December 2008, George Street Capital Limited entered into an Assignment Agreement with the Partners of Pacific Partners LPP to acquire the whole interest in Pacific Partners LLP. As a result of that transaction, George Street Capital Limited became the main partner in Pacific Partners LLP, and became the ultimate owner of Pacific Partners LLP's entire interest (57.5%) in Ayrshire Hospitals Limited.

With effect from 9th December 2008, George Street Capital Limited, either directly or through ultimate ownership, became the sole owner of the entire share capital of Ayrshire Hospitals Limited.