

Company Registration No. SC248921 (Scotland)

AYRSHIRE HOSPITALS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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AYRSHIRE HOSPITALS LIMITED

COMPANY INFORMATION

Directors	James Muir Walter Dunlop
Secretary	James Muir
Company number	SC248921
Registered office	168 Bath Street Glasgow G2 4TP
Auditors	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	Allied Irish Bank 227 West George Street Glasgow G2 2ND
Solicitors	Semple Fraser 130 St Vincent Street Glasgow G2 5HF

AYRSHIRE HOSPITALS LIMITED

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AYRSHIRE HOSPITALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

The directors present their report and financial statements for the year ended 31 August 2013.

Principal activities

The principal activity of the Company is the construction and maintenance of a hospital unit under the PFI/PPP scheme. The Company entered into a long term contract on 6th October 2004 with Ayrshire & Arran Health Authority for the construction and maintenance of Ayrshire Maternity Unit (AMU). Construction of the AMU was completed during the year to 31st August 2006 and the Company continues to provide facilities management and maintenance under the PFI/PPP contract entered into in October 2004. The facility continues to be a success and the Company continues to operate in line with the financial model agreed at financial close.

Directors

The following directors have held office since 1 September 2012:

James Muir
Walter Dunlop

Auditors

Wylie & Bisset LLP continued as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent;
- 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.

AYRSHIRE HOSPITALS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



James Muir
Director
10 January 2013

AYRSHIRE HOSPITALS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AYRSHIRE HOSPITALS LIMITED

We have audited the financial statements of Ayrshire Hospitals Limited for the year ended 31 August 2013 which comprise the Profit and Loss Account, Balance Sheet and related notes, set out on pages 5 to 11. 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 auditors' 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 pages 1 - 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 company'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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 August 2013 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

AYRSHIRE HOSPITALS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF AYRSHIRE HOSPITALS 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 us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Allister Gray

**Allister Gray (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP**

10 January 2013

**Chartered Accountants
Statutory Auditor**

168 Bath Street
Glasgow
G2 4TP

AYRSHIRE HOSPITALS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
Turnover		2,163,630	1,989,381
Cost of sales		(591,662)	(641,347)
Gross profit		1,571,968	1,348,034
Administrative expenses		(323,108)	(288,251)
Operating profit	2	1,248,860	1,059,783
Other interest receivable and similar income	3	3,279	2,808
Interest payable and similar charges		(1,239,528)	(1,229,299)
Profit/(loss) on ordinary activities before taxation		12,611	(166,708)
Tax on profit/(loss) on ordinary activities	4	(2,522)	38,572
Profit/(loss) for the year	10	10,089	(128,136)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AYRSHIRE HOSPITALS LIMITED

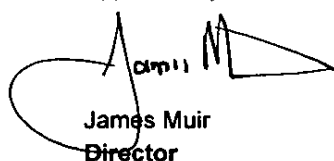
BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £	£	2012 £	£
Current assets					
Debtors	6	17,261,089		17,615,283	
Cash at bank and in hand		2,070,677		2,035,011	
		19,331,766		19,650,294	
Creditors: amounts falling due within one year	7	(1,708,390)		(1,690,827)	
Total assets less current liabilities		17,623,376		17,959,467	
Creditors: amounts falling due after more than one year	8	(17,571,305)		(17,917,485)	
		52,071		41,982	
Capital and reserves					
Called up share capital	9	2,000		2,000	
Profit and loss account	10	50,071		39,982	
Shareholders' funds	11	52,071		41,982	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 10 January 2013


James Muir
Director

Company Registration No. SC248921

AYRSHIRE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 Deferred taxation

Deferred taxation 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.

1.5 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 Operating profit

	2013 £	2012 £
Operating profit is stated after charging:		
Auditors' remuneration (including expenses and benefits in kind)	5,000	7,900
Directors' remuneration	26,138	28,968
	<u> </u>	<u> </u>

3 Investment income

	2013 £	2012 £
Bank interest	3,279	2,808
	<u> </u>	<u> </u>
	3,279	2,808
	<u> </u>	<u> </u>

AYRSHIRE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

4	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	2,522	(44,742)
	Adjustment for prior years	-	6,170
	Total current tax	<u>2,522</u>	<u>(38,572)</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>12,611</u>	<u>(166,708)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 0.00%)	<u>2,522</u>	<u>-</u>
	Effects of:		
	Tax losses utilised	-	(44,742)
	Adjustments to previous periods	-	6,170
		<u>-</u>	<u>(38,572)</u>
	Current tax charge for the year	<u>2,522</u>	<u>(38,572)</u>
5	Dividends	2013 £	2012 £
	Ordinary interim paid	<u>-</u>	<u>270,000</u>
6	Debtors	2013 £	2012 £
	Trade debtors	194,419	188,719
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	104,151
	Other debtors	<u>17,066,670</u>	<u>17,322,413</u>
		<u>17,261,089</u>	<u>17,615,283</u>
	Other debtors includes a finance debtor of £16,778,472 (2012 - £17,022,540) which is due after more than one year.		

AYRSHIRE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

7	Creditors: amounts falling due within one year	2013 £	2012 £
	Bank loans and overdrafts	350,000	290,000
	Trade creditors	699,372	404,820
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	270,000
	Taxation and social security	54,931	64,190
	Other creditors	604,087	661,817
		<u>1,708,390</u>	<u>1,690,827</u>
8	Creditors: amounts falling due after more than one year	2013 £	2012 £
	Bank loans	16,086,360	16,436,360
	Other creditors	1,484,945	1,481,125
		<u>17,571,305</u>	<u>17,917,485</u>
	Analysis of loans		
	Not wholly repayable within five years by instalments	15,576,731	16,133,483
	Wholly repayable within five years	2,358,951	2,088,418
		<u>17,935,682</u>	<u>18,221,901</u>
	Included in current liabilities	(364,377)	(304,416)
		<u>17,571,305</u>	<u>17,917,485</u>
	Loan maturity analysis		
	In more than one year but not more than two years	406,307	366,290
	In more than two years but not more than five years	1,588,267	1,417,712
	In more than five years	15,576,731	16,133,483
		<u>17,571,305</u>	<u>17,917,485</u>

The bank facility is secured by a bond and floating charge and assignation in security over the assets of the company.

The bank facility bears interest based on LIBOR. As part of its interest rate management strategy the company entered into 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 3.06%.

Other loans relate to subordinated debt which carries an interest rate of 13%. The principal is repayable on 30 September 2033.

AYRSHIRE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

9	Share capital	2013	2012
		£	£
	Allotted, called up and fully paid		
	2,000 ordinary shares of £1 each	2,000	2,000
10	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 September 2012		39,982
	Profit for the year		10,089
	Balance at 31 August 2013		50,071
11	Reconciliation of movements in shareholders' funds	2013	2012
		£	£
	Profit/(Loss) for the financial year	10,089	(128,136)
	Dividends	-	(270,000)
	Net addition to/(depletion in) shareholders' funds	10,089	(398,136)
	Opening shareholders' funds	41,982	440,118
	Closing shareholders' funds	52,071	41,982

12 Control

The company is controlled by the directors. George Street Capital Limited is the immediate parent company.

AYRSHIRE HOSPITALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

13 Related party relationships and transactions

Fees paid to third parties in respect of services of directors totalling £26,138 (2012 - £28,968) were paid in the year.

The company has a subordinated debt due of £1,499,322 (2012 - £1,495,541), in respect of which interest of £212,309 (2012 - £195,916) was paid in the year. The subordinated debt, interest and fees paid are payable to the sole shareholder George Street Capital Limited. At 31 August 2013 George Street Capital Limited, the immediate parent undertaking, owed the company £91,545 (2012 - £104,151).

Pacific Partners LLP, a related party via common control, owed the company £nil (2012 - £19,217). These amounts are disclosed within other debtors.

Included within other creditors is £10,426 (2012 - £79,100) due to Stonehouse Hospitals Limited, a related party via common control.