

**GH Newham Holdings Limited**  
**Directors' Report and Financial Statements**  
**For the year ended 31 March 2007**

**Registered number: 3748050**

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# **GH Newham Holdings Limited**

## **Directors' Report and Financial Statements**

### **Contents**

	<b>Page</b>
Company information	2
Directors' report	3
Statement of Directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 11

# **GH Newham Holdings Limited**

**Directors:** Michael Joseph Ryan  
John McDonagh

**Company secretary:** Infrastructure Managers Limited  
3rd Floor  
Hanover House  
45 Hanover Street  
Edinburgh  
EH2 2PJ

**Registered office:** 8th Floor  
20 St James's Street  
London  
SW1A 1ES

**Bankers:** Lloyds TSB Bank plc  
City Office  
72 Lombard Street  
London  
EC3P 3BT

**Solicitors:** Maclay Murray & Spens  
3 Glenfinlas Street  
Edinburgh  
EH3 6AQ

**Auditors:** PricewaterhouseCoopers LLP  
PO Box 90  
Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

# **GH Newham Holdings Limited**

## **Directors' Report**

The Directors present their report and the audited financial statements of the company for the year ended 31 March 2007

### **Principal activity**

The principal activity of the Company is that of holding company to GH Newham Limited. The principal activity of the subsidiary company is the provision and operation of a health facility for the benefit of East London Mental Health NHS Trust.

### **Business review and future developments**

The development phase of the main facility completed on 5 July 2002. On 24 December 2004 the company signed a variation to the existing contract with the East London City Mental Health Services NHS Trust to provide an additional facility for the use in adolescent and child mental health care. The facility was delivered on the scheduled date, 24 March 2006, and within budget.

The net result for the financial year was £nil (2006 £nil). The Directors have recommended that no dividend be paid (2006 £nil). The Directors intend for the business to continue to hold its investment in GH Newham Limited.

### **Key performance indicators**

The directors believe that the analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the Company.

### **Directors and their interests**

The Directors in office during the year and up to the date of this report, shown on page 2, had no beneficial interest in the Company. The Directors' interests in the ultimate controlling company are disclosed in that Company's financial statements. The Directors' had no material interest in any contract of significance to which the Company was a party during the financial year.

### **Disclosure of information to the auditors**

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General meeting.

The Directors Report was approved by the Board on 24 January 2008 and signed on its behalf by



Simon Peek  
For and on behalf of  
Infrastructure Managers Limited  
Company Secretary  
Edinburgh

# **GH Newham Holdings Limited**

## **Statement of Directors' Responsibilities**

Company law requires the Directors to prepare financial statements for each financial year which 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. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2007 and that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which 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 1985. 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.

The Statement of Directors' Responsibilities was approved by the board on 24 January 2008 and signed on its behalf by



Michael Joseph Ryan  
Director

# **GH Newham Holdings Limited**

## **Independent Auditor's Report to the Members of GH Newham Holdings Limited**

We have audited the financial statements of GH Newham Holdings 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.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 United Kingdom 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,
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Edinburgh

29 January 2008

# GH Newham Holdings Limited

## Profit and Loss Account

for the year ended 31 March 2007

	Note	2007 £	2006 £
Interest receivable	2	419,452	297,734
Interest payable	2	(419,452)	(297,734)
		<hr/>	<hr/>
<b>Profit on ordinary activities before and after taxation</b>	3	-	-
		<hr/>	<hr/>
Taxation	4	-	-
		<hr/>	<hr/>
<b>Profit for the year</b>		-	-
		<hr/>	<hr/>
<b>Retained profit brought forward</b>		-	-
		<hr/>	<hr/>
<b>Retained profit carried forward</b>		<hr/>	<hr/>

There is no difference between the result on ordinary activities after taxation and the result for the year stated above and their historical cost equivalents

The Company has no recognised gains and losses other than those included in the results above, which all relate to continuing activities, and therefore no separate statement of total recognised gains and losses has been presented

# GH Newham Holdings Limited

## Balance Sheet

as at 31 March 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Investment in subsidiary undertakings	5	20,500	20,500
<b>Current assets</b>			
Debtors			
Amounts falling due within one year	6	8,185	1,551
Amounts falling due after one year	7	2,503,876	2,503,876
		<u>2,512,061</u>	<u>2,505,427</u>
<b>Creditors: amounts falling due within one year</b>	8	(8,185)	(1,551)
		<u>2,503,876</u>	<u>2,503,876</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		2,524,376	2,524,376
<b>Creditors: amounts falling due after one year</b>	9	(2,503,876)	(2,503,876)
		<u>20,500</u>	<u>20,500</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	10	20,500	20,500
Profit and loss account		-	-
		<u>20,500</u>	<u>20,500</u>
<b>Total equity shareholder's funds</b>	11	<u>20,500</u>	<u>20,500</u>

The financial statements on pages 6 to 11 were approved by the Board of Directors on 24 January 2008 and were signed on its behalf by



Michael Joseph Ryan  
Director



# GH Newham Holdings Limited

## Notes to the Financial Statements

(forming part of the financial statements)

### 1 Accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year is set out below

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom

#### Fixed asset investments

Investments are shown at cost less any provision for diminution in value

#### Group financial statements

The Company is exempt from preparing group financial statements as it and its subsidiary are included by consolidation in the consolidated financial statements of Lanterndew Limited. Copies of the consolidated financial statements of Lanterndew Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

#### Cash flow statement

The Company is exempt from preparing a cashflow statement under FRS 1 (cash flow statement) as it is a small company

### 2 Interest

	2007 £	2006 £
<u>Interest receivable</u>		
On loans due from subsidiary	<u>419,452</u>	<u>297,734</u>
<u>Interest payable</u>		
On loans due to immediate parent	<u>(419,452)</u>	<u>(297,734)</u>

### 3 Profit on ordinary activities before taxation:

Auditors' remuneration is borne by Lanterndew Limited. The directors did not receive any remuneration from the Company during the year (2006 £nil). There were no employees in the year other than the directors (2006 nil).

### 4 Taxation

No taxation was provided for in the year (2006 £nil) as the Company has no taxable profits/losses to assess.

# GH Newham Holdings Limited

## 5 Fixed asset investments

	Interest in subsidiary £
<u>Cost and Net Book Value</u>	
As at 1 April 2006 and 31 March 2007	<u>20,500</u>

Investment of the company comprises

	Activities	Proportion of equity share capital
GH Newham Limited (Registered in England and Wales)	Holding company	100%

The results of the subsidiary company for the year ended 31 March 2006 were as follows

	31 March 2007 £
Capital and reserves at 31 March 2007	<u>(2,726,447)</u>
Loss for the financial year	<u>(332,632)</u>

GH Newham Limited signed a contract with East London Mental Health NHS Trust (previously known as Newham Community Health Services National Health Service Trust) for the provision of a mental health facility, and the operation, maintenance and upkeep of this facility for 30 years

## 6 Debtors: amounts falling due within one year

	2007 £	2006 £
Amounts due from immediate parent	<u>8,185</u>	<u>1,551</u>

## 7 Debtors: amounts falling due after one year

	2007 £	2006 £
Loans due from subsidiary	<u>2,503,876</u>	<u>2,503,876</u>

During the year ended 31 March 2004 the Company loaned GH Newham Limited £1,600,000 under the terms of a subordinated debt agreement. The interest rate on this loan is 17% per annum with the capital element being repaid by a one off payment in April 2032. The Coupon on the principal amount accrues daily and is payable in cash on 7 April and 7 October each year. Interest not settled by cash on these dates is added to the principal and the Coupon accrues on this uplifted amount in the next interest period. Interest settled using this mechanism to date is £136,000. The amount is charged to the profit and loss as interest receivable (see note 2). The sum was advanced under a subordinated loan agreement and is unsecured and would rank alongside ordinary creditors in the event of a winding up.

## GH Newham Holdings Limited

### 7 Debtors: amounts falling due after one year (continued)

During the year ended 31 March 2006 the Company loaned GH Newham Limited £767,876 under the terms of a subordinated debt agreement. The interest rate on this loan is 17% per annum with the capital element being repaid by a one off payment in April 2032. The Coupon on the principal amount accrues daily and is payable in cash on 7 April and 7 October each year. The amount is charged to the profit and loss as interest receivable (see note 2). The sum was advanced under a subordinated loan agreement and is unsecured and would rank alongside ordinary creditors in the event of a winding up.

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

	2007 £	2006 £
Amounts due to subsidiary	<u>8,185</u>	<u>1,551</u>

### 9 Creditors: amounts falling due after one year

	2007 £	2006 £
Loans due to immediate parent	<u>2,503,876</u>	<u>2,503,876</u>

On 4 July 2003 the Company issued a £1,600,000 Coupon Bearing Investment Sum to its immediate parent Company. The investment bears a Coupon of 17 per cent per annum and payment of capital falls due in the year 2033. The Coupon on the principal amount accrues daily and is payable in cash or rolled up on 7 April and 7 October each year. In the year to 31 March 2006 the principal was increased to £1,736,000 with interest unpaid in the year being capitalised. The amount is charged to the profit and loss as interest payable (see note 2). The sum was advanced under a subordinated loan agreement and is unsecured and would rank alongside ordinary creditors in the event of a winding up.

On 24 March 2006 the Company issued a further £767,876 in Coupon Bearing Investment Sum to its immediate parent Company. The investment bears a Coupon of 17 per cent per annum and payment of capital falls due in the year 2033. The Coupon on the principal amount accrues daily and is payable in cash or rolled up on 7 April and 7 October each year. The amount is charged to the profit and loss as interest payable (see note 2). The sum was advanced under a subordinated loan agreement and is unsecured and would rank alongside ordinary creditors in the event of a winding up.

# GH Newham Holdings Limited

## 10 Share capital

	2007 £	2006 £
<u>Authorised</u>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
408,000 redeemable 17% preference shares of £1	408,000	408,000
50 cumulative 571 2% preference shares of £1	50	50
	<hr/>	<hr/>
Total authorised	<u>1,408,050</u>	<u>1,408,050</u>
<u>Allotted, called up and fully paid</u>		
20,500 ordinary shares of £1 each	<u>20,500</u>	<u>20,500</u>

## 11 Reconciliation of movements in shareholder's funds

	2007 £	2006 £
Opening equity shareholder's funds	20,500	20,500
Result for the year	-	-
	<hr/>	<hr/>
Closing equity shareholder's funds	<u>20,500</u>	<u>20,500</u>

## 12 Related party transactions

The Directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required

Disclosure of related party transactions that the Directors have with the group which is consolidated at Lanterndew Limited are included in the accounts of that entity

## 13 Ultimate controlling party

The immediate parent company is Elbon Holdings 1 Limited

The ultimate parent company is Lanterndew Limited, a company registered in England and Wales. Copies of the consolidated accounts of Lanterndew Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

Ownership of Lanterndew Limited is shared between Barclays Private Equity, Societe Generale and 3i. Accordingly, there is no overall parent company and no ultimate controlling party