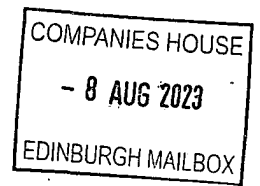
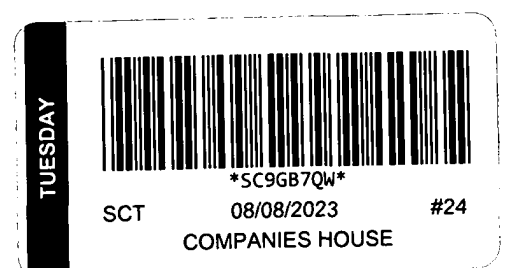


COMPANY REGISTRATION NUMBER: SC275430



Elgin Health (Gartnavel) Holdings Limited
Annual Report and Financial Statements
31 March 2023



Elgin Health (Gartnavel) Holdings Limited

Annual Report and Financial Statements

Year Ended 31 March 2023

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Elgin Health (Gartnavel) Holdings Limited

Officers and Professional Advisers

The Board of Directors

J Gordon
F D Laing
M Donn
J McDonagh

Company Secretary

Resolis Limited

Registered Office

Exchange Tower, 11th Floor
19 Canning Street
Edinburgh
EH3 8EG

Independent Auditors

Johnston Carmichael LLP
Chartered Accountants & Statutory Auditors
7-11 Melville Street
Edinburgh
EH3 7PE

Bankers

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

Elgin Health (Gartnavel) Holdings Limited

Directors' Report

Year Ended 31 March 2023

The directors present their report and the audited Annual Report and Financial Statements of Elgin Health (Gartnavel) Holdings Limited ("the Company") for the year ended 31 March 2023.

Principal Activities

The principal activity of the Company is that of a Holding Company to Elgin Health (Gartnavel) Limited.

Performance Review

The profit for the financial year, after taxation, amounted to £405,158 (2022: £174,095).

The profit for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

Key Performance Indicators

In its role as a holding company there are no key performance indicators for the directors to monitor. However, from a group point of view the performance of the investment is assessed every six months by testing the cash resources against the bank lending covenants. The key indicator being the debt service cover ratio. The Company has been performing well and has been compliant with the covenants laid out in the Group loan agreement.

Going Concern

Cash flow forecasts are prepared for the underlying investment looking over the expected life of the asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the directors have made assumptions based upon their view of the current and future economic conditions, and the effect is could still have over the forecast period. The Company's cash flows are dependent on the performance of its investment. After reviewing the performance of the investment, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

Directors

The directors who served the Company during the year and up to the date of this report were as follows:

J Gordon	
J McDonagh	(Appointed 30 June 2023)
F D Laing	
M Donn	
P Johnstone	(Appointed 1 November 2022, Resigned 30 June 2023)
G Steven	(Resigned 28 September 2022)

Elgin Health (Gartnavel) Holdings Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Dividends

Particulars of recommended dividends are detailed in note 10 to the Annual Report and Financial Statements.

Qualifying Third Party Indemnity Provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Small Company Provisions

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

Disclosure of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The auditor, Johnston Carmichael LLP, is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 31 July 2023 and signed by order of the board by:

Michael Donn

M Donn
Director

Elgin Health (Gartnavel) Holdings Limited

Directors' Responsibilities Statement

Year Ended 31 March 2023

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare the 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 show and explain the Company's transactions and 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.

Elgin Health (Gartnavel) Holdings Limited

Independent Auditor's Report To the members of Elgin Health (Gartnavel) Holdings Limited

Opinion

We have audited the financial statements of Elgin Health (Gartnavel) Holdings Limited ('the Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 March 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Elgin Health (Gartnavel) Holdings Limited

Independent Auditor's Report

To the members of Elgin Health (Gartnavel) Holdings Limited (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Company, 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; 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 and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Elgin Health (Gartnavel) Holdings Limited

Independent Auditor's Report

To the members of Elgin Health (Gartnavel) Holdings Limited (*continued*)

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Generally Accepted Accounting Practice, including FRS 102;
- UK Companies Act 2006; and
- UK Corporation Tax legislation.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and group board meeting minutes.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls; and
- Income recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Recalculating the finance income received to ensure amounts are in line with contractual terms and relevant accounting standards;
- Agreeing a sample of income receipts to supporting documentation and bank statements;
- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Elgin Health (Gartnavel) Holdings Limited

Independent Auditor's Report

To the members of Elgin Health (Gartnavel) Holdings Limited (*continued*)

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

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.

Johnston Carmichael LLP

Fiona Munro (Senior Statutory Auditor)
For and behalf of Johnston Carmichael LLP
Statutory Auditor
7-11 Melville Street
Edinburgh, United Kingdom
EH3 7PE

Date: 31 July 2023

Elgin Health (Gartnavel) Holdings Limited

Statement of Comprehensive Income

Year Ended 31 March 2023

	Note	2023 £	2022 £
Income from shares in Group undertakings	6	405,158	174,095
Interest receivable and similar income	7	281,666	280,950
Interest payable and similar expenses	8	(281,666)	(280,950)
Profit before taxation		405,158	174,095
Tax on profit	9	-	-
Profit for the financial year and total comprehensive income		405,158	174,095

All the activities of the Company are from continuing operations.

The notes on pages 12 to 18 form part of these Financial Statements.

Elgin Health (Gartnavel) Holdings Limited**Statement of Financial Position****As at 31 March 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	11	202,000	202,000
Current assets			
Debtors: amounts falling due within one year	12	57,715	56,945
Debtors: amounts falling due after more than one year	12	1,872,518	1,872,518
		<u>1,930,233</u>	<u>1,929,463</u>
Creditors: amounts falling due within one year	13	(57,715)	(56,945)
Net current assets		<u>1,872,518</u>	<u>1,872,518</u>
Total assets less current liabilities		<u>2,074,518</u>	<u>2,074,518</u>
Creditors: amounts falling due after more than one year	14	(1,872,518)	(1,872,518)
Net assets		<u>202,000</u>	<u>202,000</u>
Capital and reserves			
Called up share capital	15	2,020	2,020
Share premium account	16	199,980	199,980
Retained earnings	16	-	-
Total shareholders' funds		<u>202,000</u>	<u>202,000</u>

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

The Financial Statements were approved by the board of directors and authorised for issue on 31 July 2023, and are signed on behalf of the board by:

Michael Donn

**M Donn
Director**

Company registration number : SC275430

The notes on pages 12 to 18 form part of these Financial Statements.

Elgin Health (Gartnavel) Holdings Limited**Statement of Changes in Equity****Year Ended 31 March 2023**

		Called up share capital £	Share Premium account £	Retained earnings £	Total £
At 1 April 2021		2,020	199,980	-	202,000
Profit for the financial year		-	-	174,095	174,095
Total comprehensive income for the year		-	-	174,095	174,095
Dividends paid and payable	10	-	-	(174,095)	(174,095)
Total investments by and distributions to owners		-	-	(174,095)	(174,095)
At 31 March 2022		2,020	199,980	-	202,000
Profit for the financial year		-	-	405,158	405,158
Total comprehensive income for the year		-	-	405,158	405,158
Dividends paid and payable	10	-	-	(405,158)	(405,158)
Total investments by and distributions to owners		-	-	(405,158)	(405,158)
At 31 March 2023		2,020	199,980	-	202,000

The notes on pages 12 to 18 form part of these Financial Statements.

Elgin Health (Gartnavel) Holdings Limited

Notes to the Annual Report and Financial Statements

Year Ended 31 March 2023

1. General Information

Elgin Health (Gartnavel) Holdings Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in Scotland. The address of its registered office is Exchange Tower, 11th Floor, 19 Canning Street, Edinburgh, EH3 8EG.

The principal activity of the Company is that of a Holding Company to Elgin Health (Gartnavel) Limited.

The Company's functional and presentation currency is the pound sterling. Monetary amounts in these financial statements are rounded to the nearest pound.

2. Statement of Compliance

The individual financial statements of Elgin Health (Gartnavel) Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of sections 1A have been applied, other than where additional disclosure is required to show a true and fair view.

3. Accounting Policies

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

(b) Going concern

Cash flow forecasts are prepared for the underlying investment looking over the expected life of the asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the directors have made assumptions based upon their view of the current and future economic conditions, and the effect is could still have over the forecast period. The Company's cash flows are dependent on the performance of its investment. After reviewing the performance of the investment, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

Elgin Health (Gartnavel) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2023

3. Accounting Policies *(continued)*

(c) Disclosure exemptions

The Company has taken advantage of the exemption in FRS 102 Section 7 'Statement of Cash Flows' part 1B, which states that a small company is not required to prepare a cash flow statement.

The Company has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

(d) Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

(e) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

i) Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

Elgin Health (Gartnavel) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2023

3. Accounting Policies *(continued)*

(f) Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(g) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

(h) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

4. Auditors Remuneration

The audit fee of £2,000 (2022: £1,080) was borne by the subsidiary company Elgin Health (Gartnavel) Limited. Auditor's remuneration is payable to Johnston Carmichael LLP.

5. Particulars of Employees and Directors

The average number of persons employed by the company during the financial year, including the directors, amounted to nil (2022: nil). The directors, who are also key management personnel, did not receive any remuneration from the Company during the year (2022: £nil).

Elgin Health (Gartnavel) Holdings Limited**Notes to the Annual Report and Financial Statements** *(continued)***Year Ended 31 March 2023****6. Income from Shares in Group Undertakings**

	2023	2022
	£	£
Income from Group undertakings	<u>405,158</u>	<u>174,095</u>

7. Interest Receivable and Similar Income

	2023	2022
	£	£
Interest from Group undertakings	<u>281,666</u>	<u>280,950</u>

8. Interest Payable and Similar Expenses

	2023	2022
	£	£
Interest due to Group undertakings	197,166	196,665
Subordinated debt interest payable	<u>84,500</u>	<u>84,285</u>
	<u>281,666</u>	<u>280,950</u>

9. Tax on Profit**Reconciliation of tax income**

The tax assessed on the profit for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
	£	£
Profit before taxation	<u>405,158</u>	<u>174,095</u>
Profit before taxation by rate of tax	76,980	33,078
Non taxable dividend income	<u>(76,980)</u>	<u>(33,078)</u>
Total tax credit	<u>-</u>	<u>-</u>

10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2023	2022
	£	£
Interim dividend of £2.01 (2021: £0.86) per ordinary share	<u>405,158</u>	<u>174,095</u>

Elgin Health (Gartnavel) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2023

11. Investments

	Shares in group undertakings £
Cost	
At 1 April 2022 and 31 March 2023	<u>202,000</u>
Impairment	
At 1 April 2022 and 31 March 2023	<u>-</u>
Carrying amount	
At 31 March 2023	<u>202,000</u>
At 31 March 2022	<u>202,000</u>

Subsidiaries, associates and other investments

The Company owns 100% of the issued share capital of Elgin Health (Gartnavel) Limited.

	2023 £	2022 £
Aggregate capital and reserves/(deficit)	1,453,468	(383,421)
Profit for the year	<u>604,453</u>	<u>401,174</u>

On 25 November 2005, Elgin Health (Gartnavel) Limited signed a contract with Greater Glasgow Health Board for the development of the Gartnavel Hospital and the provision of services at the site for 31 years.

The directors acknowledge the investment is in net assets. The directors have reviewed the investments forecasts and projections and have reasonable expectation that no impairment indicators exist and the investment will continue in operation existence for the foreseeable future.

12. Debtors

Debtors amounts falling due within one year are as follows:

	2023 £	2022 £
Amounts owed by Group undertakings	<u>57,715</u>	<u>56,945</u>

Debtors amounts falling due after more than one year are as follows:

	2023 £	2022 £
Amounts owed by Group undertakings	<u>1,872,518</u>	<u>1,872,518</u>

Elgin Health (Gartnavel) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2023

12. Debtors *(continued)*

In November 2005 the company loaned Elgin Health (Gartnavel) Limited a £1,872,518 Coupon bearing investment sum. The interest rate on the loan is 15% per annum with the capital being repaid in semi-annual equal instalments to March 2035. The Coupon on the principal amount accrues daily and is payable quarterly. The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside other creditors in the case of winding up.

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Amounts owed to Group undertakings	40,401	39,861
Accruals and deferred income	17,314	17,084
	<u>57,715</u>	<u>56,945</u>

Creditors due within one year relates to interest due on subordinated debt balances.

14. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Amounts owed to Group undertakings	561,755	561,755
Subordinated debt	1,310,763	1,310,763
	<u>1,872,518</u>	<u>1,872,518</u>

In November 2005, the Company borrowed £1,872,518 in Subordinated debt provided by Elgin Infrastructure Limited (70%) and Aberdeen Infrastructure Limited (30%). The capital on the loan is repaid in semi-annually instalments from March 2035. The loan bears interest at 15% per annum. The coupon on the principal accrues daily and is payable quarterly. The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the case of winding up.

15. Called Up Share Capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>202,000</u>	<u>2,020</u>	<u>202,000</u>	<u>2,020</u>

16. Reserves

Retained earnings - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Elgin Health (Gartnavel) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2023

17. Contingent Liabilities

The company has granted a guarantee supported by a debenture incorporating fixed and floating charges over its assets and undertakings, in security of its wholly owned subsidiary's term loan from Bank of Scotland. Senior debt due to Bank of Scotland PLC at the year end was £14,317,656 (2022: £14,880,374).

18. Related Party Transactions

During the year interest of £197,166 (2022: £196,665) was payable to the majority shareholder Elgin Infrastructure Limited. Interest of £40,401 (2022: £39,861) was due at the year end and is included in accruals.

Subordinated Debt payable to Elgin Infrastructure Limited at the year end was £1,310,763 (2022: £1,310,763).

During the year interest of £84,500 (2022: £84,285) was payable to the minority shareholder Aberdeen Infrastructure Limited. Interest of £17,314 (2022: £17,084) was due at the year end and is included in accruals.

Subordinated Debt payable to Aberdeen Infrastructure Limited at the year end was £561,755 (2022: £561,755).

The Company has a wholly owned subsidiary, Elgin Health (Gartnavel) Limited, and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

19. Controlling Party

The Company is owned 70% by Elgin Infrastructure Limited, which is jointly owned between Cobalt Project Investment Limited and Ednaston Project Investments Limited, and 30% by Aberdeen Infrastructure (No.3) Limited. There is no ultimate controlling party