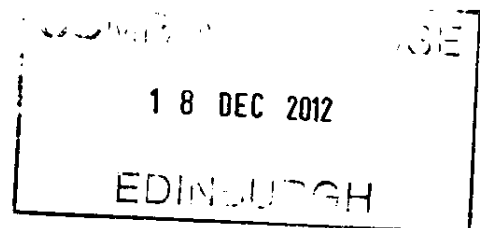


**Bridgewater Hospital (Manchester)  
Limited**

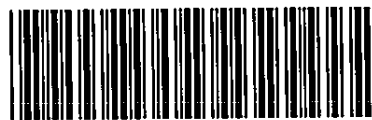
**FINANCIAL STATEMENTS**

for the year ended

31 December 2011



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COMPANIES HOUSE

# Bridgewater Hospital (Manchester) Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

D Mouldsdaie  
J Stewart  
S Mein

### SECRETARY

G Murdoch

### REGISTERED OFFICE

The Ca'd'oro  
45 Gordon Street  
Glasgow  
G1 3PE

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

# Bridgewater Hospital (Manchester) Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Bridgewater Hospital (Manchester) Limited for the year to 31 December 2011. The Company changed its accounting reference date to 30 December. These accounts have been made up for the year ended 31 December 2011.

### PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was the provision of Hospital Services.

### REVIEW OF THE BUSINESS

The turnover and the profitability of the Hospital continues to grow year on year as it benefits from increased revenue from group companies and third parties. Turnover in the year increased by £3.1M to £15.6M with EBITDA increasing by £0.4M to £1.1M. The Directors are pleased with the performance of the business during the year and are confident that both turnover and profitability will continue to grow.

### RESULTS AND DIVIDENDS

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### DIRECTORS

The directors who served the Company during the period were as follows:

D Mouldsdale  
J Stewart  
S Mein


### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board



G Murdoch

Company Secretary

18<sup>th</sup> December 2012

# Bridgewater Hospital (Manchester) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGEWATER HOSPITAL (MANCHESTER) LIMITED

We have audited the financial statements on pages 5 to 13. 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 auditors**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 2011 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.

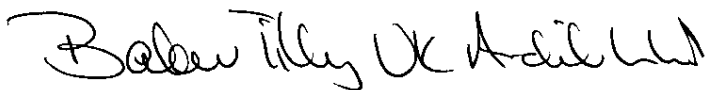
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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 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



ALAN AITCHISON (Senior Statutory Auditor)  
For and behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Breckenridge House  
274 Sauchiehall Street  
Glasgow G2 3EH

Date: 18<sup>th</sup> December 2012

# Bridgewater Hospital (Manchester) Limited

## PROFIT AND LOSS ACCOUNT

for the year to 31 December 2011

		31 December 2011 £	1 January 2011 £
	<i>Notes</i>		
TURNOVER	1	15,558,747	12,459,950
Cost of sales		6,472,884	4,887,882
Gross profit		9,085,863	7,572,068
Administrative expenses		8,228,914	7,045,627
OPERATING PROFIT	2	856,949	526,411
Interest receivable		-	-
		856,949	526,411
Interest payable and similar charges		-	200
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		856,949	526,241
Taxation	4	147,265	160,860
PROFIT FOR THE FINANCIAL YEAR		709,684	365,381

The operating profit for the year arises from the Company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

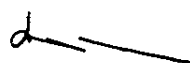
## Bridgewater Hospital (Manchester) Limited

## BALANCE SHEET

31 December 2011

	Notes	31 December 2011 £	1 January 2011 £
<b>FIXED ASSETS</b>			
Tangible assets	5	1,085,492	1,098,125
<b>CURRENT ASSETS</b>			
Stocks		602,106	345,136
Debtors	6	13,117,724	4,879,474
Cash in hand		1,838	3,764
		13,721,668	5,228,374
<b>CREDITORS</b>			
Amounts falling due within one year	7	15,218,434	7,429,653
<b>NET CURRENT LIABILITIES</b>		(1,496,766)	(2,201,279)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(411,274)	(1,103,154)
<b>PROVISION FOR LIABILITIES</b>			
Deferred taxation	8	44,412	62,216
		(455,686)	(1,165,370)
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	11	2	2
Profit and loss account	12	(455,688)	(1,165,372)
<b>SHAREHOLDERS FUNDS</b>	13	(455,686)	(1,165,370)

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 18<sup>th</sup> December 2012 and are signed on their behalf by:



S Mein  
Director

# Bridgewater Hospital (Manchester) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and on a going concern basis, which is reliant on the continuing support of the other group companies and the group's bankers.

### CASH FLOW STATEMENT

The directors have taken advantage of the exemption of Financial Reporting Standard No 1 (Revised 1996) from including a cash flow in the financial statements on the grounds that the Company is wholly owned and its parent publishes a consolidated cash flow statement.

### TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

### FIXED ASSETS

All fixed assets are initially recorded at cost.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	- 15% reducing balance
Fixtures and Fittings	- 15% - 20% reducing balance
Leasehold Improvements	- 15% reducing balance

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### PENSION COSTS

The Company made contributions into employees' private pension schemes during the year. The assets of these schemes are held separately from those of the Company. The contributions are charged to the profit and loss.



# Bridgewater Hospital (Manchester) Limited

## ACCOUNTING POLICIES

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### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 December 2011

### 1 TURNOVER

The turnover for the year was derived from the Company's principal activity. The whole of the turnover is attributable to the UK market.

### 2 OPERATING PROFIT

Operating profit is stated after charging:

	31 December 2011 £	1 January 2011 £
Staff pension contributions	1,589	1,619
Depreciation of owned fixed assets	206,855	180,907
Auditor's fees	4,172	4,476
Operating lease costs:		
Plant and equipment	362,607	396,399
Land and Buildings	<u>837,320</u>	<u>871,775</u>

### 3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the Company during the financial period amounted to:

	31 December 2011 No	1 January 2011 No
Office management	19	14
Hospital clinical	33	30
Other	5	4
	<u>57</u>	<u>48</u>

The aggregate payroll costs of the above were:

	31 December 2011 £	1 January 2011 £
Wages and salaries	1,742,354	1,314,887
Social security costs	149,794	111,479
Pension costs	1,589	1,619
	<u>1,893,737</u>	<u>1,427,985</u>

### 4 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	31 December 2011 £	1 January 2011 £
Current tax:		
UK Corporation tax based on the results for the year at 26.5% (2010 - 28%)	242,876	113,758
Group relief	-	-
Adjustments in respect of previous periods – Corporation tax	<u>(77,807)</u>	<u>-</u>
Total current tax	165,069	113,758
Deferred tax:		
Origination and reversal of timing differences	<u>(17,804)</u>	<u>47,102</u>
Tax on profit on ordinary activities	<u>147,265</u>	<u>160,860</u>

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 December 2011

### 4 TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26.5% (2010- 28%).

	31 December 2011 £	1 January 2011 £
Profit on ordinary activities before taxation	856,949	526,241
Profit on ordinary activities by rate of tax	227,033	147,347
Expenses not deductible for tax purposes	418	57
Depreciation in excess of capital allowances	15,425	2,628
Adjustments in respect of previous periods	(77,807)	-
Utilisation of tax losses brought forward	-	(36,274)
Total current tax (note 4(a))	165,069	113,758

### 5 TANGIBLE FIXED ASSETS

	Equipment £	Fixtures & Fittings £	Leasehold Improvements £	Total £
At 1 January 2011	1,123,709	82,152	515,442	1,721,303
Additions	46,309	12,246	135,667	194,222
At 31 December 2011	1,170,018	94,398	651,109	1,915,525
Depreciation				
At 1 January 2011	393,754	25,860	203,564	623,178
Charge for the year	116,169	9,566	81,120	206,855
At 31 December 2011	509,923	35,426	284,684	830,033
Net book value				
At 31 December 2011	660,095	58,972	366,425	1,085,492
At 1 January 2011	729,955	56,292	311,878	1,098,125

### 6 DEBTORS

	31 December 2011 £	1 January 2011 £
Trade debtors	494,450	465,873
Amounts owed by group undertakings	12,424,712	4,214,461
Other debtors	-	17,120
Prepayments	198,562	182,020
	13,117,724	4,879,474

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for year to 31 December 2011

### 7 CREDITORS: Amounts falling due within one year

	31 December 2011	1 January 2011
	£	£
Bank loans and overdrafts	2,886,258	126,569
Trade creditors	772,185	688,046
Amounts owed to group undertakings	11,132,079	6,175,341
Other taxation and social security	44,003	29,137
Corporation tax	276,112	113,758
Accruals	107,797	296,802
	<u>15,218,434</u>	<u>7,429,653</u>

The Royal Bank of Scotland plc holds a bond, floating charge and debenture over the assets of each group company.

### 8 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	31 December 2011	1 January 2011
	£	£
Provision brought forward	62,216	15,114
Profit and loss account movement arising during the year	(17,804)	47,102
Provision carried forward	<u>44,412</u>	<u>62,216</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	31 December 2011	1 January 2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>44,412</u>	<u>62,216</u>

### 9 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as set out below.

	31 December 2011		1 January 2011	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	16,640	-	-
Within 2 to 5 years	-	-	-	87,960
After more than 5 years	840,913	-	840,913	-
	<u>840,913</u>	<u>16,640</u>	<u>840,913</u>	<u>87,960</u>

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 December 2011

### 10 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3c of Financial Reporting Standard 8 not to disclose transactions with other wholly owned group companies. The Company's other related party transactions during the current period were as follows:

Related Party	Relationship	Transaction	Amount	Balance due (to)/from at 31/12/2011
			£	£
Moulsdale Properties	Common Control	Rents paid on properties owned by	(837,243)	Nil
Related Party	Relationship	Transaction	Amount	Balance due (to)/from at 1/01/2011
			£	£
Moulsdale Properties	Common Control	Rents paid on properties owned by	(855,373)	Nil

### 11 SHARE CAPITAL

	31 December 2011	1 January 2011
	£	£
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	31 December 2011	1 January 2011
	£	£
Allotted, called up and fully paid: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 12 PROFIT AND LOSS ACCOUNT

	31 December 2011	1 January 2011
	£	£
At 1 January 2011	(1,165,372)	(1,530,753)
Profit for the financial year	<u>709,684</u>	<u>365,381</u>
At 31 December 2011	<u>(455,688)</u>	<u>(1,165,372)</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2011	1 January 2011
	£	£
Profit for the financial period	709,684	365,381
Opening shareholders' deficit	<u>(1,165,370)</u>	<u>(1,530,751)</u>
Closing shareholders' deficit	<u>(455,686)</u>	<u>(1,165,370)</u>

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 December 2011

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### 14 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The Royal Bank of Scotland plc holds an unlimited inter company cross guarantee between the Company and the other group companies.

At the 31 December 2011 the above companies' loans and overdrafts totalled £24,526,649 (1 January 2011: £30,069,083).

### 15 ULTIMATE PARENT COMPANY

The Company's ultimate parent undertaking is DCM (Optical Holdings) Limited, a Company incorporated in Scotland. A copy of that Company's accounts is available from Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF. The Company is controlled by D Mouldsdaie.