

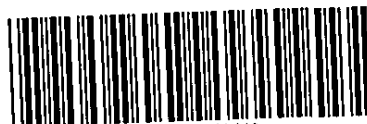
# Bridgewater Hospital (Manchester) Limited

## FINANCIAL STATEMENTS

for the year ended

29 December 2012

MONDAY



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30/09/2013

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COMPANIES HOUSE

**Bridgewater Hospital (Manchester) Limited**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**DIRECTORS**

D Mouldsdale  
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 29 December 2012.

### PRINCIPAL ACTIVITIES

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

### REVIEW OF THE BUSINESS

The turnover of the Hospital continues to grow year on year however increased costs have resulted in EBITDA reducing by £1M to £0.1M. The directors are confident that both turnover and profitability will continue to grow in 2013.

### 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

27/09/13

# Bridgewater Hospital (Manchester) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

### **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 29 December 2012 and of its loss 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.

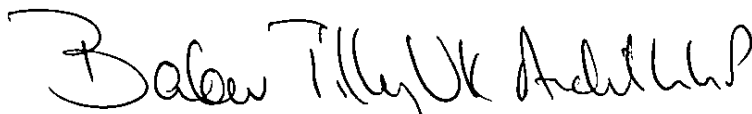
### **Opinion on other matter prescribed by the Companies Act 2006**

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: 27/05/13

# Bridgewater Hospital (Manchester) Limited

## PROFIT AND LOSS ACCOUNT

for the year to 29 December 2012

		29 December 2012	31 December 2011
	<i>Notes</i>	£	£
TURNOVER	1	18,167,559	15,558,747
Cost of sales		9,566,221	6,472,884
Gross profit		8,601,338	9,085,863
Administrative expenses		8,678,863	8,228,914
OPERATING (LOSS)/PROFIT	2	(77,525)	856,949
Interest receivable		-	-
		(77,525)	856,949
Interest payable and similar charges		604	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(78,129)	856,949
Taxation	4	(12,330)	147,265
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(65,799)	709,684

The operating loss 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**

29 December 2012

		29 December 2012 £	31 December 2011 £
	<i>Notes</i>		
<b>FIXED ASSETS</b>			
Tangible assets	5	1,065,464	1,085,492
		<u>          </u>	<u>          </u>
<b>CURRENT ASSETS</b>			
Stocks		723,732	602,106
Debtors	6	7,689,913	13,117,724
Cash in hand		4,885	1,838
		<u>8,418,530</u>	<u>13,721,668</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	9,956,665	15,218,434
		<u>(1,538,135)</u>	<u>(1,496,766)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(1,538,135)</u>	<u>(1,496,766)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(472,671)</u>	<u>(411,274)</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	3,430	-
		<u>(476,101)</u>	<u>(411,274)</u>
<b>PROVISION FOR LIABILITIES</b>			
Deferred taxation	9	45,384	44,412
		<u>(521,485)</u>	<u>(455,686)</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	12	2	2
Profit and loss account	13	(521,487)	(455,688)
		<u>(521,485)</u>	<u>(455,686)</u>
<b>SHAREHOLDERS FUNDS</b>	14	<u>(521,485)</u>	<u>(455,686)</u>

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on ~~27/09/13~~ 27/09/13 and are signed on their behalf by:

  
D Mouldale  
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	- 10% - 20% reducing balance
Fixtures and Fittings	- 15% - 20% reducing balance
Leasehold Improvements	- 15% reducing balance or over term of lease

### 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 29 December 2012

### 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:

	29 December 2012	31 December 2011
	£	£
Staff pension contributions	2,458	1,589
Depreciation of owned fixed assets	161,178	206,855
Auditor's fees	4,202	4,172
Operating lease costs:		
Plant and equipment	133,952	362,607
Land and Buildings	<u>864,689</u>	<u>837,320</u>

### 3 PARTICULARS OF EMPLOYEES

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

	29 December 2012	31 December 2011
	No	No
Office management	29	19
Hospital clinical	41	33
Other	2	5
	<u>72</u>	<u>57</u>

The aggregate payroll costs of the above were:

	29 December 2012	31 December 2011
	£	£
Wages and salaries	1,909,878	1,742,354
Social security costs	161,366	149,794
Pension costs	2,458	1,589
	<u>2,073,702</u>	<u>1,893,737</u>

### 4 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	29 December 2012	31 December 2011
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 24.5% (2011 – 26.5%)	-	242,876
Group relief	(469)	-
Adjustments in respect of previous periods – Corporation tax	<u>(12,833)</u>	<u>(77,807)</u>
Total current tax	<u>(13,302)</u>	<u>165,069</u>
Deferred tax:		
Origination and reversal of timing differences	972	(17,804)
Tax on profit on ordinary activities	<u>(12,330)</u>	<u>147,265</u>

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year to 29 December 2012

### 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 24.5% (2011- 26.5%).

	29 December 2012	31 December 2011
	£	£
Profit on ordinary activities before taxation	(78,129)	856,949
Profit on ordinary activities by rate of tax	(19,139)	227,033
Expenses not deductible for tax purposes	-	418
Depreciation in excess of capital allowances	6,799	15,425
Adjustments in respect of previous periods	(12,833)	(77,807)
Losses carried back	11,871	-
Total current tax (note 4(a))	(13,302)	165,069

### 5 TANGIBLE FIXED ASSETS

	Equipment £	Fixtures & Fittings £	Leasehold Improvements £	Total £
At 1 January 2012	1,170,018	94,398	651,109	1,915,525
Additions	114,483	29,012	-	143,495
Disposals	(3,295)	-	-	(3,295)
At 29 December 2012	1,281,206	123,410	651,109	2,055,725
Depreciation				
At 1 January 2012	509,923	35,426	284,684	830,033
Charge for the year	104,968	9,690	46,520	161,178
Disposals	(950)	-	-	(950)
At 29 December 2012	613,941	45,116	331,204	990,261
Net book value				
At 29 December 2012	667,265	78,294	319,905	1,065,464
At 31 December 2011	660,095	58,972	366,425	1,085,492

### 6 DEBTORS

	29 December 2012	31 December 2011
	£	£
Trade debtors	870,990	494,450
Amounts owed by group undertakings	6,510,285	12,424,712
Other debtors	5,207	-
Prepayments	303,431	198,562
	7,689,913	13,117,724

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for year to 29 December 2012

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

	29 December 2012	31 December 2011
	£	£
Bank loans and overdrafts	3,140,538	2,886,258
Trade creditors	1,849,667	772,185
Amounts owed to group undertakings	4,349,072	11,132,079
Other taxation and social security	48,377	44,003
Corporation tax	227,328	276,112
Accruals	341,683	107,797
	<u>9,956,665</u>	<u>15,218,434</u>

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

### 8 CREDITORS: Amounts falling due after more than one year

	29 December 2012	31 December 2011
	£	£
Sundry creditors	<u>3,430</u>	<u>-</u>

### 9 DEFERRED TAXATION

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

	29 December 2012	31 December 2011
	£	£
Provision brought forward	44,412	62,216
Profit and loss account movement arising during the year	972	(17,804)
Provision carried forward	<u>45,384</u>	<u>44,412</u>

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

	29 December 2012	31 December 2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>45,384</u>	<u>44,412</u>

### 10 COMMITMENTS UNDER OPERATING LEASES

At 29 December 2012 the Company had annual commitments under non-cancellable operating leases as set out below.

	29 December 2012		31 December 2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	-	-	-	16,640
Within 2 to 5 years	-	-	-	-
After more than 5 years	840,913	-	840,913	-
	<u>840,913</u>	<u>-</u>	<u>840,913</u>	<u>16,640</u>

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year to 29 December 2012

### 11 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 29/12/2012
			£	£
Mouldsdale Properties	Common Control	Rents paid on properties owned by	(851,751)	Nil
Related Party	Relationship	Transaction	Amount	Balance due (to)/from at 31/12/2011
			£	£
Mouldsdale Properties	Common Control	Rents paid on properties owned by	(837,243)	Nil

### 12 SHARE CAPITAL

	29 December 2012	31 December 2011
	£	£
Allotted, called up and fully paid: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 13 PROFIT AND LOSS ACCOUNT

	29 December 2012	31 December 2011
	£	£
At 1 January 2012	(455,688)	(1,165,372)
(Loss)/profit for the financial year	(65,799)	709,684
At 29 December 2012	<u>(521,487)</u>	<u>(455,688)</u>

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	29 December 2012	31 December 2011
	£	£
(Loss)/profit for the financial period	(65,799)	709,684
Opening shareholders' deficit	(455,686)	(1,165,370)
Closing shareholders' deficit	<u>(521,485)</u>	<u>(455,686)</u>

# Bridgewater Hospital (Manchester) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year to 29 December 2012

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### 15 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 29 December 2012 the above companies' loans and overdrafts totalled £26,768,476 (31 December 2011: £24,526,649).

### 16 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 Mouldsdales.