

Case Study

Project description

The project involves the extension and modernisation of a community hospital in North London. The new facility was built on land adjacent to the current structure to provide new facilities and increased capacity. The development had a capital value of £24M.

The Primary Care Trust had entered into a partnership with the hospital for the development. Wilkins Kennedy advised on the project from date x to date x.

Wilkins Kennedy's role

The firm were initially appointed by the successful PFI bid company to provide financial advice, which pertained to three key areas:

- advising on the accounting and taxation treatments in relation to the bid
- financial model development and review
- specialist VAT advice particularly in relation to land acquisition and Stamp Duty Land Tax issues

Two years along, Wilkins Kennedy was commissioned by the PCT to review proposed restructuring of the tax status of the project. We successfully negotiated with HM Revenue and Customs (Inland Revenue at the time), to change the status to that of composite trade. We were also involved in the model development following these changes, which were worth considerable sums in tax savings and finance costs over the life cycle of the project.

More recently, our team were again engaged by the original bid company to advise on re-financing which has taken place. The team reviewed the financial model before the bank audit was undertaken to ensure the surplus had been correctly treated. Our team also provided tax and accounting advice to the company regarding the treatment of the surplus.

For further information:

Should you require any further information or wish to speak with a member of our PFI team, please contact us on the details below.

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