



# Financial statements Alpha Hospitals (NW) Limited

---

**For the Year Ended 31 March 2008**



**Company No. 04059699**

## Officers and professional advisers

<b>Company registration number</b>	04059699
<b>Registered office</b>	1 Lumley Street Mayfair London W1K 6TT
<b>Directors</b>	Mrs P Hodgkinson Mr B Choudrie Mr C P Thomas
<b>Secretary</b>	JD Secretariat Limited
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors No 1 Whitehall Riverside Whitehall Road Leeds LS1 4BN

## Contents

<b>Report of the directors</b>	3 - 5
<b>Report of the independent auditor</b>	6 - 7
<b>Accounting policies</b>	8 - 9
<b>Profit and loss account</b>	10
<b>Balance sheet</b>	11
<b>Other primary statements</b>	12
<b>Notes to the financial statements</b>	13 - 20

## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2008.

### **Principal activities and business review**

Alpha Hospitals (NW) Limited and its parent company ("the Group") provides specialist secure psychiatric care for adults and young people. Specialist services include: Forensic Services for Deaf Men and Women, Medium and Low Secure Services for Men and Women and Secure Services for Young People. The Group operates 197 beds in strategic locations across the country. All hospital facilities are Registered as Independent Hospitals and operate within an highly regulated environment. Throughout the year all facilities were inspected by both the Healthcare Commission and Mental Health Act Commission. The Directors are very pleased with the results of these inspections.

This year has seen further significant investment in the growth and development of the business. In June 2007 a new 30-bed purpose built low secure facility for female patients was registered and opened for new admissions at Alpha Hospital Sheffield. The Company has now successfully established specialist female services at both the Bury and Sheffield hospital sites, the latter of which, the Directors are pleased to report, was recently awarded Preferred Provider status with the East Midlands Commissioners.

The services provided by the additional beds registered in June 2006 and June 2007 have been positively received by the NHS and the Directors are pleased to report census growth in the year ended 31 March 2008 of 67%. This growth in patients has driven an increase in turnover for the year of over 67% to c. £19.76 million and has also led to an improved operating profit.

The Company will continue to expand wherever there is market potential. The Group will also continue to drive and create efficiencies in order to further provide effective and affordable services to the NHS.

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,278,526. The directors have not recommended a dividend.

### **Financial risk management objective and policies**

The Company uses various financial instruments that include loans, cash and working capital items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's new build hospital development program and day-to-day operations.

The Company's policy is to finance its new build development program through an appropriate mix of long-term debt and equity finance. Day-to-day operations are financed through a combination of cash resources and working capital.

The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. In order to manage the Company's exposure to those risks, in particular the Company's exposure to interest rate risk the Company enters into derivative transactions including, but not limited to, variable to fixed rate interest rate swaps. All transactions in derivatives

are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Interest rate risk**

The Company finances its operations through a mixture of retained profits and bank borrowings. The Company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

#### **Liquidity risk**

The Company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest surplus cash safely and profitably. The maturity of borrowings is set out in note 14 to the financial statements.

#### **Credit risk**

In order to manage credit risk, the Directors set working capital targets including debtor days. Outstanding balances are reviewed by the credit controller on a regular basis, in conjunction with debt ageing, and the Company operates a robust collection procedure.

#### **Directors**

The directors who served the company during the year were as follows:

Mr V C Gole  
Mrs P Hodgkinson  
Mr B Choudrie  
Mr C P Thomas

Mr V C Gole retired as a director on 26 April 2007.

During the financial year, qualifying third party indemnity provision for the benefit of all of the directors was in force..

#### **Directors' responsibilities**

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

#### **Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

#### **Auditor**

Grant Thornton UK LLP offer themselves for reappointment in accordance with the Companies Act 2006.

ON BEHALF OF THE BOARD



P Hodgkinson  
Director

1 December 2008



## Report of the independent auditor to the members of Alpha Hospitals (NW) Limited

We have audited the financial statements of Alpha Hospitals (NW) Limited for the year ended 31 March 2008 on pages 10 to 20. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of 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 judgements 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.


## Report of the independent auditor to the members of Alpha Hospitals (NW) Limited (continued)

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 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

LEEDS  
1 December 2008



## Accounting policies

### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

### Cash flow statement

Being a wholly owned subsidiary of Alpha Hospitals Limited, the company is exempt under FRS1 (revised) from publishing a cash flow statement. The cash flows are included in the consolidated cash flow statement of Alpha Hospitals Limited.

### Turnover

Turnover is the revenue arising from the sales of services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

### Fixed assets

Tangible fixed assets are stated at cost or valuation.

### 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:

Freehold buildings	- 2% straight line basis
Leasehold property	- Straight line over the term of the lease (up to 50 years)
Fixtures & fittings	- 25% - 33% straight line basis
Motor vehicles	- 33% straight line basis

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

### Investments

Investments are included at cost less provision for diminution in value.

### Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### **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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Profit and loss account

	Note	2008 £	2007 £
Turnover	1	19,762,466	11,765,313
Cost of sales		11,987,134	7,711,409
Gross profit		<u>7,775,332</u>	<u>4,053,904</u>
Other operating charges	2	4,738,979	3,578,397
Operating profit	3	<u>3,036,353</u>	<u>475,507</u>
Amounts written off investments	5	–	(425,031)
Income from shares in group undertakings	6	–	425,031
Interest payable and similar charges	7	1,388,827	1,203,064
Profit/(loss) on ordinary activities before taxation		<u>1,647,526</u>	<u>(727,557)</u>
Tax on profit/(loss) on ordinary activities	8	369,000	–
Profit/(loss) for the financial year	19	<u>1,278,526</u>	<u>(727,557)</u>

All of the activities of the company are classed as continuing.

## Balance sheet

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	9	65,200,000	26,433,637
Investments	10	—	—
		<u>65,200,000</u>	<u>26,433,637</u>
<b>Current assets</b>			
Debtors	11	897,481	1,917,821
Cash at bank		1,549,759	363,511
		<u>2,447,240</u>	<u>2,281,332</u>
<b>Creditors: amounts falling due within one year</b>	12	27,509,332	27,849,398
<b>Net current liabilities</b>		<u>(25,062,092)</u>	<u>(25,568,066)</u>
<b>Total assets less current liabilities</b>		<u>40,137,908</u>	<u>865,571</u>
<b>Creditors: amounts falling due after more than one year</b>	13	118,575	35,138
		<u>40,019,333</u>	<u>830,433</u>
<b>Provisions for liabilities</b>			
Deferred taxation	15	369,000	—
		<u>39,650,333</u>	<u>830,433</u>
<b>Capital and reserves</b>			
Called-up equity share capital	18	1,000	1,000
Share premium account	19	815,967	815,967
Revaluation reserve	19	39,262,361	1,758,389
Profit and loss account	19	(428,995)	(1,744,923)
<b>Shareholders' funds</b>	20	<u>39,650,333</u>	<u>830,433</u>

These financial statements were approved by the directors and authorised for issue on 1 December 2008, and are signed on their behalf by:

*Patricia Hodgkinson*  
P Hodgkinson  
Director

## Other primary statements

### Statement of total recognised gains and losses

	2008 £	2007 £
Profit/(loss) for the financial year	1,278,526	(727,557)
Unrealised profit on revaluation of certain fixed assets	37,541,374	-
<b>Total gains and losses recognised for the year</b>	<b><u>38,819,900</u></b>	<b><u>(727,557)</u></b>

### Note of historical cost profits and losses

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	1,647,526	(727,557)
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	37,402	37,402
Historical cost profit/(loss) on ordinary activities before taxation	<u>1,684,928</u>	<u>(690,155)</u>
Historical cost profit/(loss) for the year after taxation	<u>1,315,928</u>	<u>(690,155)</u>

## Notes to the financial statements

### 1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.  
An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>19,762,466</u>	<u>11,765,313</u>

### 2 Other operating charges

	2008 £	2007 £
Administrative expenses	<u>4,738,979</u>	<u>3,578,397</u>

### 3 Operating profit

Operating profit is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	684,868	483,938
Depreciation of assets held under hire purchase agreements	<u>85,501</u>	<u>33,054</u>
	2008 £	2007 £
Auditor's remuneration - audit of the financial statements	<u>13,400</u>	<u>13,000</u>
Auditor's remuneration - other fees:		
- Taxation services	<u>3,000</u>	<u>-</u>

**4 Particulars of employees and directors**

The average number of staff employed by the company during the financial year amounted to:

	2008 No	2007 No
Administration	121	98
Nursing staff	239	190
	<u>360</u>	<u>288</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	9,984,114	7,048,075
Social security costs	794,589	576,933
Other pension costs	82,195	70,907
	<u>10,860,898</u>	<u>7,695,915</u>

No directors were remunerated by the company during the year (2007: £nil) and no directors participated in money purchase pension schemes (2007: none).

**5 Amounts written off investments**

Amounts written off investments in the prior year relates to the write off of the investment in Safe Spaces Limited.

**6 Income from shares in group undertakings**

	2008 £	2007 £
Income from group undertakings	<u>-</u>	<u>425,031</u>

**7 Interest payable and similar charges**

	2008 £	2007 £
Finance charges payable under hire purchase agreements	16,762	3,627
Interest payable to parent company	1,372,065	1,199,437
	<u>1,388,827</u>	<u>1,203,064</u>

**8 Taxation on ordinary activities**

Analysis of charge in the year

	2008 £	2007 £
Deferred tax:		
Origination and reversal of timing differences	<u>369,000</u>	<u>-</u>

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2007 - 30%).

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>1,647,526</u>	<u>(727,557)</u>
Profit/(loss) on ordinary activities by rate of tax	494,258	(218,267)
Expenses not deductible for tax purposes	150,582	101,107
Capital allowances for period in excess of depreciation	(220,826)	(17,163)
Utilisation of tax losses	(423,305)	-
Unrelieved tax losses	-	129,823
Other timing differences	<u>(709)</u>	<u>4,500</u>
Total current tax	<u>-</u>	<u>-</u>



9 Tangible fixed assets

	Freehold property £	Leasehold property £	Assets under construction £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 Apr 2007	22,690,440	827,635	3,342,937	536,435	30,400	27,427,847
Additions	45,039	1,441,573	-	423,245	-	1,909,857
Revaluation	30,099,887	5,792,809	-	-	-	35,892,696
Transfers	-	3,342,937	(3,342,937)	-	-	-
At 31 Mar 2008	<u>52,835,366</u>	<u>11,404,954</u>	<u>-</u>	<u>959,680</u>	<u>30,400</u>	<u>65,230,400</u>
Depreciation						
At 1 Apr 2007	612,071	97,714	-	259,689	24,736	994,210
Charge for the year	396,920	72,587	-	209,697	5,664	684,868
Revaluation adjustment	(1,008,991)	(170,301)	-	(469,386)	-	(1,648,678)
At 31 Mar 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,400</u>	<u>30,400</u>
Net book value						
At 31 Mar 2008	<u>52,835,366</u>	<u>11,404,954</u>	<u>-</u>	<u>959,680</u>	<u>-</u>	<u>65,200,000</u>
At 31 Mar 2007	<u>22,078,369</u>	<u>729,921</u>	<u>3,342,937</u>	<u>276,746</u>	<u>5,664</u>	<u>26,433,637</u>

Included within the net book value of £65,200,000 is £232,865 (2007 - £83,748) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £85,501 (2007 - £33,054).

The freehold and leasehold property and fixtures and fittings were revalued on 26 March 2008 at open market value by Christie & Co Surveyors. This revaluation has had no effect on the depreciation charge in the period.

The freehold land and buildings were previously revalued on 27 August 2004 at open market value by Christie & Co Surveyors. The effect of this revaluation has been to increase the depreciation charge in the period by £37,402 (2007: £37,402).

If land and buildings had not been revalued, they would have been included on the historical cost basis at the following amounts:

	2008 £	2007 £
Cost	12,974,377	12,928,338
Accumulated depreciation	(583,427)	(223,909)
	<u>12,390,950</u>	<u>12,704,429</u>

**10 Investments**

	£
Cost	
At 1 April 2007 and 31 March 2008	<u>425,031</u>
Amounts written off	
At 1 April 2007 and 31 March 2008	<u>(425,031)</u>
Net book value	
At 1 April 2007 and 31 March 2008	<u>-</u>

The company owns more than 20% of the issued ordinary share capital of the following companies:

	Country of incorporation	Percentage of issued ordinary shares	Activity
Safe Spaces Limited	England	100%	Dormant

Following the transfer of its trade to Alpha Hospitals (NW) Limited during 2004, Safe Spaces Limited has ceased to trade. The cost of the investment was written off in the prior year.

**11 Debtors**

	2008 £	2007 £
Trade debtors	745,505	1,790,053
Other debtors	95,789	79,257
Prepayments and accrued income	56,187	48,511
	<u>897,481</u>	<u>1,917,821</u>

**12 Creditors: amounts falling due within one year**

	2008 £	2007 £
Trade creditors	401,376	353,242
Amounts owed to group undertakings	26,154,349	25,665,479
Other taxation and social security	283,556	222,957
Amounts due under hire purchase agreements	117,169	40,272
Other creditors	14,600	-
Accruals and deferred income	538,282	1,567,448
	<u>27,509,332</u>	<u>27,849,398</u>

The amounts owed to parent undertaking are repayable on demand.

**13 Creditors: amounts falling due after more than one year**

	2008 £	2007 £
Amounts due under hire purchase agreements	<u>118,575</u>	<u>35,138</u>

**14 Commitments under hire purchase agreements**

Future commitments under hire purchase agreements net of future finance lease charges are as follows:

	2008 £	2007 £
Amounts payable within 1 year	117,169	40,272
Amounts payable between 1 and 2 years	75,430	35,138
Amounts payable between 3 and 5 years	43,145	-
	<u>235,744</u>	<u>75,410</u>

**15 Deferred taxation**

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

	2008 £	2007 £
Profit and loss account movement arising during the year	369,000	-
Provision carried forward	<u>369,000</u>	<u>-</u>

**15 Deferred taxation (continued)**

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

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	377,000	-
Other timing differences	(8,000)	-
	<u>369,000</u>	<u>-</u>

**16 Contingencies**

There were no contingent liabilities at 31 March 2008 or 31 March 2007.

**17 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures", as it is a 100% owned subsidiary and has not disclosed transactions with group undertakings.

**18 Share capital**

Authorised share capital:

	2008 £	2007 £
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £0.01 each	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>

**19 Reserves**

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 April 2007	815,967	1,758,389	(1,744,923)
Profit for the year	-	-	1,278,526
Other gains and losses			
- Revaluation of fixed assets	-	37,541,374	-
Other movements			
- transfer to/from revaluation reserve	-	(37,402)	37,402
At 31 March 2008	<u>815,967</u>	<u>39,262,361</u>	<u>(428,995)</u>

**20 Reconciliation of movements in shareholders' funds**

	2008 £	2007 £
Profit/(loss) for the financial year	1,278,526	(727,557)
Other net recognised gains and losses	37,541,374	-
Net addition/(reduction) to shareholders' funds	38,819,900	(727,557)
Opening shareholders' funds	830,433	1,557,990
Closing shareholders' funds	<u>39,650,333</u>	<u>830,433</u>

**21 Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £Nil (2007 - £1,403,402).. The prior year amount related to construction work at two of the company's hospitals.

**22 Controlling related parties**

The directors consider the immediate parent undertaking to be Alpha Hospitals Limited. The ultimate controlling related party of the company is C&C Alpha Group Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by C&C Alpha Group Holdings Limited and the smallest such group of undertakings, including the company, is that headed by Alpha Hospitals Limited. Copies of the group accounts can be obtained at 1 Lumley Street, London, W1K 6TT.