

Alliance Medical Acquisitionco (Old) Limited

Report and Financial Statements

31 March 2010

Registered Number 4113267



Alliance Medical Acquisitionco (Old) Limited

Registered Number: 4113267

DIRECTORS

I K Cattermole
P J Greensmith
H A D Marsh

SECRETARY

I K Cattermole

AUDITORS

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

SOLICITORS

Simmons & Simmons
CityPoint
One Ropemaker Street
London
EC2Y 9SS

BANKERS

Royal Bank of Scotland plc
135 Bishopsgate
London
EC2M 3UR

REGISTERED OFFICE

Icen1 Centre
Warwick Technology Park
Warwick,
CV34 6DA

Alliance Medical Acquisitionco (Old) Limited

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 March 2010

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1.8m (2009 – profit £12.3m) and has been transferred to reserves. The Directors do not recommend the payment of a dividend (2009 – £Nil).

POST BALANCE SHEET EVENT

On the 15 November 2010, AM Old Midco Limited (formerly Alliance Medical Midco Limited) agreed to sell Alliance Medical Acquisitionco Limited (the owner of all of the Group's trading subsidiaries and external bank debt) for nominal consideration to a new UK parent undertaking, Alliance Medical Group Limited (formerly Honeyspring Limited), which is controlled by a syndicate led by Bank of Scotland Plc and Commerzbank AG.

As part of the sale, which completed on 16 February 2011, the Group's bank loans, which amounted to £569.3m at 31 March 2010, were modified to a £250m Senior facility and a £60m super-senior facility repayable in three years time.

Following the sale, AM Old Topco Limited (formerly Alliance Medical Group Limited) and AM Old Midco Limited (formerly Alliance Medical Midco Limited), the holder of the Group's Eurobond loan notes and Management shareholder loan notes, which amounted to £375.9m at 31 March 2010, are no longer part of the new Alliance Medical Group. As a result, the syndicate led by Bank of Scotland Plc and Commerzbank AG has replaced DIC Investment Capital LLP as the ultimate controlling party. Also, the ultimate UK parent undertaking of the Company has changed from AM Old Topco Limited (formerly Alliance Medical Group Limited) to Alliance Medical Group Limited (formerly Honeyspring Limited).

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year continues to be an intermediate holding company in the Alliance Medical Group Limited group of companies.

FUTURE DEVELOPMENTS

The directors will continue to seek opportunities to enhance shareholder value.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company are broadly grouped as – counterparty and exchange rate risk. The Company is subject to counterparty credit risk across the trading Alliance Medical group of companies, being the risk that a fellow subsidiary undertaking will not live up to its contractual obligations in meeting its inter-company liabilities. In addition, a number of inter-company balances are denominated in Euros, so the Company is also potentially exposed to adverse changes in exchange rates.

MANAGEMENT OF RISK

The directors recognise the importance of good risk management to the success of the Company and set policies to mitigate the risks faced.

Counterparty risk is mitigated by ensuring that loans to fellow subsidiaries contribute to the long term success of the company.

The Company acts as a conduit for foreign currency for the group so it continues to be exposed to exchange rate risk. This is mitigated at a group level by the fact that the proportion of bank borrowings in Euros largely matches the proportion of profit denominated in Euros and also that loans taken out to finance foreign acquisitions are in the same currency as the functional currencies of the foreign operations.

Alliance Medical Acquisitionco (Old) Limited

DIRECTORS' REPORT

DIRECTORS

The current director who served during the year is as follows
P J Greensmith (appointed 31 March 2010)

The following directors were appointed after the end of the year
I K Cattermole (appointed 25 January 2011)
H A D Marsh (appointed 4 August 2010)

The directors who served during the year and subsequently resigned
A J T Pilgrim (resigned 4 August 2010)
C P Ralph (resigned 31 March 2010)

No director is beneficially interested in the share capital of the Company. The Directors' interests in the share capital of the ultimate parent Company are disclosed in the financial statements of that company.

AUDITORS

Ernst & Young LLP are deemed to be reappointed as auditors under section 487 (2) of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors believe that they have taken reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Further, they believe that there is no relevant audit information of which the Company's auditors are unaware.

Approved by the Board on

2011 and signed on its behalf by



P J Greensmith
Director

Alliance Medical Acquisitionco (Old) Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 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.

Alliance Medical Acquisitionco (Old) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE MEDICAL ACQUISITIONCO (OLD) LIMITED

We have audited the financial statements of Alliance Medical Acquisitionco (Old) Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 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. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Adverse opinion - failure to prepare group financial statements

As more fully explained in note 1, group financial statements have not been prepared incorporating the Company's subsidiaries. In our opinion, the Company did not meet the condition under section 401(2)(f) of the Companies Act 2006 (and consequently the requirements of FRS 2 'Accounting for subsidiary undertakings') that it must deliver to the registrar the group financial statements of its parent in which it was included within the period for filing its accounts and report for the financial year in question. As that period has passed, in our opinion, the Company is not eligible for the exemption under section 401 of the Companies Act 2006. It has not been practicable to quantify the consolidated net assets (or liabilities) and the result of the group had group financial statements been prepared.

In view of the effect of the failure to prepare group financial statements which consolidate the Company's subsidiaries referred to above, in our opinion, the group financial statements

- do not give a true and fair view of the state of affairs of the Group as at 31 March 2010 and of its result for the year then ended and
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have not been properly prepared in accordance with the requirements of the Companies Act 2006

Opinion on company financial statements

In our opinion, the company financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 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

Alliance Medical Acquisitionco (Old) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE MEDICAL ACQUISITIONCO (OLD) LIMITED (continued)

Opinion on other matters 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 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

Ernst & Young LLP

Christopher Voogd (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

27 MAY 2011

Alliance Medical Acquisitionco (Old) Limited

PROFIT AN LOSS ACCOUNT for the year ended 31 March 2010

	<i>Note</i>	<i>2010</i> <i>£'000</i>	<i>2009</i> <i>£'000</i>
Foreign exchange (losses)/gains		<u>(1,819)</u>	<u>12,339</u>
PROFIT BEFORE TAXATION		(1,819)	12,339
Taxation	3	<u>-</u>	<u>-</u>
RETAINED (LOSS)/PROFIT AFTER TAXATION	8	<u>(1,819)</u>	<u>12,339</u>

The Company's activities all derive from continuing operations

There are no recognised gains and losses other than those shown above and therefore a statement of total recognised gains and losses has not been included in these financial statements

Alliance Medical Acquisitionco (Old) Limited

BALANCE SHEET at 31 March 2010

Company registered number: 4113267

	Notes	2010 £'000	2009 £'000
FIXED ASSETS			
Investments in subsidiary undertakings	4	56,231	56,231
CURRENT ASSETS			
Debtors amounts falling due within one year	5	-	4
Debtors amounts falling due in more than one year	5	52,234	90,811
Cash at bank and in hand		19,609	8,302
		71,843	99,117
TOTAL ASSETS LESS CURRENT LIABILITIES		128,074	155,348
CREDITORS: amounts falling due after more than one year			
Amounts owed to group undertakings	6	(71,261)	(96,716)
NET ASSETS		56,813	58,632
CAPITAL AND RESERVES			
Called up share capital	7	17,500	17,500
Profit and loss account	8	39,313	41,132
SHAREHOLDERS' FUNDS	8	56,813	58,632

The financial statements were approved by the Board of directors on
signed on its behalf by

2011 and were



P J Greensmith
Director

Alliance Medical Acquisitionco (Old) Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2010

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

Basis of consolidation

The Company is required to prepare consolidated financial statements under Section 400 of the Companies Act 2006 and Financial Reporting Standard 2 "Accounting for Subsidiary Undertakings". The company does not meet the condition under s401 2 (f) that the company is included in group financial statements of its parent undertaking, which have been filed with the Registrar within the period for filing the accounts of the parent undertaking. Accordingly, the exemption from preparing group financial statements is not available to the company.

Group financial statements for AM Old Topco Limited (formerly Alliance Medical Group Limited) have been prepared and filed subsequent to the period for filing accounts. The directors have not prepared consolidated financial statements for Alliance Medical Acquisitionco (Old) Limited as they consider there is no further benefit to its members. Consequently, these financial statements are for the Company only.

Going Concern

As stated in the statement of directors' responsibilities on page 4 the financial statements are prepared on the going concern basis as the directors believe the trading results of the Company will generate sufficient operating cash flows to enable it to meet its liabilities as they fall due. The Company has a cross party guarantee (see note 10) under which it has committed to guarantee the Group's bank loan facilities. The directors believe the trading results of its ultimate parent, Alliance Medical Group Limited, and subsidiaries will generate sufficient operating cash flows to enable the Group to meet its liabilities as they fall due, in which case the liability for the guarantee will not crystallize.

In reaching this conclusion the Directors have considered the impact of the refinancing, as discussed in note 12 of the accounts. Following this refinancing, the syndicate of banks also became the principal equity holders and controlling party of the ultimate parent of the new Alliance Medical Group. While this refinancing has been successfully concluded, discussions are ongoing with the banks regarding the thresholds to be applied for covenant tests, these are due to be concluded in June 2011 based on the 5 year business plan submitted to the banks. This business plan was developed, following extensive analysis (including the sensitivity analyses) and review by external advisors. The Directors are confident that the covenants, to be agreed on the basis of this plan, will be set at a level that the company will be able to meet for the foreseeable future. On this basis, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The Company has taken advantage of the exemption provided in paragraph 5 of FRS 1 from preparing a Statement of Cash Flows. The cash flows of the Company are incorporated into the consolidated Statement of Cash Flows prepared in the group financial statements of the ultimate UK parent undertaking.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

Alliance Medical Acquisitionco (Old) Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2010

1 ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

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, or a right to pay less, tax in the future have occurred at the balance sheet date, with the exception that the Directors consider that it is more likely than not that there will be suitable taxation profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the 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

Capital instruments

The finance cost recognised in the profit and loss account in respect of the bank loans is allocated to periods over the term of the instrument at a constant rate on the carrying amount

Transaction costs directly attributable to the bank loans are included in the balance sheet and amortised over the period of the loan at a constant rate

Foreign currencies

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the date of the transactions. At each year end, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date, with any exchange differences being recognised in the profit and loss account in the period in which they arise. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

2. OPERATING (LOSS)/PROFIT BEFORE TAXATION

This is stated after (charging)/crediting

	2010 £'000	2009 £'000
Foreign exchange (loss)/gain	(1,819)	12,339

Auditors' remuneration of £3,000 (2009 - £3,000) is borne by Alliance Medical Limited, a fellow group undertaking

The Company has no employees

The directors have neither received nor waived any emoluments in respect of their services to the Company during the year (2009 - £Nil)

Alliance Medical Acquisitionco (Old) Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2010

3. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

a) Tax on (loss)/profit on ordinary activities

There is no charge for taxation in the year (2009 - £Nil)

b) Factors affecting current tax charge

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £'000	2009 £'000
(Loss)/profit on ordinary activities before taxation	(1,819)	12,339
(Loss)/profit on ordinary activities at the standard rate of 28% (2009 28%)	(509)	3,455
Group relief surrendered/(received) for no consideration	509	(3,455)
Current tax charge for the year (note 3 (a))	-	-

c) Factors that may affect future tax charges

On 22 June 2010, the UK Government announced its intention to reduce the standard rate of corporation tax from 28% to 24% over the next four years beginning on 1 April 2011. The reduction to 27% was substantively enacted on 21 July 2010. Subsequently, on 23 March 2011, the UK Government made an announcement to further reduce the rate of corporation tax to 26% from 1 April 2011 and ultimately to 23% by 1 April 2014. The reduction to 26% was substantively enacted on 29 March 2011. As these reductions were not substantively enacted at the balance sheet date, they are not reflected in these financial statements. It is not expected that the reductions to 26% or the future reductions to 23% once substantively enacted will have a significant effect upon the future tax charges of the Company.

There are significant tax losses generated in companies within the same corporation tax group. The Alliance Medical Group Limited group intends to continue to utilise group relief claims, which has the impact of reducing the effective tax rate of the Company from the standard rate of corporation tax.

d) Deferred taxation

The company has no deferred tax asset/liability provided or unprovided.

4. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	£'000
Cost and net book value at 31 March 2010 and 2009	56,231

Subsidiaries and joint ventures

The Company held at 31 March 2010 either directly or indirectly the following issued share capital

Name	Country of incorporation	% Ordinary shares and voting rights	Activity
Radiology Management Services Limited	England	100	Management services

Alliance Medical Acquisitionco (Old) Limited

NOTES TO THE FINANCIAL STATEMENTS At 31 March 2010

5. DEBTORS

	2010 £'000	2009 £'000
Debtors amounts due in less than one year		
Other debtors	-	4
Debtors amounts due in less than one year		
Amounts owed by group undertakings	52,234	90,811
	<u>52,234</u>	<u>90,815</u>

6. AMOUNTS OWED TO GROUP UNDERTAKINGS

Amounts owed to group undertakings of £71,261,000 (2009 £96,716,000) are subject to formal loan agreements and repayable in more than one year. Interest in respect of these amounts is payable to a fellow subsidiary undertaking at a rate of 10%, which is the group's weighted average cost of debt.

7. SHARE CAPITAL

Authorised, allotted, called up and fully paid	No	2010 £'000	No	2009 £'000
Ordinary shares of £1 each	17,500,000	17,500	17,500,000	17,500

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2009	17,500	41,132	58,632
Loss for the year	-	(1,819)	(1,819)
At 31 March 2010	<u>17,500</u>	<u>39,313</u>	<u>56,813</u>

Alliance Medical Acquisitionco (Old) Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2010

9 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Alliance Medical Group Limited group

10. CROSS PARTY GUARANTEE

The Company, along with certain other group companies, has committed to guarantee the bank loan facilities granted to Alliance Medical Acquisitionco Limited. At 31 March 2010, the bank loan amounted to £569,271,000 (2009 £539,447,000)

As such the loans in Alliance Medical Acquisitionco Limited are secured by fixed and floating charges over the assets of the Company and certain other group companies. There was no change to this security package following the sale of the business referred to in note 12

11. PARENT UNDERTAKING

The immediate parent undertaking is Alliance Medical Finance Co Limited, registered in England and Wales

a) From 15 November 2010 onwards

Due to the sale of the business referred to in note 12 below, the Company is controlled by a syndicate led by Bank of Scotland Plc and Commerzbank AG. The largest group, for which group financial statements are drawn up is Alliance Medical Group Limited, registered in England and Wales. The financial statements can be obtained by writing to the Secretary at Icen Centre, Warwick Technology Park, Warwick, CV34 6DA

b) Prior to 15 November 2010

The smallest group, for which group financial statements are drawn up, is Alliance Medical Group Limited, registered in England and Wales. The financial statements can be obtained by writing to the Secretary at Icen Centre, Warwick Technology Park, Warwick, CV34 6DA

The largest group including the Company for which group financial statements are prepared is Dubai International Capital LLC, a company incorporated in the United Arab Emirates. The ultimate parent company is Dubai Holdings LLC. The directors regard Dubai International Capital LLC, a company incorporated in the United Arab Emirates, as the ultimate controlling party

12. POST BALANCE SHEET EVENT

On the 15 November 2010, AM Old Midco Limited (formerly Alliance Medical Midco Limited) agreed to sell Alliance Medical Acquisitionco Limited (the owner of all of the Group's trading subsidiaries and external bank debt) for nominal consideration to a new UK parent undertaking, Alliance Medical Group Limited (formerly Honeyspring Limited), which is controlled by a syndicate led by Bank of Scotland Plc and Commerzbank AG

As part of the sale, which completed on 16 February 2011, the Group's bank loans, which amounted to £569.3m at 31 March 2010, were modified to a £250m Senior facility and a £60m super-senior facility repayable in three years time

Following the sale, AM Old Topco Limited (formerly Alliance Medical Group Limited) and AM Old Midco Limited (formerly Alliance Medical Midco Limited), the holder of the Group's Eurobond loan notes and Management shareholder loan notes, which amounted to £375.9m at 31 March 2010, are no longer part of the new Alliance Medical Group. As a result, the syndicate led by Bank of Scotland Plc and Commerzbank AG has replaced DIC Investment Capital LLP as the ultimate controlling party. Also, the ultimate UK parent undertaking of the Company has changed from AM Old Topco Limited (formerly Alliance Medical Group Limited) to Alliance Medical Group Limited (formerly Honeyspring Limited)