COMPANY REGISTRATION NUMBER 04341295

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2010

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The principal activity of the group is that of a holding company with a single subsidiary, Gloucester Healthcare Partnership Limited

The principal activity of the group during the year was the provision of design, construction and maintenance services, including related financing arrangements for the Gloucestershire Royal Hospital, in accordance with a project agreement entered into with Gloucestershire Hospitals National Health Service Trust

The hospital became fully operational in 2004 The group is currently operating the facility for a 30 year period, providing a full range of facilities management services under a contractual agreement that provides a regular income stream which is subject to deductions for service shortfalls and the unavailability of the facility

FUTURE DEVELOPMENTS
The project continues to perform in line with the modelled expectations and management of the scheme both logistically and financially remains under control We remain confident that we will maintain our current level of performance and keep penalty payments to a minimum

RESULTS AND DIVIDENDS
The profit for the year, after taxation, amounted to £628,000 (2009 £284,000) Particulars of dividends paid are detailed in note 9 to the financial statements

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the group's strategy are subject to a number of risks

The key business risks affecting the group are considered to relate to cash flow management, facility management compliance and review of the insurance cover and lifecycle profile

The board formally reviews risks and appropriate processes are put in place to mitigate them If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the group

KEY PERFORMANCE INDICATORS ("KPIs")
The group has modelled the anticipated financial performance of its concession across its full term Management meetings are held on a regular basis to monitor actual financial performance against a budget derived from the financial model Particular attention is paid to cash flow and operating profit At 31 December 2010 and 31 December 2009 performance against such measures was satisfactory

FINANCIAL RISK MANAGEMENT
The group's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and credit risk The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs

The group's financial instruments comprise floating rate borrowings, the main purpose of which is to raise finance for the group's operations The group does use derivative financial instruments and has entered into interest rate swaps, the purpose of which is to manage interest rate risk on the group's floating rate borrowings

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board Bilfinger Berger Project Investments Limited, as a provider of financial services to the group under a contractual arrangement, implements the policies set by the board of directors Bilfinger Berger Project Investments Limited has a policy and procedures manual that sets out specific guidelines to manage interest rate risk and circumstances where it would be appropriate to use financial instruments to manage these

Liquidity risk
The group minimises the risk of uncertain funding in its operations by having long-term committed facilities available

Interest rate cash flow risk
The group seeks to minimise its exposure to an upward change in interest rates by borrowing at floating rates and using interest rate swaps to convert such borrowings from floating to fixed rates At the year end, with the exception of the subordinated debt, all the group's floating rate borrowings were at fixed rates after taking account of interest rate swaps The group is exposed to interest rate risk on its floating rate subordinated debt

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation under the contract giving rise to the financial instrument The group's credit risk is concentrated as its cash flows are generated from the PFI hospital concession asset The concentration of risk is mitigated as the cash flows are secured under contract with Gloucestershire Hospitals National Health Service Trust, a government body

DIRECTORS
The directors who served the company during the year and up to the date of this report are shown below

I Bolden	
N Rae	
T Sharpe	
Y Peerbaccus	
B Dalgleish	(Appointed 1 January 2010)
W Doughty	(Resigned 1 January 2010)

GOING CONCERN
The directors have reviewed the group's projected cashflows by reference to a financial model covering accounting periods up to 31 December 2034 The directors have also examined the current status of the group's principal contracts and likely developments in the foreseeable future Having reviewed the available information, the directors consider that the group will be able to meet its financial obligations on the due dates for the foreseeable future Accordingly, the directors consider that it is appropriate for the financial statements of the group to be prepared on a going concern basis

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

A resolution to appoint Ernst & Young LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 485 of the Companies Act 2006

By order of the board

MARK GATFORD
Company Secretary

Approved by the directors on 16/6/2011

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2010

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 group and the company and of the profit or loss of the group for that year In preparing those 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of Healthcare Providers (Gloucester) Limited for the year ended 31 December 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Group Cash Flow Statement and the related notes 1 to 22 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 AUDITOR
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 and express an opinion on 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 group's and the parent 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 In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

OPINION ON FINANCIAL STATEMENTS
In our opinion the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2010

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 parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Peter Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

17 June 2011

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2009 £000
TURNOVER	2	**1,791**	1,225
Operating costs		**(1,320)**	(1,172)
OPERATING PROFIT	3	**471**	53
Interest receivable and similar income	5	**2,286**	2,323
Interest payable and similar charges	6	**(1,880)**	(1,948)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**877**	428
Tax on profit on ordinary activities	7	**(249)**	(144)
PROFIT FOR THE FINANCIAL YEAR	19	**628**	284

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the profit for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

There is no difference between the profit for the year as shown in the profit and loss account and its historical cost equivalent

The notes on pages 11 to 21 form part of these financial statements

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

CONSOLIDATED BALANCE SHEET

31 DECEMBER 2010

	Note	2010 £000	£000	2009 £000
CURRENT ASSETS				
DEBTORS: Amounts falling due within one year	11	656		1,001
DEBTORS: Amounts falling due after more than one year	11	31,460		32,053
Short term investments	12	4,100		3,305
Cash at bank		347		1
		36,563		36,360
CREDITORS: Amounts falling due within one year	13	(1,845)		(1,622)
NET CURRENT ASSETS			34,718	34,738
CREDITORS: Amounts falling due after more than one year	14		(30,854)	(31,674)
PROVISIONS FOR LIABILITIES				
Deferred taxation	16		(1,400)	(1,151)
			2,464	1,913
CAPITAL AND RESERVES				
Called-up equity share capital	18		38	38
Profit and loss account	19		2,426	1,875
TOTAL SHAREHOLDERS' FUNDS	20		2,464	1,913

These financial statements were approved by the directors and authorised for issue on 16/6/2011, and are signed on their behalf by

Yusuf Peerbaccus
Director

Company Registration Number 04341295

The notes on pages 11 to 21 form part of these financial statements.

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

COMPANY BALANCE SHEET

31 DECEMBER 2010

	Note	2010 £000	2010 £000	2009 £000
FIXED ASSETS				
Investments	10		38	38
CURRENT ASSETS				
DEBTORS: Amounts falling due within one year	11	85		98
DEBTORS: Amounts falling due after more than one year	11	2,382		2,506
		2,467		2,604
CREDITORS: Amounts falling due within one year	13	(85)		(98)
NET CURRENT ASSETS			2,382	2,506
TOTAL ASSETS LESS CURRENT LIABILITIES			2,420	2,544
CREDITORS: Amounts falling due after more than one year	14		(2,382)	(2,506)
			38	38
CAPITAL AND RESERVES				
Called-up equity share capital	18		38	38
TOTAL SHAREHOLDERS' FUNDS			38	38

These financial statements were approved by the directors and authorised for issue on 16/6/2011 and are signed on their behalf by

Yusuf Peerbaccus
Director

Company Registration Number 04341295

The notes on pages 11 to 21 form part of these financial statements

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

CONSOLIDATED GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2010 £000	2009 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	21(a)		**1,392**	1,354
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		**2,286**		2,323
Interest paid		**(1,880)**		(2,090)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			**406**	233
EQUITY DIVIDENDS PAID			**(77)**	-
NET CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING			**1,721**	1,587
MANAGEMENT OF LIQUID RESOURCES				
Increase in treasury deposits		**(795)**		(957)
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES			**(795)**	(957)
FINANCING				
Repayment of bank loans		**(456)**		(558)
Repayment of subordinated debt		**(124)**		(73)
NET CASH OUTFLOW FROM FINANCING			**(580)**	(631)
INCREASE/(DECREASE) IN CASH	21(c)		**346**	(1)

The notes on pages 11 to 21 form part of these financial statements

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking, Gloucester Healthcare Partnership Limited

Turnover

Turnover represents the value of services rendered, excluding sales related taxes and is recognised to the extent that the group obtains the right to consideration in exchange for its performance Turnover is recognised as contract activity progresses at a mark up on costs related to the provision of services In line with FRS5 Application Note G, the mark up is calculated based upon the forecast service revenues and costs over the concession period

All turnover originates in the United Kingdom

Contract debtor

Amounts recoverable under long term Private Finance Initiative contracts are transferred to a contract debtor in accordance with the requirements of Financial Reporting Standard 5 Application Note F - Private Finance Initiative and Similar Contracts The amounts receivable (which include the costs of construction of assets) are treated as a long term contract debtor from the commencement of the operating phase, with a constant proportion of the net revenue arising from the project (after allowing for income in respect of the provision of operating and maintenance services) being allocated to remunerate the contract debtor Imputed interest receivable is allocated to the contract debtor using a property specific rate to generate a constant rate of return over the life of the contract

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 exception

- 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

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

The group uses derivative financial instruments to hedge its exposure to fluctuations in interest rates Interest differentials on these derivative financial instruments are recognised, net of the interest payable on the related financial liability, in the profit and loss account in the period to which it relates The group does not revalue the derivative financial instruments to fair value but the fair value of these instruments at the balance sheet date is disclosed in note 14

Discounts, premia and related costs of debt issue are charged to the profit and loss account over the life of the instrument to which they relate

Interest capitalisation

All net interest payable, receivable and finance costs during the construction period were capitalised into the contract debtor Now the project is operational all net interest will be recognised in the profit and loss account

Investments

Investments in subsidiary undertakings are stated at cost, less an appropriate provision to reflect any impairment in the value of the investments

Segment reporting

The group's activities consist solely of the provision of design, construction, operation and maintenance services in respect of the hospital and are undertaken entirely in the United Kingdom

2. TURNOVER

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

	2010	2009
	£000	£000
United Kingdom	1,791	1,225

3. OPERATING PROFIT

This is stated after charging

	2010	2009
	£000	£000
Auditor's remuneration - audit of the financial statements	14	14

The audit fee in respect of the group was £14,000 (2009 £14,000) and for the company £3,000 (2009 £3,000) All of these costs have been borne by the subsidiary undertaking

4. PARTICULARS OF EMPLOYEES

The group had no employees dunng the year (2009 nıl) The dırectors have no contract of servıce wıth the group Dunng the year the group ıncurred charges of £35,000 (2009 £nıl) from Bılfinger Berger Project Investments Lımıted and £35,000 (2009 £nıl) from Sempenan PPP Investment Partners No 2 Lımıted for makıng avaılable the servıces of the dırectors

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009
	£000	£000
Bank ınterest receıvable	**4**	4
Interest on contract debtor	**2,282**	2,319
	2,286	2,323

Interest ıs ımputed on the contract debtor usıng the property specıfic rate of 7 00%

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£000	£000
Interest payable on bank loan	**1,751**	1,795
Interest payable on subordınated debt	**113**	137
Other finance costs	**16**	16
	1,880	1,948

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

The tax charge ın the year ıs made up as follows

	2010	2009
	£000	£000
Deferred tax		
Ongınatıon and reversal of tımıng dıfferences		
- ın respect of current year	**301**	144
- ın respect of changes ın tax rates and laws	**(52)**	-
Total deferred tax (note 16)	**249**	144

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The current tax assessed on the profit on ordinary activities for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

The differences are reconciled below

	2010 £000	2009 £000
Profit on ordinary activities before taxation	**877**	428
Profit on ordinary activities multiplied by rate of tax	**246**	120
Capital allowances	**(238)**	(292)
Losses not utilised	**-**	54
Losses utilised	**(144)**	-
Finance debtor amortisation	**144**	125
Amortisation of revenue expenditure	**(8)**	(7)
Total current tax	**-**	-

(c) Factors that may affect future tax charges

In the budget of 22 June 2010, the Chancellor of the Exchequer announced tax changes, which, if enacted in the proposed manner would have an impact on the group's future tax position The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year from April 2011, to be enacted annually As at the balance sheet date, only the first 1% reduction from April 2011 had been substantively enacted and hence in accordance with accounting standards, it is only the impact of this 1% reduction that has been reflected in the group's financial statements as at 31 December 2010 In the budget of 23 March 2011, this proposal was amended such that the rate will reduce to 26% from April 2011, with a subsequent 1% reduction in each of the next three years taking the rate to 23%, from April 2014 The effect on the group of the further proposed reductions in the UK corporation tax rate will be reflected in the group's financial statements in future years, as appropriate, once the proposals have been substantively enacted The effect of the reduction in the tax rate to 23% on the group's deferred tax liability would be to reduce the deferred tax liability by £207k The rate changes will also impact the amount of future tax payments to be made by the group

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £nil (2009 - £nil)

9. DIVIDENDS

Equity dividends

	2010 £000	2009 £000
Declared and paid during the year		
Dividends on ordinary shares	**77**	–

During the year, the group made a total dividend payment of £77,000 to Bilfinger Berger Project Investments S C A SICAR and Semperian PPP Investment Partners No 2 Limited, split in accordance with their shareholdings

10. INVESTMENTS

Company	**£000**
COST	
At 1 January 2010 and 31 December 2010	**38**
NET BOOK VALUE	
At 1 January 2010 and 31 December 2010	**38**

The company owns 100% of the issued share capital (£38,000) of Gloucester Healthcare Partnership Limited, which is registered in the United Kingdom

11. DEBTORS

Amounts falling due within one year

	Group		**Company**	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Trade debtors	**20**	406	–	–
Amounts owed by subsidiary undertaking	–	–	**85**	98
Contract debtor	**593**	553	–	–
Prepayments and accrued income	**43**	42	–	–
	656	1,001	**85**	98

Amounts falling due after more than one year

	Group		**Company**	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Amounts owed by subsidiary undertaking	–	–	**2,382**	2,506
Contract debtor	**31,460**	32,053	–	–
	31,460	32,053	**2,382**	2,506

The contract debtor includes capitalised borrowing costs up until completion of the construction phase of £1,661,000 (2009 £1,661,000)

12. SHORT TERM INVESTMENTS

	Group		**Company**	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Treasury deposits	**4,100**	3,305	–	–

HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

13. CREDITORS: Amounts fallıng due wıthın one year

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Bank loans (ıncludıng accrued ınterest)	**1,102**	1,027	**–**	–
Subordınated debt (ıncludıng accrued ınterest)	**85**	98	**85**	98
Trade credıtors	**64**	158	**–**	–
VAT lıabılıty	**147**	116	**–**	–
Accruals and deferred ıncome	**447**	223	**–**	–
	1,845	1,622	**85**	98

Included wıthın Bank loans are unamortısed ıssue costs amountıng to £12,000 (2009 £13,000)

14. CREDITORS: Amounts fallıng due after more than one year

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Bank loans	**26,943**	27,461	–	–
Subordınated debt	**2,382**	2,506	**2,382**	2,506
Accruals and deferred ıncome	**1,529**	1,707	–	–
	30,854	31,674	**2,382**	2,506

Included wıthın Bank loans are unamortısed ıssue costs amountıng to £161,000 (2009 £173,000)

Bank loans relate to the senıor facılıtıes granted by a group of banks led by Helaba (Landesbank Hessen- Thurıngen Gırozentrale) The senıor facılıtıes are for a total of £35,600,000 Loan ıssue costs have been offset agaınst bank loans and wıll be amortısed over the term of the loan ın accordance wıth the provısıons of Fınancıal Reportıng Standard 4

The senıor loan facılıty consısts of two separate facılıtıes, a standby facılıty of £1,100,000 whıch has not yet been drawn down and a term loan facılıty of £34,500,000 whıch ıs repayable ın fifty sıx, sıx-monthly ınstalments As at 31 December 2010, the total amount outstandıng on the facılıty ıs £27,629,000 (2009 £28,085,000) Interest ıs charged on amounts drawn under the facılıty at LIBOR + 0 75%

The group has also entered ınto a swap arrangement wıth Helaba ın order to fix the base ınterest rate (LIBOR) at 5 595% on the facılıtıes to 2032 The faır value of the swap arrangement at the year end was a negatıve £5,600,000 (2009 negatıve £4,322,000) Market values have been used to determıne the faır value of the swap arrangement The senıor facılıtıes are secured by a fixed charge over all leasehold ınterests, book debts, project accounts and ıntellectual property of the group and by a floatıng charge over the group's undertakıngs and assets

The group has been ıssued a £2,382,000 (2009 £2,506,000) unsecured subordınated loan by ıts shareholders The subordınated loan facılıty bears ınterest at LIBOR + 4% and ıs fully repayable ın 2034 The subordınated loan facılıty has been ıncluded ın the maturıty of debt analysıs (note 15)

15. LOANS AND BORROWINGS

Maturity of debt

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Amounts repayable				
In one year or less or on demand	**1,200**	1,138	**85**	98
In more than one year but not more than two years	**730**	525	**-**	-
In more than two years but not more than five years	**2,332**	2,424	**-**	-
In more than five years	**26,423**	27,191	**2,382**	2,506
	30,685	31,278	**2,467**	2,604
Less unamortised issue costs	**(173)**	(186)	**-**	-
	30,512	31,092	**2,467**	2,604
Less amounts falling due within one year (note 13)	**(1,187)**	(1,125)	**(85)**	(98)
	29,325	29,967	**2,382**	2,506

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Balance brought forward	**1,151**	1,007	**-**	-
Profit and loss account movement arising during the year (note 7 (a))	**249**	144	**-**	-
Balance carried forward	**1,400**	1,151	**-**	-

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

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Tax losses carried forward	**(2,022)**	(2,240)	**-**	-
Difference between accumulated depreciation and amortisation and capital allowances	**3,422**	3,391	**-**	-
	1,400	1,151	**-**	-

17. RELATED PARTY TRANSACTIONS

The group ıncurred costs of £134,000 (2009 £85,000) ın respect of servıces provıded by Bılfinger Berger Project Investments Lımıted (a fellow subsıdıary undertakıng of Bılfinger Berger Project Investments S C A SICAR's ultımate parent undertakıng, Bılfinger Berger SE), under contractual agreements for the provısıon of admınıstratıve and financıal servıces In addıtıon, the group ıncurred dırectors' fees of £35,000 (2009 £nıl) At the year end there was £2,000 (2009 £7,000) payable to Bılfinger Berger Project Investments Lımıted included ın trade credıtors and £51,000 (2009 £nıl) ıncluded ın accruals and deferred ıncome

The group ıncurred ınterest of £57,000 (2009 £68,000) ın respect of the subordınated debt payable to Bılfinger Berger Project Investments S C A SICAR (a 50% shareholder of the company) At the year end there was £1,234,000 (2009 £1,302,000) payable to Bılfinger Berger Project Investments S C A SICAR ın respect of the subordınated debt Durıng the year, the group made a dıvıdend payment of £39,000 (2009 £nıl) to Bılfinger Berger Project Investments S C A SICAR

The group ıncurred ınterest of £57,000 (2009 £68,000) on the subordınated debt durıng the year payable to Semperıan PPP Investment Partners No 2 Lımıted (a 50% shareholder of the company) At the year end there was £1,234,000 (2009 £1,302,000) payable to Semperıan PPP Investment Partners No 2 Lımıted ın respect of the subordınated debt Durıng the year, the group made a dıvıdend payment of £39,000 (2009 £nıl) to Semperıan PPP Investment Partners No 2 Lımıted. In addıtıon, the group ıncurred dırectors' fees of £35,000 (2009 £nıl) At the year end there was £19,000 (2009 £nıl) payable to Semperıan PPP Investment Partners No 2 Lımıted ıncluded ın accruals and deferred ıncome

18. SHARE CAPITAL

Authorised share capital:

	2010 £000	2009 £000
37,884 Ordınary shares of £1 each	**38**	38

Allotted, called up and fully paid:

	2010 No	2010 £000	2009 No	2009 £000
Ordınary shares of £1 each	**37,884**	**38**	37,884	38

19. RESERVES

Group	Profit and loss account £000
Balance brought forward	1,875
Profit for the financial year	628
Equity dividends	(77)
Balance carried forward	2,426

Company	Profit and loss account £000
Balance brought forward	–
Result for the financial year	–
Balance carried forward	–

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Profit for the financial year	628	284	–	–
Equity dividends	(77)	–	–	–
Net addition to shareholders' funds	551	284	–	–
Opening shareholders' funds	1,913	1,629	38	38
Closing shareholders' funds	2,464	1,913	38	38

21. NOTES TO THE CONSOLIDATED GROUP CASH FLOW STATEMENT

(a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £000	2009 £000
Operating profit	471	53
Decrease in debtors	938	1,000
(Decrease)/increase in creditors	(17)	301
Net cash inflow from operating activities	1,392	1,354

21. NOTES TO THE CONSOLIDATED GROUP CASH FLOW STATEMENT
(continued)

(b) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010 £000	2010 £000	2009 £000
Increase/(decrease) in cash in the period	346		(1)
Repayment of bank loans	456		558
Repayment of subordinated debt	124		73
Increase in short term investments	795		957
Change in net debt resulting from cash flows		1,721	1,587
Other non-cash changes		(13)	(13)
Movement in net debt in the period		1,708	1,574
Net debt at 1 January		(27,098)	(28,672)
Net debt at 31 December		(25,390)	(27,098)

(c) ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2010 £000	Cash flows £000	Other non-cash changes £000	At 31 Dec 2010 £000
Net cash				
Cash in hand and at bank	1	346	–	347
Liquid resources				
Short term investments	3,305	795	–	4,100
Debt				
Debt due within 1 year	(437)	456	(531)	(512)
Debt due after more than 1 year	(29,967)	124	518	(29,325)
	(30,404)	580	(13)	(29,837)
Net debt	(27,098)	1,721	(13)	(25,390)

22. PARENT UNDERTAKING

At 31 December 2010, 50% of the share capital in the company was held by Bilfinger Berger Project Investments S C A SICAR with the remaining 50% held by Semperian PPP Investment Partners No 2 Limited

Bilfinger Berger Project Investments S C A SICAR is wholly owned by Bilfinger Berger SE (formerly Bilfinger Berger AG), a company registered in Germany

In the directors' opinion the company has no ultimate controlling party