

Community Solutions Investment Partners Limited
(formerly Community Solutions for Primary Care (Holdings) Limited)

Annual report and consolidated financial statements
For the year ended 31 December 2009

Registered number 04437976



Community Solutions Investment Partners Limited
(formerly Community Solutions for Primary Care (Holdings) Limited)

Annual Report and Consolidated Financial Statements
For the year ended 31 December 2009

	Page
Company Information	1
Directors' report	2
Independent Auditors' report	6
Consolidated profit and loss account	8
Consolidated statement of total recognised gains and losses	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated cash flow statement	12
Statement of accounting policies	13
Notes to the consolidated financial statements	16

Community Solutions Investment Partners Limited
Registered number: 04437976
Annual Report and Consolidated Financial Statements
For the year ended 31 December 2009

Company Information

Directors
Ernest Stephen Battey
Robert Sean McClatchey
Robert Styles (resigned 05/05/2010)
Richard John Dixon (resigned 05/05/2010)
Andrew Livingston (appointed 05/05/2010)
BEIF Corporate Services Ltd (appointed 05/05/2010)

Secretary
Asset Management Solutions Limited

Head Office
Chancery Exchange
10 Furnival Street
London
EC4A 1AB

Registered Office
c/o Asset Management Solutions Limited
3rd Floor
46 Charles Street
Cardiff
CF10 2GE

Independent Auditors
Deloitte LLP
Chartered Accountants and Statutory Auditors
Crawley, United Kingdom

Community Solutions Investment Partners Limited

Registered number: 04437976

Directors' report

For the year ended 31 December 2009

The Directors present their annual report on the affairs of the Company, together with the financial statements and independent auditor's report for the year ended 31 December 2009

Change of name

On 25 June 2010 the Company changed its name from Community Solutions for Primary Care (Holdings) Limited to Community Solutions Investment Partners Limited

Principal activity

The principal activity of the Group companies during the year was the development of property for retention as investments. The Group also provides outsourced Management Services, principally in the Public Private Partnership sector

Business review

The results for the year were as follows

	31 December 2009	31 December 2008
	£000	£000
Turnover	20,075	13,041
Pre tax loss	(2,868)	(2,302)
Net assets	19,327	22,735
Cash at bank	3,251	2,841

The Group is working closely with its partners to deliver first class health facilities within the Local Improvements Finance Trust (LIFT) environment

The year saw the Group complete the construction of 3 health facilities under the government's LIFT initiative with all buildings being occupied on completion

There are 3 LIFT projects which have reached financial close in 2010, with a total investment value of £51m. These consist of LIFT projects in Barnsley Community Solutions Limited and Doncaster Community Solutions Limited and a 3PD project in Primary Medical Property Investments Limited. To continue to increase the activity of the Group, the Group will continue to bid for projects and expand its investment portfolio

Community Solutions Investment Partners Limited

Registered number: 04437976

Directors' report (continued)

For the year ended 31 December 2009

Business review (continued)

The Directors believe the principle risks facing the Group to be the management services fees and development fees which are obtained on the date of financial close of a project. As a result of the upcoming government spending review, the Directors consider that the outlook for 2011 will be challenging.

The Group achieved ISO 9001, 14001 & 18001 accreditation in the prior year, which is seen as a key process in ensuring the group policies and procedures are managed in line with recognised standards.

Financial position and liquidity

The financial position of the Group is presented in the balance sheet. The Group has net assets of £19.3m (2008 £22.7m) and cash of £3.3m (2008 £2.8m) at 31 December 2009.

The Directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the Group. Based on this review and the future business prospects of the Group the Directors believe the Group will be able to meet its liabilities as they fall due.

The Group has available cash of £3.3m (2008 £2.8m) which is considered sufficient to meet the business requirement for the foreseeable future. The Group overdraft facility is renewed on an annual basis.

Having regard to the above and after making enquiries the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Key performance indicators

The Group measures its performance through the use of financial models which forecast future cash flows from completed and prospective projects. The financial models are updated on an annual basis.

The Group also conducts user satisfaction surveys throughout its health facilities and implements agreed improvement actions.

Risk management

The Group has identified and actively manages a number of key risks to achieve the Group's strategy and objectives. Its risk management process is underpinned by an internal audit and assurance process to test and improve controls.

The Group operations expose it to a variety of financial risks that include credit risk, interest rate risk, inflationary risk and price risk.

The Group has limited its exposure to interest rate risk as the rates that the Group pays on its project borrowings are fixed in nominal terms for the life of the projects (generally more than 20 years).

Community Solutions Investment Partners Limited

Registered number: 04437976

Directors' report (continued)

For the year ended 31 December 2009

The Group has reduced part of its inflationary risk by entering into RPI hedging arrangements on a number of its projects

Employee involvement

Community Solutions Investment Partners Limited recognises the important role its staff play in the success of the Group. In April 2010 the Group received the Investors in People award in recognition of the support it provides in the development of staff.

Dividends

The Directors do not recommend the payment of a dividend (2009 £nil)

Directors

The Directors who served during the year are shown on page 1

Director's responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently, and
- make judgments and accounting estimates that are reasonable and prudent, and
- 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 Group 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Community Solutions Investment Partners Limited

Registered number: 04437976

Directors' report (continued)

For the year ended 31 December 2009

Independent Auditors and disclosure of information to the independent Auditors

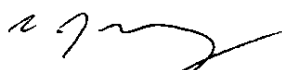
In the case of each of the persons who are directors of the Company at the date when this report was approved

- So far as each director is aware, there is no relevant audit information (that is, information needed by the Company's Auditors in connection with preparing their report) of which the Company's Auditors are unaware, and
- Each director has taken all the steps that he/she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Pursuant to s487 of the Companies Act 2006, the Auditors will be deemed to be re-appointed and Deloitte LLP will therefore continue in office

By order of the board



Andrew Livingston

Director

04 January 2011

Community Solutions Investment Partners Limited

Registered number: 04437976

Independent Auditors' Report to the members of
Community Solutions Investment Partners Limited

We have audited the Group and parent company financial statements of Community Solutions Investment Partners Limited (formerly Community Solutions for Primary Care (Holdings) Limited) for the year ended 31 December 2009 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and Company balance sheets, the consolidated cash flow statement, the statement of accounting policies and the related notes and the notes 1 to 25. 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 auditors' 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' Responsibility Statement, 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 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 and the Group'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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's and Group's affairs as at 31 December 2009 and of the loss of the group 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

Community Solutions Investment Partners Limited

Registered number: 04437976

Independent Auditors' Report to the members of
Community Solutions Investment Partners Limited (continued)

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



Neil Harris
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Crawley, United Kingdom

4 January 2011

Community Solutions Investment Partners Limited**Registered number: 04437976**

Consolidated profit and loss account

For the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Turnover			
Group & share of joint ventures'	1	20,075	13,041
Less share of joint ventures'		(9,806)	(5,187)
Group turnover – continuing operations		10,269	7,854
Cost of sales		(1,053)	(901)
Gross profit		9,216	6,953
Other operating expenses		(5,482)	(3,750)
Operating profit – before share of joint ventures' operating profit		3,734	3,203
Share of joint ventures' operating profit	2	3,547	519
Loss on disposal of a subsidiary		(1,350)	-
Profit on ordinary activities before finance charges		5,931	3,722
Finance charges (net)			
Group	3	(3,615)	(3,446)
Share of joint ventures'	3	(5,184)	(2,578)
Loss on ordinary activities before taxation	4	(2,868)	(2,302)
Tax on loss on ordinary activities	7	(138)	199
Loss for the financial year	19	(3,006)	(2,103)

Community Solutions Investment Partners Limited**Registered number: 04437976****Consolidated statement of total recognised gains and losses****For the year ended 31 December 2009**

	Notes	2009	2008
		£000	£000
Loss for the financial year			
Group		(1,498)	(161)
Share of joint ventures'		(1,508)	(1,942)
		(3,006)	(2,103)
Unrealised surplus on revaluation of investment properties			
Group		(337)	786
Surplus on exchange of shares		77	2,261
Equalisation payment		(391)	-
Other		242	-
Total recognised losses and gains relating to the year		(3,415)	944

Community Solutions Investment Partners Limited

Registered number: 04437976

Consolidated balance sheet

For the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Intangible fixed assets			
Goodwill	9	1,606	3,266
Negative goodwill	9	(2,477)	(2,477)
		<u>(871)</u>	<u>789</u>
Tangible fixed assets			
Tangible assets	10	74,628	74,605
Investment in joint ventures			
- Share of gross assets	11	101,793	100,471
- Share of gross liabilities	11	(97,544)	(94,715)
	11	<u>4,249</u>	<u>5,756</u>
		<u>78,877</u>	<u>80,361</u>
Current assets			
Debtors			
- due within one year	12	3,523	2,182
- due after one year	12	8,441	11,967
Cash at bank and in hand		<u>3,251</u>	<u>2,841</u>
		<u>15,215</u>	<u>16,990</u>
Creditors: Amounts falling due within one year	13	<u>(7,789)</u>	<u>(6,169)</u>
Net current assets		<u>7,426</u>	<u>10,821</u>
Total assets less current liabilities		<u>85,432</u>	<u>91,971</u>
Creditors: Amounts falling due after more than one year	14	(64,769)	(68,371)
Provisions for liabilities	15	<u>(1,336)</u>	<u>(865)</u>
Net assets		<u>19,327</u>	<u>22,735</u>
Capital and reserves			
Called-up share capital	18	349	342
Revaluation reserve	19	16,427	16,531
Other reserve	19	400	2,261
Profit and loss account	19	<u>2,151</u>	<u>3,601</u>
Shareholders' funds		<u>19,327</u>	<u>22,735</u>

The financial statements of Community Solutions Investment Partners Limited (formerly Community Solutions for Primary Care (Holdings) Limited), registered number 04437976 were approved by the board of directors and authorised for issue on 04 January 2011

Andrew Livingston  Director

04 January 2011

Community Solutions Investment Partners Limited**Registered number: 04437976**

Company balance sheet

For the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Investments	11	<u>2,842</u>	<u>5,583</u>
Current assets			
Debtors			
– due within one year	12	712	255
– due after one year	12	9,394	10,267
Cash at bank and in hand		<u>468</u>	<u>190</u>
		10,574	10,712
Creditors Amounts falling due within one year	13	<u>(2,970)</u>	<u>(2,950)</u>
Net current assets		<u>7,604</u>	<u>7,762</u>
Total assets less current liabilities		10,446	13,345
Creditors Amounts falling due after more than one year	14	<u>(8,336)</u>	<u>(10,620)</u>
Net assets		<u>2,110</u>	<u>2,725</u>
Capital and reserves			
Called-up share capital	18	349	342
Other reserve	19	400	2,259
Profit and loss account	19	<u>1,361</u>	<u>124</u>
Shareholders' funds		<u>2,110</u>	<u>2,725</u>

The financial statements of Community Solutions Investment Partners Limited (formerly Community Solutions for Primary Care (Holdings) Limited), registered number 04437976 were approved by the board of directors and authorised for issue on 04 January 2011

They were signed on its behalf by

Andrew Livingston



Director

04 January 2011

Community Solutions Investment Partners Limited
Registered number: 04437976
Consolidated cash flow statement
For the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Net cash inflow/(outflow) from operating activities	20	3,777	(2,326)
Returns on investments and servicing of finance	21	(3,614)	(3,568)
Taxation	21	(295)	-
Capital expenditure and financial investment	21	(131)	(343)
Cash outflow before management of liquid resources and financing		(263)	(6,237)
Financing	21	673	3,371
Increase/(decrease) in cash in the year	22	410	(2,866)

Community Solutions Investment Partners Limited

Registered number: 04437976

Statement of accounting policies

For the year ended 31 December 2009

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

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 United Kingdom accounting standards.

Going Concern

The Group has net assets of £19,327,000 (2009 net assets £22,735,000) and cash of £3,251,000 (2008 £2,841,000) at 31st December 2009.

The Directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the Company. Based on this review and the future business prospects of the Company, despite the current economic conditions, the directors believe the Company will be able to meet its liabilities as they fall due. More information on this review is contained in the Directors' Report.

Having regard to the above and after making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Community Solutions Investment Partners Limited

Registered number: 04437976

Statement of accounting policies (continued)

For the year ended 31 December 2009

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided in equal annual instalments at rates calculated to write off the cost of fixed assets over their estimated useful lives as follows:

Plant and Machinery – between three and five years

Investment properties

Investment properties are re-valued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

Depreciation is not provided in respect of freehold investment properties, or in respect of leasehold investment properties where the unexpired term of the lease is more than 20 years. The Directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 "Accounting for investment properties". The financial effect of the departure from the statutory accounting rules cannot reasonably be quantified as depreciation and amortisation is only one of the many factors reflected in the annual valuation.

Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

In the company balance sheet, the investments in subsidiaries acquired where the consideration represented the issue of shares qualifying for group reconstruction relief are carried at the nominal value of the shares issued.

Joint Ventures

A joint venture is an entity, other than a subsidiary, in which the Group participates and controls on equal terms with a partner or partners. The consolidated profit and loss account includes the Group's share of the turnover, operating profit/ (loss) of the joint ventures. Investments in joint ventures are shown in the consolidated balance sheet using the gross equity method. The gross equity method records the Group's share of the gross assets and liabilities in the consolidated balance sheet.

The acquisitions of joint ventures from fellow group companies were accounted for as group reconstructions.

Goodwill arising on the acquisition of joint ventures is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in joint ventures.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 Group'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.

Community Solutions Investment Partners Limited

Registered number: 04437976

Statement of accounting policies (continued)

For the year ended 31 December 2009

Taxation (continued)

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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

Turnover

Turnover represents rent received from rental properties, fees received from investment developments and income from management and consultancy services. Amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Financial liabilities and equity

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 Group after deducting all of its liabilities.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Community Solutions Investment Partners Limited
Registered number: 04437976
Notes to the financial statements
For the year ended 31 December 2009

1 Turnover Segmental Analysis

2009	Health Investments £000	Management Services £000	Total £000
Revenue	5,435	4,834	10,269
Share of joint ventures'	9,806	-	9,806
At 31 December 2009	15,241	4,834	20,075

2008	Health Investments	Management Services	Total
Revenue	4,974	2,880	7,854
Share of joint ventures'	5,187	-	5,187
At 31 December 2008	10,161	2,880	13,041

The group only operates within the UK

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

2 Share of joint ventures' operating profit

	2009	2008
	£000	£000
Existing operations	3,550	240
Acquisitions	(3)	279
Continuing operations	3,547	519

3 Finance charges (net)

	2009	2008
	£000	£000
Interest payable and similar charges	(9,768)	(7,168)
Less Investment income	969	1,144
	(8,799)	(6,024)
Group	(3,615)	(3,446)
Share of joint ventures'	(5,184)	(2,578)
	(8,799)	(6,024)

Investment income

	2009	2008
	£000	£000
Bank interest receivable	16	139
Interest receivable and similar income	953	1,005
	969	1,144

Interest payable and similar charges

	2009	2008
	£000	£000
Bank loans and overdrafts	3,674	3,701
Other loans	4	585
Share of joint ventures'	5,224	2,882
	8,902	7,168

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2009 £000	2008 £000
Depreciation of tangible fixed assets		
– owned	174	42
Amortisation of goodwill	310	37

The analysis of auditors' remuneration is as follows

	2009 £000	2008 £000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	31	29
Fees payable to the Company's auditors and their associates for other services to the Group		
– The audit of the Company's subsidiaries pursuant to legislation	28	47
<i>Total audit fees</i>	59	76
Tax services	109	11
<i>Total non-audit fees</i>	109	11
	168	87

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

5 Staff costs**Group**

	2009 Number	2008 Number
Administration	39	34
	39	34

Their aggregate remuneration comprised

	2009 £000	2008 £000
Wages and salaries	2,853	1,817
Social security costs	325	222
Other pension costs	103	41
	3,281	2,080

6 Directors' remuneration and transactions

	2009 £000	2008 £000
Directors' remuneration		
Sums paid to third parties in respect of Directors' services	120	120
	120	120

7 Tax on loss on ordinary activities

The tax charge comprises

	2009 £000	2008 £000
Current tax		
UK corporation tax	152	(6)
Deferred tax	(379)	88
Total tax	(227)	82
Share of joint ventures' tax	89	117
Total tax on loss on ordinary activities	(138)	199

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

7 Tax on loss on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	2009 £000	2008 £000
Loss on ordinary activities before tax	(2,868)	(2,302)
Less share of joint ventures' loss before tax	1,508	2,059
Group profit/(loss) on ordinary activities before tax	(1,360)	(243)
Tax on Group profit on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	(381)	69
Effects of		
Non-allowable loss	370	-
Capital allowances in excess of depreciation	(141)	(63)
Group current tax (credit)/charge for period	(152)	6

The Group earns its profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 28%. The tax rate was reduced from 30% on 5 April 2008.

8 Loss attributable to the Company

The loss for the financial year dealt with in the financial statements of the parent company was £233,549 (2008 loss £55,489). As permitted by s408 of the Companies Act 2006, no separate profit and loss account for the parent company is presented.

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

9 Intangible fixed assets – goodwill

	Positive Goodwill £000	Negative goodwill £000	Total £000
Group			
Cost			
At 1 January 2009	3,340	(2,477)	863
Disposals	(1,350)	-	(1,350)
At 31 December 2009	1,990	(2,477)	(487)
Amortisation			
At 1 January 2009	(74)	-	(74)
Charge for the year	(310)	-	(310)
At 31 December 2009	(384)	-	(384)
Net book value			
At 31 December 2008	3,266	(2,477)	789
At 31 December 2009	1,606	(2,477)	(871)

Negative goodwill arose on the acquisition of the CSPC (3PD) Limited and its wholly-owned subsidiaries in 2006. It will be written back when properties held by CSPC (3PD) Limited and its subsidiaries are disposed of.

Community Solutions Investment Partners Limited**Registered number. 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

10 Tangible fixed assets

Freehold and leasehold land and buildings were professionally valued on 31st December 2009, one third externally by Aitchison Rafferty MRICS, Darce Son and Hartley MRICS and two thirds by Neil Fitzsimmons MRICS, an employee of the Company on an open market basis, as follows

Group	Land and buildings (All Investment Properties)		Plant and machinery	Total
	Freehold £'000	leasehold £'000	£'000	£'000
Cost or valuation				
At 1 January 2009	52,562	21,711	374	74,647
Additions	14	-	170	184
Disposals	-	(53)	-	(53)
Revaluations	684	(618)	-	66
At 31 December 2009	53,260	21,040	544	74,844
Depreciation				
At 1 January 2009	-	-	42	42
Charge for the year	-	-	174	174
At 31 December 2009	-	-	216	216
Net book value				
At 31 December 2009	53,260	21,040	328	74,628
At 31 December 2008	52,562	21,711	332	74,605

In respect of the fixed assets stated at valuation the comparable historical cost and deprecation values are as follows

	2009	2008
	£'000	£'000
Net book value at the end of the year (above)	74,300	74,273
Historical cost	65,566	65,605

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

10 Tangible fixed assets (continued)

If land and buildings had not been revalued they would have been included at the following amounts

Group	2009			2008		
	Investment properties	Freehold	Long leasehold	Investment properties	Freehold	Long Leasehold
	£000	£000	£000	£000	£000	£000
Cost and net book value	65,898	47,462	18,436	65,937	47,448	18,489

11 Fixed asset investments

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Subsidiary undertakings	-	-	2,842	5,583
Investment in joint ventures	4,249	5,756	-	-
	4,249	5,756	2,842	5,583

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

11 Fixed asset investments (continued)*Principal Group investments*

The principal investments of the Group are listed below. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

	Country of incorporation or principal business address	Principal activity	Holding*	%
<u>Subsidiary undertakings</u>				
Community Solutions Management Services Ltd +	England & Wales	Management Services	Ordinary	100%
CSPC (Barnsley) Ltd +	England & Wales	Non Trading	Ordinary	100%
CSPC (Camden & Islington) Ltd +	England & Wales	Non Trading	Ordinary	100%
CSPC (Doncaster) Ltd +	England & Wales	Non Trading	Ordinary	100%
CSPC (BTG) Ltd +	England & Wales	Non Trading	Ordinary	100%
CSPC 3PD Ltd +	England & Wales	Non Trading	Ordinary	100%
Primary Medical Property Ltd	England & Wales	Non Trading	Ordinary	100%
Primary Medical Property Investments Ltd	England & Wales	Investment management	Ordinary	100%
INHOCO 4129 Ltd	England & Wales	Non Trading	Ordinary	100%
DK Properties (Woolston) Ltd	England & Wales	Investment Management	Ordinary	100%
<u>Associates and joint ventures</u>				
Barnsley Community Solutions Ltd	England & Wales	Non Trading	Ordinary	60%
Barnsley Community Solutions (Tranche 1) Ltd	England & Wales	Investment management	Ordinary	60%
Barnsley Community Solutions (Tranche 2) Ltd	England & Wales	Investment management	Ordinary	60%
Bury, Tameside & Glossop Community Solutions Ltd	England & Wales	Non Trading	Ordinary	60%
Bury, Tameside & Glossop Community Solutions 1 Ltd	England & Wales	Investment management	Ordinary	60%
Bury, Tameside & Glossop Community Solutions 2 Ltd	England & Wales	Investment management	Ordinary	60%
Bury, Tameside & Glossop Community Solutions (Developments) Ltd	England & Wales	Investment management	Ordinary	60%
Camden & Islington Community Solutions Ltd	England & Wales	Non Trading	Ordinary	60%
Camden & Islington Community Solutions 1 Ltd	England & Wales	Investment management	Ordinary	60%
CSPC (Solent) Ltd	England & Wales	Non Trading	Ordinary	100%

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

11 Fixed asset investments (continued)

Solent Community Solutions Ltd	England & Wales	Non Trading	Ordinary	60%
Solent Community Solutions 1 Ltd	England & Wales	Investment management	Ordinary	60%
Solent Community Solutions 2 Ltd	England & Wales	Investment management	Ordinary	60%
Solent Community Solutions 3 Ltd	England & Wales	Investment management	Ordinary	60%
Doncaster Community Solutions (Liftco) Ltd	England & Wales	Non Trading	Ordinary	60%
Doncaster Community Solutions (Fundco1) Ltd	England & Wales	Investment management	Ordinary	60%
Doncaster Community Solutions (Fundco2) Ltd	England & Wales	Investment management	Ordinary	60%
LIFT Investments Ltd	England & Wales	Non Trading	Ordinary	62%
JV UK Company Ltd +	England & Wales	Non Trading	Ordinary	100%*
Resound (Health) Ltd	England & Wales	Investment management	Ordinary	37 2%
Resound (Mount Gold) Ltd	England & Wales	Investment management	Ordinary	37 2%
Resound (Cattledown) Ltd	England & Wales	Investment management	Ordinary	37 2%
Resound (Derriford) Ltd	England & Wales	Investment management	Ordinary	37 2%

+ Held directly by CSPC Holdings Ltd

* See note 23

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

11 Fixed asset investments (continued)*Subsidiary Undertakings*

	Company £000
Cost	
At 1 January 2009	5,583
Additions	4
Disposals	<u>(2,745)</u>
Net book value as at 31 December 2009	<u>2,842</u>
Net book value as at 31 December 2008	<u>5,583</u>

Joint Ventures

	Group £000
Share of net assets	
At 1 January 2009	5,756
Share of retained loss for the year	<u>(1,507)</u>
Net book value as at 31 December 2009	<u>4,249</u>
Net book value as at 31 December 2008	<u>5,756</u>

The following information is given in respect of the Group's share in its joint ventures

	2009 £000	2008 £000
Turnover	<u>9,806</u>	5,187
Loss after tax	<u>(1,507)</u>	(1,942)
Fixed assets	<u>90,568</u>	87,260
Current assets	<u>11,225</u>	13,211
Liabilities due within one year	<u>(6,165)</u>	(2,995)
Liabilities due after one year	<u>(91,379)</u>	(91,720)
Net assets	<u>4,249</u>	5,756

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

12 Debtors

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Amounts falling due within one year				
Trade debtors	267	236	1	-
Amounts owed by Group undertakings	-	-	347	138
Amounts owed by related parties	1,783	1,413	-	4
VAT	40	20	40	20
Corporation Tax	657	29	296	29
Other debtors	396	378	5	-
Prepayments and accrued income	380	106	23	64
	3,523	2,182	712	255

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Amounts falling due after more than one year				
Amounts owed by Group undertakings	-	-	8,640	3,248
Amounts owed by related parties	8,441	11,967	754	7,019
	8,441	11,967	9,394	10,267
Total debtors	11,964	14,149	10,106	10,522

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

13 Creditors – Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Bank loans and overdrafts	1,516	2,112	-	-
Trade creditors	19	86	-	18
Amounts owed to Group undertakings	-	-	1,768	2,207
Amounts owed to related parties	2,996	596	551	537
Other taxation and social security	767	281	158	-
Other creditors	372	973	-	-
Accruals and deferred income	2,119	2,121	493	188
	7,789	6,169	2,970	2,950

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

14 Creditors – Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Other creditors				
Bank loans	56,433	56,818	-	-
Amounts owed to related parties	8,336	11,553	8,336	10,620
	64,769	68,371	8,336	10,620

The bank overdraft is secured under a Group guarantee and set off arrangement

The loans are repayable over 25 years and bear a fixed interest rate of 6.35% per annum. The loans are secured on the Group's freehold and leasehold investment properties.

Borrowings are repayable as follows

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Total borrowings				
Between one and two years	697	467	268	158
Between two and five years	2,501	2,048	312	806
After five years	61,571	65,856	7,756	9,656
	64,769	68,371	8,336	10,620
On demand or within one year	4,512	2,579	2,970	2,950
	69,281	70,950	11,306	13,570

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

15 Provisions for liabilities**Deferred Tax**

	2009	2008
	£000	£000
Group		
At 1 January 2009	865	777
Charged/ (credited) to profit and loss account	435	88
Adjustment to prior years	36	2
Effects of change in corporation tax rate	-	(2)
At 31 December 2009	1,336	865

Deferred tax

Deferred tax is provided as follows

	2009	2008
	£000	£000
Group		
Accelerated capital allowances	2,150	2,274
Tax losses available	(814)	(1,409)
Provision for deferred tax	1,336	865

16 Operating lease commitments

	2009	2008
	£000	£000
Minimum lease payments under operating leases recognised as an expense for the year	72	-

At 31 December, the Group had outstanding commitments for minimum lease payments under non-cancellable operating leases which fall due as follows

	2009	2008
	£000	£000
Within one year	93	-
Within two to five years	372	-
After five years	1,788	-
As at 31 December 2009	2,253	-

Operating lease payments represent rentals payable by the Group to its joint venture Bury, Tameside and Glossop Community Solutions (1) Ltd

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

17 Operating lease receipts

	2009 £000	2008 £000
Income received under operating leases during the year	42	-

At 31 December, the Group expected to receive minimum lease payments under non-cancellable operating leases which fall due as follows

	2009 £000	2008 £000
Within one year	38	-
Within two to five years	150	-
After five years	708	-
As at 31 December 2009	896	-

Operating lease payments represent rentals receivable by the Group for certain properties

18 Called-up share capital

	2009 £000	2008 £000
<i>Authorised</i>		
333,333 (2008 333,333) ordinary "A" shares of £1 each	333	333
333,333 (2008 333,333) ordinary "B" shares of £1 each	333	333
333,334 (2008 333,334) ordinary "C" shares of £1 each	334	334
	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully-paid</i>		
Nil ordinary "A" shares of £1 each	-	-
174,693 (2008 170,793) ordinary "B" shares of £1 each	175	171
174,693 (2008 170,793) ordinary "C" shares of £1 each	174	171
	<u>349</u>	<u>342</u>

The ordinary shares carry one voting right per share, they have no redemption rights and are not entitled to any dividends other than those recommended by the Directors "A", "B" and "C" shares constitute different classes of shares but confer the same rights upon the holders thereof and rank pari passu in all respects

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

19 Statement of movements in reserves and shareholders' funds

Group	Share capital £000	Revaluation Reserve £000	Other reserve £000	Profit and loss account £000	Total £000
At 1 January 2009	342	16,531	2,261	3,601	22,735
Share issue	7	-	-	-	7
Equalisation payment	-	-	(391)	-	(391)
Exchange of shares	-	(9)	-	86	77
Transfer on disposal of investment in subsidiary	-	-	(1,470)	1,470	-
Revaluation surplus	-	(337)	-	-	(337)
Reserves Adjustment	-	242	-	-	242
Loss for the financial year	-	-	-	(3,006)	(3,006)
At 31 December 2009	349	16,427	400	2,151	19,327

* The Other Reserve is non-distributable and relates to the disposal of Community Solutions for Primary Care (Solent) Limited. See note 23

Company	Share Capital £000	Other Reserve £000	Profit and loss account £000	Total £000
At 1 January 2009	342	2,259	124	2,725
Share Issue	7	-	-	7
Loss for the financial year	-	-	(233)	(233)
Transfer on disposal of investment in subsidiary	-	(1,470)	1,470	-
Equalisation payment	-	(389)	-	(389)
At 31 December 2009	349	400	1,361	2,110

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

20 Reconciliation of operating profit to operating cash flows

	2009 £000	2008 £000
Operating profit	3,734	3,203
Amortisation	310	37
Depreciation	174	42
Decrease in debtors	2,813	(5,302)
Decrease in creditors	(2,863)	(306)
Equalisation payment	(391)	--
Net cash inflow/(outflow) from operating activities	3,777	(2,326)

21 Analysis of cash flows

	2009 £000	2008 £000
<i>Returns on investments and servicing of finance</i>		
Interest received	63	711
Interest paid	(3,677)	(4,279)
Net cash outflow	(3,614)	(3,568)

Taxation

UK corporation tax paid	(295)	-
Net cash outflow	(295)	-

Capital expenditure and financial investment

Purchase of tangible fixed assets	184	(343)
Disposal of tangible fixed assets	(53)	-
Net cash inflow/(outflow)	131	(343)

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

21 Analysis of cash flows (continued)

<i>Financing</i>	2009	2008
	£000	£000
New unsecured loan	889	3,511
Repayment of unsecured loan	(216)	(140)
Net cash inflow	673	3,371

22 Analysis and reconciliation of net debt

	1 January	Cash flow	31 December
	2009		2009
	£000	£000	£000
Cash in hand, at bank	2,841	410	3,251
	2,841	410	3,251
Debt due within 1 year	(2,579)	(1,933)	(4,512)
Debt due after 1 year	(65,626)	857	(64,769)
Net debt	(65,364)	(666)	(66,030)

	2009
	£000
Increase in cash in the year	410
Cash outflow from debt and lease financing	(1,076)
Change in net debt resulting from cash flows	(666)
Movement in net debt in year	(666)
Net debt at 1 January 2009	(65,364)
Net debt at 31 December 2009	(66,030)

Community Solutions Investment Partners Limited

Registered number: 04437976

Notes to the financial statements (continued)

For the year ended 31 December 2009

23 Major non-cash transactions

On 31st March 2008, Community Investment Partners Limited transferred its investment in Community Solutions for Primary Care (Solent) Limited to JV UK Company Limited in exchange for 50% of the share capital of JV UK Company Limited. The other 50% of the share capital of JV UK Company Limited was issued to Sutton Harbour Holdings plc in exchange for its 62% investment in Lift Investments Ltd. The transaction generated an unrealised gain of £2,261,000 which is shown in the non-distributable 'other reserve'.

The unrealised gain was calculated as follows

	£'000
Net assets disposed of.	
Share capital	5
Intercompany loan	800
	<hr/>
	805
Gain on exchange of shares	2,261
	<hr/>
Sale proceeds	3,066
Satisfied by	
50% share of the fair value of JV UK Company Limited	3,066
	<hr/>

During the year it became apparent that pipeline projects specified in the original agreement would not proceed and as such equalisation payments became payable by both sides. The net impact of these payments was a reduction of the unrealised gain to £1,870,000.

On 29th September 2008, Community Solutions Investment Partners Limited acquired the rights to all future income attributable to JV UK Company Limited for £2,745,000.

On 1st December 2009 Community Solutions Investment Partners Limited entered into an agreement to purchase the underlying shares relating to this income and a further agreement for Barclays European Infrastructure Fund II ("BEIF II") Limited to purchase the income stream and the rights in respect of 50% of the shares in JV UK Company Limited in consideration for the extinguishment of the liability to BEIF II. JV UK Company Limited is therefore recognised as a subsidiary until 1st December 2009 and a joint venture from that date, due to the value and extent of the control that Community Solutions Investment Partners Limited has over JV UK Company Limited during the period.

Goodwill recognised on acquisition was £2,973,000. On 1st December 2009, amortisation had reduced goodwill to £2,700,000, 50% of which was written off as part of the disposal on this date. An unrealised gain of £1,470,000 was realised through this transaction and was transferred from other reserves to the profit and loss account.

Community Solutions Investment Partners Limited**Registered number: 04437976**

Notes to the financial statements (continued)

For the year ended 31 December 2009

24 Related party transactions

There have been no transactions with the Directors of the Company during the year

Amounts owed by and to associated undertakings are disclosed in notes 12, 13 and 14

Nature of Transaction	Relationship	Transaction	Amount Due	Transaction	Amount Due
		Amount	(to)/from related party at 31 December	amount	(to)/from related party at 31 December
		2009	2009	2008	2008
		£'000	£'000	£'000	£'000
Barclays European Infrastructure Fund II LP	50% JV Parent of CSPC Holdings Ltd Group				
Loan Interest Payable		541	-	407	-
Creditors		(223)	(561)	76	(338)
Long Term Loan		(322)	(7,738)	(2,745)	(7,416)
Morgan Sindall Investments (NHS Lift) Ltd	50% JV Parent of CSPC Holdings Ltd Group				
Creditors		(27)	(309)	(5)	(282)
Long Term Loan		(150)	(3,398)	(196)	(3,248)
Sutton Harbour	Joint Venture Partner				
Accrued Income		-	-	19	30
Creditors		-	-	(909)	(909)

Community Solutions Investment Partners Limited

Registered number: 04437976

Notes to the financial statements (continued)

For the year ended 31 December 2009

25 Ultimate controlling company

Community Solutions Investment Partners Limited (formerly Community Solutions for Primary Care (Holdings) Limited) is jointly owned by Barclays European Infrastructure Fund II LP and Morgan Sindall Investments (NHS Lift) Limited

The Directors are of the opinion that there is no ultimate controlling party