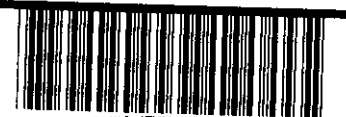


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# **UK Healthcare Properties Limited**

**Financial statements**  
**31 December 2005**



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COMPANIES HOUSE 18/10/2006

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## MANAGEMENT AND ADMINISTRATION

Directors:	Staffan Carlson Tomas Lindhardt Andrew Wilson
Secretary:	Andrew Hale
Auditors:	Ernst & Young LLP 400 Capability Green Luton LU1 3LU
Registered Office:	1 Hasset Street Bedford Bedfordshire MK40 1HA

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

### **History**

The company was incorporated on 21 March 2003.

### **Activities**

The company is a holding company.

### **Results and dividends**

The results for the year are set out in the profit and loss account on page 6. No dividends were declared in the year (2004: £nil).


### **Directors**

The directors of the company during the year were as set out on page 2.

The interests of the directors in the share capital of the Company, or in any company within the same group are disclosed in the accounts of Capio AB.

### **Auditors**

Ernst & Young LLP are eligible for reappointment. A resolution to reappoint them will be proposed at the next Annual General Meeting.

  
T. Lindhardt  
Director

27 April 2006

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 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; 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 proper accounting records which are sufficient to show and explain the company's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the company at that time and to enable them to ensure that the accounts are prepared properly and in accordance with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent auditors' report

to the members of UK Healthcare Properties Limited

We have audited the company's financial statements for the year ended 31 December 2005, which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

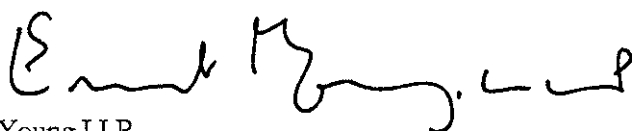
### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Luton

28 April 2006

**PROFIT AND LOSS ACCOUNT**  
*for the year ended 31 December 2005*

		31 December 2005 £'000	31 December 2004 £'000
	<b>Notes</b>		
<b>Turnover</b>		—	—
<b>Administrative expenses</b>			
Professional fees		(99)	(17)
<b>Operating (loss)</b>	2	(99)	(17)
Income from investments and similar income	3	3,299	3,450
Interest receivable	4	94	477
Interest payable	5	(1,063)	(823)
<b>Profit on ordinary activities before taxation</b>		2,231	3,087
Tax on profit on ordinary activities	6	(1,742)	(1,495)
<b>Profit retained for the year</b>		489	1,592

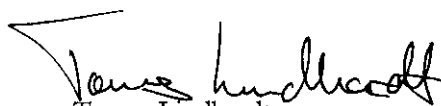
The company has no recognised gains and losses except as shown above and accordingly no separate Statement of Total Recognised Gains and Losses has been presented.

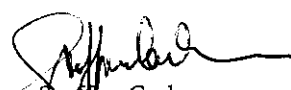
The company's results are derived entirely from continuing operations.

**BALANCE SHEET**  
*as at 31 December 2005*

		31 December 2005 £'000	31 December 2004 £'000
	Notes		
<b>Investments</b>	7	28,367	28,367
<b>Current assets</b>			
Debtors	8	4	1,002
Cash at bank		2,333	252
		<u>2,337</u>	<u>1,254</u>
<b>Creditors:</b>	9	(21,814)	(21,559)
Amounts falling due within one year		<u></u>	<u></u>
<b>Net current liabilities</b>		<u>(19,477)</u>	<u>(20,305)</u>
<b>Total assets less current liabilities</b>		8,890	8,062
Provisions for liabilities and charges	10	<u>(1,643)</u>	<u>(1,304)</u>
<b>Net Assets</b>		<u>7,247</u>	<u>6,758</u>
<b>Financed by:</b>			
Share capital	11	7	7
Share Premium account	12	693	693
Profit and loss account	12	<u>6,547</u>	<u>6,058</u>
<b>Total equity shareholders' funds</b>	12	<u>7,247</u>	<u>6,758</u>

The Financial Statements were approved by the Board and signed on its behalf by:

  
Tomas Lindhardt  
Director

  
Stefan Carlson  
Director

27 April 2006



## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 December 2005*

### 1. PRINCIPAL 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.

In preparing the financial statements the company has adopted "Financial Reporting Standard 21 Events after the balance sheet date". On this basis a distribution declared but not paid before the balance sheet date by its subsidiary undertaking has not been accrued in the accounts.

#### **Basis of Accounting**

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

As at 31 December 2005 the company's current liabilities exceeded its current assets. The company is dependent in the absence of other funding, on the continued support of the ultimate parent undertaking Capio AB. The ultimate parent undertaking has confirmed it will continue to support the company. On this basis the directors consider it appropriate to prepare the accounts on a going concern basis. The accounts do not include any adjustment that might be necessary if Capio AB were not able to provide further support.

#### **Cash flow**

The company is exempt from the requirement to prepare a cash flow statement, under Financial Reporting Standard No. 1 (Revised 1996).

#### **Intermediate parent undertaking**

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts and deliver them to the Registrar of Companies hence these financial statements present information about the undertaking as an individual entity and not about its group. The results of the company are consolidated in the accounts of Capio AB.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;



- 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.

### Investments

Investments in subsidiary undertakings are stated at cost, unless there is evidence of an impairment in value, in which case the carrying value of the investment is reduced to the higher of net realisable value and current value in use.

## 2. OPERATING LOSS

Operating loss is stated after charging fees payable to the auditors for audit services of £Nil (2004: £Nil) and for non audit services £14,000 (2004: £17,000).

Audit fees for the company were borne by UK Healthcare Limited Partnership Incorporated, a subsidiary undertaking.

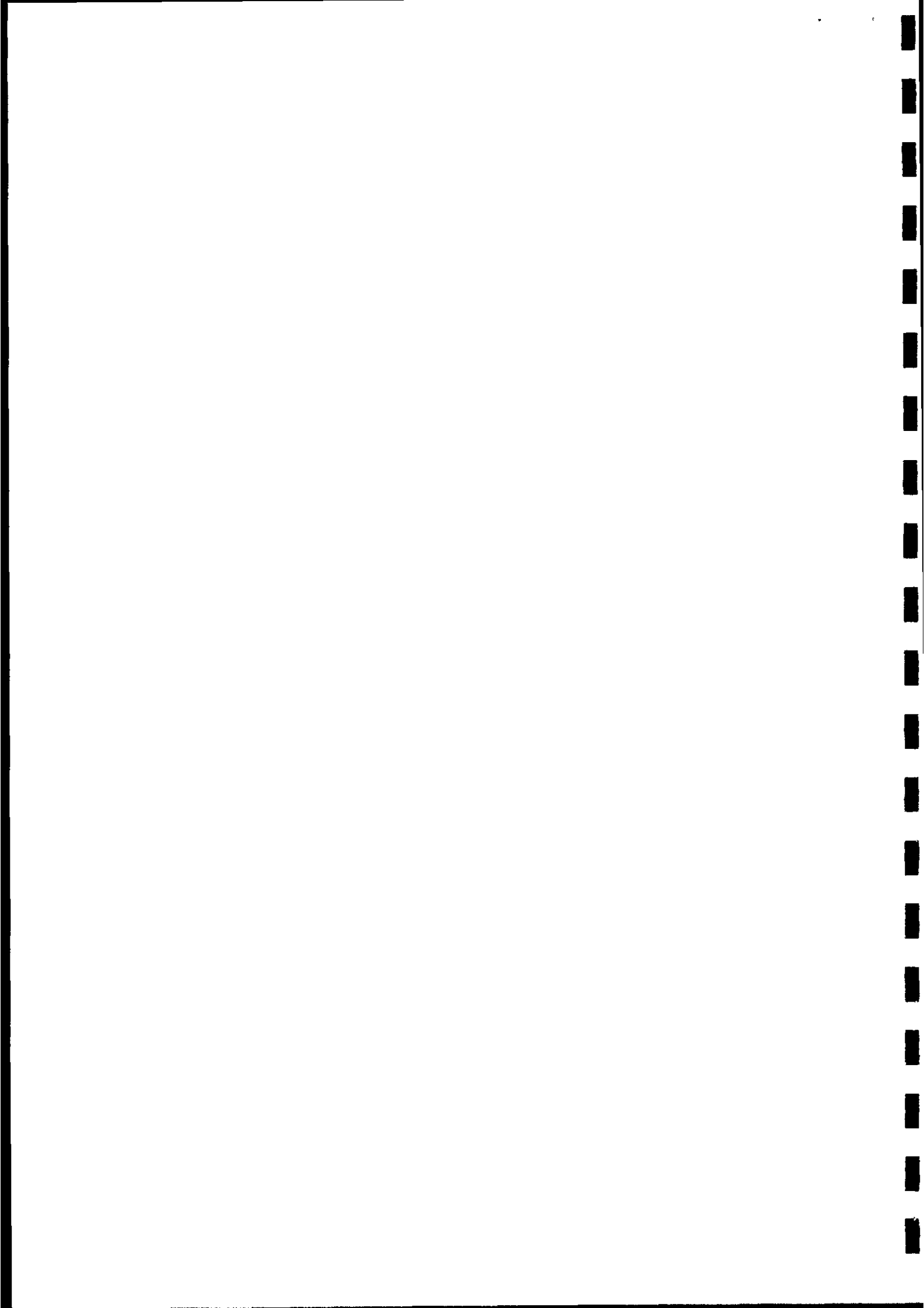
## 3. INCOME FROM INVESTMENTS AND SIMILAR INCOME

	31 December 2005 £'000	31 December 2004 £'000
Distribution from UK Healthcare Limited Partnership Incorporated	3,299	3,450
	<u>3,299</u>	<u>3,450</u>

At the balance sheet date a distribution of £1,080,000 has been declared but not paid by UK Healthcare Limited Partnership Incorporated.

## 4. INTEREST RECEIVABLE

	31 December 2005 £'000	31 December 2004 £'000
Interest receivable on loans from fellow group undertakings	19	477
Interest receivable on bank funds	75	-
	<u>94</u>	<u>477</u>



## 5. INTEREST PAYABLE

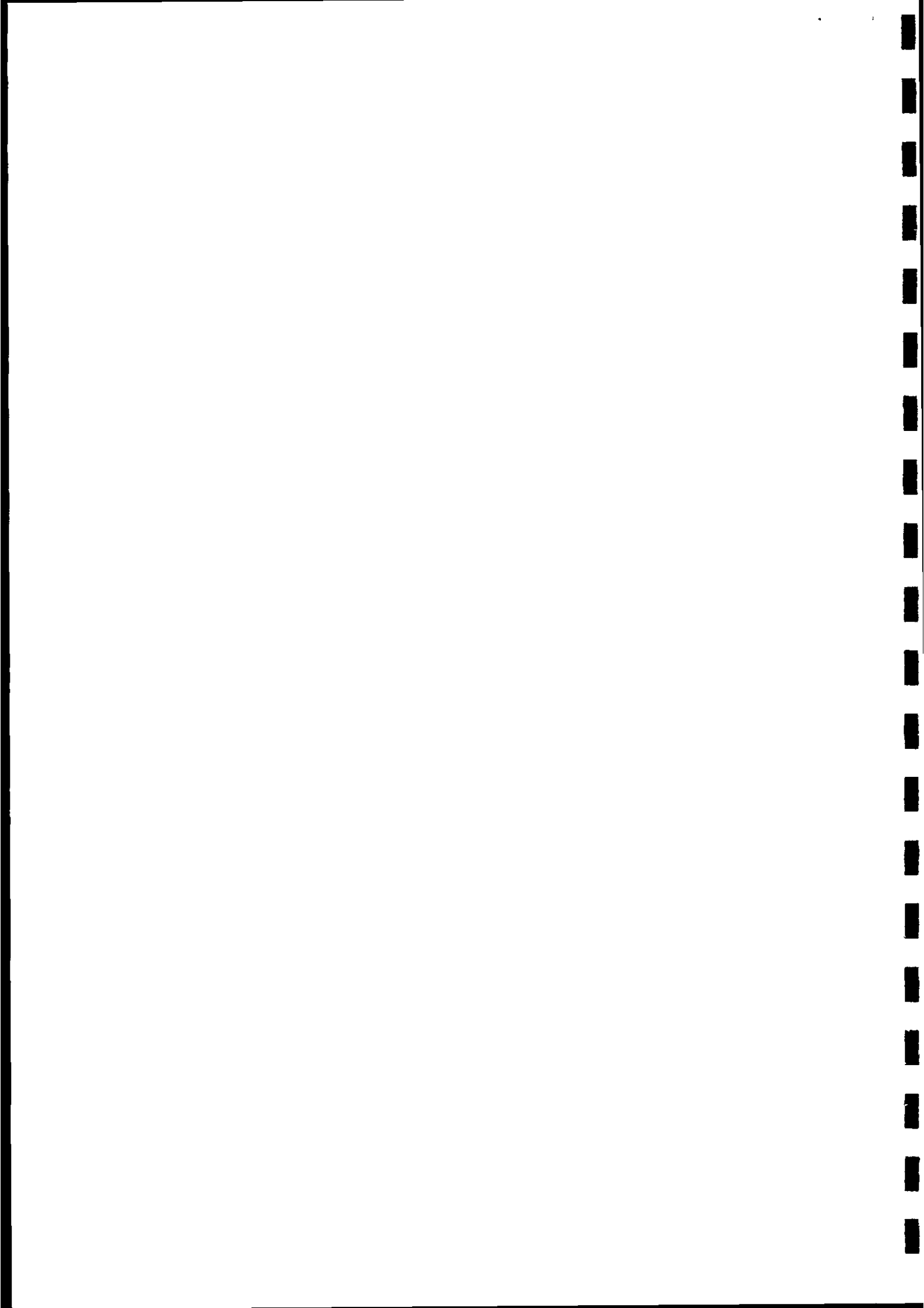
	31 December 2005 £'000	31 December 2004 £'000
Interest payable on loans to fellow group undertakings	(1,063)	(823)

## 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	31 December 2005 £'000	31 December 2004 £'000
UK corporation tax at 30%	(1,386)	(1,020)
Tax (under)/over provided in previous years	(17)	11
Total current tax	(1,403)	(1,009)
UK deferred tax		
Origination and reversal of timing differences in respect of:		
Accelerated capital allowances	(339)	(486)
Tax on profit on ordinary activities	(1,742)	(1,495)

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	31 December 2005 £'000	31 December 2004 £'000
Profit on ordinary activities before tax	2,231	3,087
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2004: 30%)	669	925
Distribution from UK Healthcare Limited Partnership Incorporated not taxable	(989)	(1,035)
Expenses not deductible for tax purposes	1,723	1,119
Current charge for the year	1,403	1,009



## 7. INVESTMENTS

31 December 2005

£'000

Cost or valuation

Shares in subsidiary undertakings

At 1 January 2005

28,367

Additions

-

At 31 December 2005

28,367

See note 13 for investments held.

## 8. DEBTORS

31 December 2005

£'000

31 December 2004

£'000

Amounts owed by fellow subsidiary undertakings

4

5

Amounts owed by ultimate parent undertaking

-

997

4

1,002

## 9. CREDITORS

31 December 2005

£'000

31 December 2004

£'000

Amounts owed to parent undertaking

6,300

6,659

Amounts owed to fellow subsidiary undertakings

14,848

14,150

Accruals and deferred income

16

3

Corporation tax

650

747

21,814

21,559

# 10. PROVISIONS FOR LIABILITIES AND CHARGES

	31 December 2005 £'000	31 December 2004 £'000
<b>Deferred taxation</b>		
At 1 January 2005	1,304	818
Transfer to profit and loss account	339	486
At 31 December 2005	<u>1,643</u>	<u>1,304</u>

The major components of the provision for deferred taxation are as follows:

Accelerated capital allowances	<u>1,643</u>	<u>1,304</u>
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# 11. SHARE CAPITAL

	31 December 2005 No.	31 December 2004 No.
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Issued		
100,000 Ordinary shares of £1 each	100,000	100,000
Called up and fully paid		
7,000 Ordinary shares of £1 each	7,000	7,000

# 12. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	<i>Share Capital</i> £'000	<i>Share Premium</i> £'000	<i>Profit and Loss Account</i> £'000	<i>Total</i> £'000
At 1 January 2005	7	693	6,058	6,758
Profit for the year	-	-	489	489
Share capital issued	-	-	-	-
At 31 December 2005	<u>7</u>	<u>693</u>	<u>6,547</u>	<u>7,247</u>



### 13. SUBSIDIARY UNDERTAKINGS

Listed below are the material subsidiary undertakings

Name	Nature of business	Description of shares held	Proportion of nominal value of issued shares or partnership interest held
UK Healthcare Limited Partnership Incorporated	Property company	Partnership Interest	100%
UK Healthcare Partners (General Partner) Limited	Partner	Ordinary shares	100%
Thomas Rivers Limited	Property Company	Ordinary shares	100%

UK Healthcare Limited Partnership Incorporated and UK Healthcare Partners (General Partner) Limited are incorporated, registered and operate in Guernsey. Thomas Rivers Limited is incorporated, registered and operates in England.

### 14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related party disclosures' from disclosing transactions with other members of the Capio AB group.

### 15. ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party is Capio AB, a company incorporated in Sweden. Copies of the group financial statements of Capio AB are available from the company at its registered office at PO Box 1064, SE-40522, Gothenburg, Sweden.