

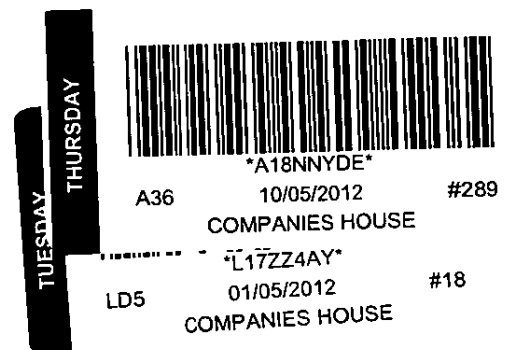
COMPANY REGISTRATION NUMBER 04885191

**INTEGRATED CARE SOLUTIONS (EAST KENT)
HOLDINGS LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2011



INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the members	5
Group profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Group cash flow	10
Notes to the financial statements	11

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M D Canham
R Cooper
S L Jones
D Harding

Company secretary

G Hutt

Registered office

Abbey House
Hickleys Court
South Street
Farnham
Surrey
GU9 7QQ

Auditor

Deloitte LLP
London

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting their report and the financial statements of the Group for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company with a single subsidiary, Integrated Care Solutions (East Kent) Limited. The principal activities of Integrated Care Solutions (East Kent) Limited are the provision and maintenance of social and healthcare centres under a 28 year PFI contract term in Tenterden and Margate with Kent County Council.

FUTURE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

The Group has closely monitored the performance of the business during the year together with its technical advisors and the contract has been carried out in line with expectations.

The company, during the coming year, will continue to act as the holding company for its single subsidiary, Integrated Care Solutions (East Kent) Limited.

Principal risks and uncertainties

The Group is subject to certain risks during the operational phase of the contract, these risks wherever possible have been mitigated by passing the risk down to sub-contractors or by using rate and retail price swap instruments.

Liquidity risk

The Group builds up sufficient cash balances to ensure it is able to meet its loan and other liabilities.

Credit risk

The Group's main customer is Kent County Council with which the subsidiary has a concession agreement. This concession agreement includes clauses whereby, should the subsidiary not be paid by Kent County Council, then the subsidiary does not pay the relevant supplier for the services, provided that subsidiary is the cause of the non payment. The Group, therefore, does not consider its exposure to credit risk to be material.

Interest rate cash flow risk

The Group has in place hedging arrangements to eliminate risk from interest rate movements and fluctuations in Retail Prices indices. In order to ensure stability of cash flows and hence manage interest rate risk, the company has a policy of maintaining all of its bank debt at a fixed rate.

Key performance indicators

The Group maintains an operating model, which is updated on a regular basis and produces management information for the board each quarter, this highlights any variations from the initial contract terms and budget.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £260,000 (2010 £154,000). An interim dividend of £235,000 (2010 £100,000) was paid. The directors do not recommend a final dividend be paid (2010 £nil).

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

DIRECTORS

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

M D Canham
R W Christie (resigned 1 February 2012)
R Cooper
S L Jones
D Harding (appointed 1 February 2012)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group 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 Accountancy 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 are responsible for keeping adequate 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 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.

AUDITOR

In so far as the directors are aware

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

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

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

GOING CONCERN

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The Group meets its capital expenditure requirements through long-term bank loans agreed at the beginning of the project and loan stock provided to it by the shareholders. As at the date of this report all capital expenditure has been completed. The nature of the Group's business, which is part of the government public private partnership (PPP) programme, is such that there are cash inflows from the government forecasted for the operational phase of the project. The directors have prepared projected cash flow information taking account of reasonably possible changes in trading performance for the period ending twelve months from the date of their approval of these financial statements. On the basis of this cash flow information, the directors consider that the Group will continue to operate within the long term facility currently agreed. In particular during the operational phase of the project, sufficient cash flow is projected to be generated to allow the Group to meet its liabilities as they fall due for payment.

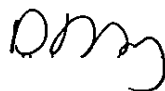
Based on this understanding the directors believe it is appropriate to prepare the financial statements on a going concern basis despite any current uncertainties and the economic outlook.

AUDITOR

Deloitte LLP are deemed to be appointed under section 487(2) of the Companies Act 2006.

Registered office
Abbey House
Hickleys Court
South Street
Farnham
Surrey
GU9 7QQ

Approved by the directors on 27th April 2012



Director

D. HARDING

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Integrated Care Solutions (East Kent) Holdings Limited for the year ended 31 December 2011 which comprise the Group Profit and Loss Account, Group and Company Balance Sheets, the Group Cash Flow and the related notes 1 to 18. 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, 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 parent company's affairs as at 31 December 2011 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED CARE SOLUTIONS
(EAST KENT) HOLDINGS LIMITED *(continued)***

YEAR ENDED 31 DECEMBER 2011

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



Jacqueline Holden (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date 27 April 2012

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 £000
GROUP TURNOVER	2	2,254	1,967
Cost of sales		(1,694)	(1,505)
GROSS PROFIT		560	462
Administrative expenses		(199)	(235)
OPERATING PROFIT	3	361	227
Interest receivable	5	1,354	1,372
Interest payable and similar charges	5	(1,369)	(1,399)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		346	200
Tax on profit on ordinary activities	6	(86)	(46)
PROFIT FOR THE FINANCIAL YEAR		260	154

All of the activities of the Group are classed as continuing

There were no material recognised gains and losses in either year 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

The notes on pages 11 to 20 form part of these financial statements

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £000	2010 £000
CURRENT ASSETS			
Debtors owed within one year	10	685	645
Debtors owed after one year	10	18,297	18,474
Cash at bank		1,807	1,657
		<u>20,789</u>	<u>20,776</u>
CREDITORS: Amounts falling due within one year	11	(1,254)	(1,059)
NET CURRENT ASSETS		19,535	19,717
TOTAL ASSETS LESS CURRENT LIABILITIES		19,535	19,717
CREDITORS: Amounts falling due after more than one year	12	(18,798)	(19,005)
NET ASSETS		737	712
CAPITAL AND RESERVES			
Called-up equity share capital	14	130	130
Profit and loss account	15	607	582
SHAREHOLDERS' FUNDS	16	737	712

These financial statements were approved by the directors and authorised for issue on 27th April 2012, and are signed on their behalf by


D Harding

The notes on pages 11 to 20 form part of these financial statements

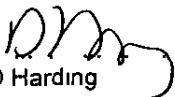
INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

COMPANY BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £000	2010 £000
FIXED ASSETS			
Investments	9	130	130
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>130</u>	<u>130</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	<u>130</u>	<u>130</u>
SHAREHOLDERS' FUNDS		<u>130</u>	<u>130</u>

The financial statements of Integrated Care Solutions (East Kent) Holdings Limited, registration number 04885191, were approved by the directors and authorised for issue on 27th April 2012, and are signed on their behalf by


D Harding

The notes on pages 11 to 20 form part of these financial statements

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED**GROUP CASH FLOW****YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £000	2010 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	598	524
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	17	(14)	(90)
TAXATION	17	(46)	(79)
EQUITY DIVIDENDS PAID		(235)	(100)
CASH INFLOW BEFORE FINANCING		303	255
FINANCING	17	(153)	(200)
INCREASE IN CASH	17	150	55

The notes on pages 11 to 20 form part of these financial statements.

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

A summary of the principal accounting policies of the company, which have been applied consistently in the current and prior year, is set out below

Basis of accounting

The financial statements have been prepared on the going concern basis, as per the Directors' Report on page 4, under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. They include the results of the activities described in the Directors' Report, all of which are continuing.

Basis of consolidation

The consolidated profit and loss account, consolidated cash flow statement and consolidated balance sheet include the results of the Group and its subsidiary as at and for the year ended 31 December 2011.

Turnover and cost of sales

Turnover represents amounts due from Kent County Council in respect of activities described in the Directors' Report and spread over the life of the project. All turnover originates in the United Kingdom and is stated exclusive of value added tax.

Cost of sales represents amounts invoiced in respect of services provided.

Taxation

Current tax, including United Kingdom Corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

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

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

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

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Finance receivable

The accumulated costs incurred in respect of bid development, design, construction and finance costs during construction were transferred to finance receivable when the facilities became available and are being recovered over the contract period on an annuity basis. Since handover, occupational availability payments from Kent County Council have been allocated between turnover in relation to the service element of the contract, reimbursement of the finance receivable so as to generate a constant rate of return over the contract period. Interest payable and similar charges and administration costs relating to the day-to-day running of the company are written off as incurred.

Lifecycle costs

Costs relating to lifecycle expenditure are charged to the profit and loss accounts as incurred.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

Principal risks and uncertainties

The Group is subject to certain risks during the operational phase of the contract, these risks wherever possible have been mitigated by passing the risk down to sub-contractors or by using interest rate and retail price swap instruments.

Liquidity risk

The Group builds up sufficient cash balances to ensure it is able to meet its loan and other liabilities.

Credit risk

The Group's main customer is Kent County Council with which the company has a concession agreement. This concession agreement includes clauses whereby, should the company not be paid by Kent County Council, then the company does not pay the relevant supplier for the services provided if that company is the cause of the non payment. The Group, therefore, does not consider its exposure to credit risk to be material.

Interest rate cash flow risk

The Group has in place hedging arrangements to eliminate risk from interest rate movements. In order to ensure stability of cash flows and hence manage interest rate risk, the Group has a policy of maintaining all of its bank debt at a fixed rate.

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.

	2011	2010
	£000	£000
United Kingdom	2,254	1,967

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2011****3. OPERATING PROFIT**

Operating profit is stated after charging

	2011	2010
	£000	£000
Auditor's remuneration		
- fees payable to the Group's auditor	<u>8</u>	<u>8</u>

4. DIRECTORS' REMUNERATION AND STAFF COSTS

The directors received no remuneration from the Group (2010 £nil). The Group had no employees throughout the period under review (2010 nil). Management and administrative staff services were provided by secondees that are employed by certain related parties. The employment costs relating to the secondees are recharged to the Group. Directors' fees of £31,200 were incurred (2010 £30,000).

5. NET INTEREST

	2011	2010
	£000	£000
Interest receivable on finance debtor balance	1,350	1,369
Interest receivable on bank balances	4	3
Interest payable on sub-debt borrowing	(224)	(233)
Interest payable on bank borrowing	(1,145)	(1,166)
	<u>(15)</u>	<u>(27)</u>

6. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2011	2010
	£000	£000
Current tax		
UK Corporation tax based on the results for the year at an average rate of 26.5% (2010 28%)	<u>86</u>	<u>46</u>
Total current tax	<u>86</u>	<u>46</u>

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as that based on an average rate of corporation tax in the UK of 26.5% (2010: 28%)

	2011 £000	2010 £000
Profit on ordinary activities before taxation	346	200
Profit on ordinary activities by rate of tax	92	56
Marginal relief	(6)	(10)
Adjustment in respect of prior years	-	-
Total current tax (note 6(a))	86	46

On 1 st April 2011 the UK Corporation Tax rate was reduced from 28% to 26%

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £235,000 (2010: £100,000)

8. DIVIDENDS

Equity dividends

	2011 £000	2010 £000
Paid		
Interim dividends on ordinary shares of 181p per ordinary share (2010: 77p)	235	100

9. INVESTMENTS

Company

Group companies £000

COST

At 1 January 2011 and 31 December 2011

130

NET BOOK VALUE

At 31 December 2011 and 31 December 2010

130

The company owns the entire issued share capital of Integrated Care Solutions (East Kent) Limited, a company incorporated in Great Britain. Integrated Care Solutions (East Kent) Limited is contracted to design, construct and maintain social and healthcare centres in Tenterden and Margate for Kent County Council.

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

10. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Finance receivable	18,646	18,797	-	-
Prepayments and accrued income	336	322	-	-
	<u>18,982</u>	<u>19,119</u>	<u>-</u>	<u>-</u>

Of the debtor balance £18,297,000, falls due over more than one year (2010 £18,473,998)

11. CREDITORS. Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Term loan	187	137	-	-
Subordinated loan	20	15	-	-
Trade creditors	27	23	-	-
Other creditors including taxation				
Corporation tax	86	46	-	-
Other taxation	100	89	-	-
Accruals	834	749	-	-
	<u>1,254</u>	<u>1,059</u>	<u>-</u>	<u>-</u>

12 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Term loan	16,661	16,848	-	-
Subordinated loan	1,964	1,984	-	-
Accruals	173	173	-	-
	<u>18,798</u>	<u>19,005</u>	<u>-</u>	<u>-</u>

	2011	2010
	£000	£000
Repayable between two and five years	1,282	1,424
Repayable after five years	17,516	17,581
	<u>18,798</u>	<u>19,005</u>

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

12. CREDITORS: Amounts falling due after more than one year *(continued)*

Subordinated loan notes

The loan notes are to mature in full in 2033 and are repayable in semi-annual instalments provided certain conditions are met and relevant consents are given. In addition, the company may redeem all or part of the loan notes at any time subject to the same conditions and consents as for regular repayments. The loan notes are unsecured and bear interest at 11.25% and interest is payable semi-annually.

Term loan

There is one term loan facility drawn down at 31 December 2011. The tenure of the Term Loan from NIBC Bank NV was originally 28 years and is repayable in 52 semi-annual instalments commencing 31 March 2006. Interest charged on amounts drawn is based on the floating LIBOR rate. All amounts drawn under the facilities are secured by a fixed charge over all leasehold interests, book debts, project accounts and intellectual property of the company and by a floating charge over the company's undertakings and assets.

Financial derivatives

The company has entered into interest rate swap contracts to hedge its exposure to fluctuations in interest rates and a RPI swap to hedge its exposure to fluctuations in the Retail Price Index. The effect of the interest rate swap is that the company pays a fixed rate of interest on its term loans. Receipts and payments on interest rate instruments are recognised on an accruals basis, over the life of the instrument.

The notional principal amount of the interest rate swap as at 31 December 2011 is £16,925,536 (2010: £17,063,378), the interest rate swap matures in September 2031. The fair value of the interest rate swap as at 31 December 2011 gives rise to a liability of £5,642,710 (2010: £2,946,240). The fair value of the RPI swap as at 31 December 2011 gives rise to a liability of £2,136,029 (2010: liability of £1,784,460).

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

13. RELATED PARTY TRANSACTIONS

The following companies, together with undertakings within their individual groups of companies, are considered to be related parties to the company, as defined in FRS 8

- NIBC Bank N V and NEIF Project Investments Limited are related parties as they are related parties to one of the 50% Joint Venture partners – NIBC European Infrastructure Fund 1 C V
Equitix Healthcare Limited are 50% Joint Venture Partners in the current year

Profit and Loss Related Party transactions for the year to 31 December 2011

	Description	2011 £000	2010 £000
Equitix Healthcare Limited	Director's fees	16	15
Equitix Healthcare Limited	Sub debt interest and principal repayment	120	140
Equitix Healthcare Limited	Dividends	118	50
Equitix Healthcare Limited	Operational reserve account release	-	11
Equitix Healthcare Limited	Insurance recharge	5	-
NIBC European Infrastructure Fund 1 C V	Dividends	118	50
NIBC European Infrastructure Fund 1 C V	Director's fees	16	15
NIBC Bank N V	Commitment fees, agency fees etc	20	19
NIBC European Infrastructure Fund 1 C V	Sub debt interest and principal repayment	120	140
NIBC European Infrastructure Fund 1 C V	Operational reserve account release	-	11
NIBC Bank N V	Term loan interest	1,274	1,287

Balance Sheet Related Party transactions as at 31 December 2011

	Description	2011 £000	2010 £000
Equitix Healthcare Limited	Subordinated debt	992	1,000
Equitix Healthcare Limited	Subordinated debt interest	28	28
NIBC European Infrastructure Fund 1 C V	Subordinated debt	992	1,000
NIBC European Infrastructure Fund 1 C V	Subordinated debt interest	28	28
NIBC Bank N V	Term loan	17,132	16,985
NIBC Bank N V	Commitment fees, agency fees etc	(1)	(1)

All transactions with related parties were carried out on arm's length terms

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

14. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£000	No	£000
Ordinary shares of £1 each	130,000	130	130,000	130

15. RESERVES

Group	Profit and loss account 2011 £000	Profit and loss account 2010 £000
Balance brought forward	582	528
Profit for the year	260	154
Equity dividends	(235)	(100)
Balance carried forward	607	582

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Profit for the financial year	260	154	235	100
Equity dividends	(235)	(100)	(235)	(100)
Net addition to shareholders' funds	25	54	0	0
Opening shareholders' funds	712	658	130	130
Closing shareholders' funds	737	712	130	130

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

17. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£000	£000
Operating profit	361	227
Decrease in debtors	137	187
Increase in creditors	100	110
Net cash inflow from operating activities	598	524

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011	2010
	£000	£000
Interest received	1,355	1,372
Interest paid	(1,369)	(1,462)
Net cash outflow from returns on investments and servicing of finance	(14)	(90)

TAXATION

	2011	2010
	£000	£000
Taxation	(46)	(79)

FINANCING

	2011	2010
	£000	£000
Repayment of loans	(152)	(200)
Net cash outflow from financing	(152)	(200)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011	2010
	£000	£000
Increase in cash in the period	150	55
Net cash outflow from term loans	137	153
Net cash outflow from subordinated loans	15	47
Change in net debt	302	255
Net debt at 1 January 2011	(17,329)	(17,584)
Net debt at 31 December 2011	(17,027)	(17,329)

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

17. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2011 £000	Cash flows £000	Non cash flows £000	At 31 Dec 2011 £000
Net cash				
Cash in hand and at bank	<u>1,657</u>	<u>150</u>	<u>-</u>	<u>1,807</u>
Debt				
Debt due within one year	<u>(153)</u>	<u>152</u>	<u>(206)</u>	<u>(207)</u>
Debt due after one year	<u>(18,833)</u>	<u>-</u>	<u>206</u>	<u>(18,627)</u>
	<u>(18,986)</u>	<u>152</u>	<u>-</u>	<u>(18,834)</u>
Net debt	<u><u>(17,329)</u></u>	<u><u>302</u></u>	<u><u>-</u></u>	<u><u>(17,027)</u></u>

18. ULTIMATE CONTROLLING PARTY

The company is a joint venture between NIBC European Infrastructure Fund 1 C V (50%) a limited partnership registered in the Netherlands and Kent Vanwall Limited, a company that is incorporated in Great Britain and registered in England and Wales. The Directors consider there to be no ultimate controlling entity.