

COMPANY REGISTRATION NUMBER 04885191

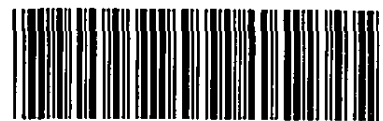
**INTEGRATED CARE SOLUTIONS (EAST KENT)
HOLDINGS LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2012

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INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M D Canham
N Poupard
S L Jones
D Harding

Company secretary

MAMG Company Secretarial Services Limited

Registered office

3 Tenterden Street
London
W1S 1TD

Auditor

Deloitte LLP
London

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the Group for the year ended 31 December 2012

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 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 Company's principal financial assets are its long term debtors. The Directors consider that credit risk is mitigated by the fact that Kent County Council is the Company's sole counterparty and debtor. The Directors consider Kent County Council is a financially secure counterparty. Clauses in the concession agreement ensure that the Company will be sufficiently compensated by Kent County Council in the event of default or voluntary termination.

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 key performance indicators for the company are compliance with the financial model and compliance with banking covenants. As at 31 December 2012 the company's financial performance and financial position was in line with that anticipated by the financial model and the company was not in breach of any banking covenants imposed by lenders.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £267,000 (2011 £260,000). An interim dividend of £50,000 (2011 £235,000) was paid. The directors do not recommend a final dividend be paid (2011 £nil).

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

DIRECTORS

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

	Appointment Date	Resignation Date
M Canham		
N Poupard	07 January 2013	
R Cooper		07 January 2013
S Jones		
D Harding		

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 2012

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 has met 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
3 Tenterden Street
London
W1S 1TD

Approved by the directors on 30 April 2013


D Harding
Director

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

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

We have audited the financial statements of Integrated Care Solutions (East Kent) Holdings Limited for the year ended 31 December 2012 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 2012 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)***

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 FCA (Senior Statutory Auditor)

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

Date 30 April 2013

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED**GROUP PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £'000	2011 £'000
Turnover	1	2,426	2,254
Cost of sales		(1,860)	(1,694)
Gross profit		566	560
Administrative expenses		(175)	(199)
Operating profit	2	391	361
Interest receivable	4	1,334	1,354
Interest payable and similar charges	4	(1,374)	(1,369)
Profit on ordinary activities before tax		351	346
Tax on profit on ordinary activities	5	(84)	(86)
Profit for the financial year		267	260

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 profit in the company for the financial year amounted to £50,000 (2011 £235,000) and the company declared dividends of £50,000 (2011 £235,000)

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

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
Assets			
Non current assets			
Debtors amounts falling due after one year	10	18,160	18,297
		<u>18,160</u>	<u>18,297</u>
Current assets			
Debtors amounts falling due within one year	9	724	685
Cash and cash equivalents		2,040	1,807
		<u>2,764</u>	<u>2,492</u>
Total assets		<u>20,924</u>	<u>20,789</u>
Liabilities			
Current liabilities			
Creditors amounts falling due within one year	11	1,452	1,254
		<u>1,452</u>	<u>1,254</u>
Non current liabilities			
Creditors amounts falling due after one year	12	18,518	18,798
		<u>18,518</u>	<u>18,798</u>
Total liabilities		<u>19,970</u>	<u>20,052</u>
Net assets		<u>954</u>	<u>737</u>
Capital and reserves			
Issued share capital	14	130	130
Profit and loss reserve	15	824	607
		<u>954</u>	<u>737</u>
Total shareholders' funds	16	<u>954</u>	<u>737</u>

These financial statements were approved by the directors and authorised for issue on 30 April 2013, and are signed on their behalf by


D Harding
Director

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

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

COMPANY BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
Assets			
Non current assets			
Investments	8	130	130
Net assets		<u>130</u>	<u>130</u>
Capital and reserves			
Issued share capital	14	130	130
Total 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 30 April 2013, and are signed on their behalf by


D Harding
Director

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

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED**GROUP CASH FLOW****YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities	17	641	598
Returns on investment and servicing of finance	17	(32)	(14)
Taxation	17	(131)	(46)
Equity Dividend paid		(50)	(235)
Cash inflow before financing		<u>428</u>	<u>303</u>
Financing	17	(195)	(153)
Increase in cash	17	<u>233</u>	<u>150</u>

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

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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 2012.

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:

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 2012

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 capitalised and expensed on the basis of a 30/70 ratio.

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 key performance indicators for the company are compliance with the financial model and compliance with banking covenants. As at 31 December 2012 the company's financial performance and financial position was in line with that anticipated by the financial model and the company was not in breach of any banking covenants imposed by lenders.

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.

Key performance indicators

The key performance indicators for the company are compliance with the financial model and compliance with banking covenants. As at 31 December 2012 the company's financial performance and financial position was in line with that anticipated by the financial model and the company was not in breach of any banking covenants imposed by lenders.

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2012****2. OPERATING PROFIT**

	2012 £'000	2011 £'000
Profit before taxation is stated after charging		
Amounts payable to the auditors and their associates in respect of		
- audit services	8	8
- taxation services	7	7

3 DIRECTORS' REMUNERATION AND STAFF COSTS

The directors received no remuneration from the Group (2011 £nil) The Group had no employees throughout the period under review (2011 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 Director's fees are incurred as follows

	2012 £'000	2011 £'000
Directors' fees	32	31

4. NET INTEREST

	2012 £'000	2011 £'000
Finance debtor interest receivable	1,327	1,350
Bank interest receivable	7	4
Total interest receivable	1,334	1,354
Subordinated debt interest payable	(223)	(224)
Bank interest payable	(1,151)	(1,145)
Total interest payable	(1,374)	(1,369)
Net Interest payable	(40)	(15)

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

5. TAXATION ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
<i>Current tax expense</i>		
Current year	84	86
Total current tax	<u>84</u>	<u>86</u>

	2012 £'000	2011 £'000
<i>Reconciliation of income tax expense</i>		
Profit before taxation	351	346
UK Corporation tax thereon at 24.5% (2011: 26.5%)	86	92
Small profits relief	(2)	(6)
Total tax in the income statement	<u>84</u>	<u>86</u>

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2012 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. This will further reduce the company's future current tax charge.

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

6 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £50,000 (2011 £235,000)

7 DIVIDENDS

Equity dividends

	2012 £'000	2011 £'000
Interim dividends paid on ordinary shares of 38p (2011 181p) per ordinary share	50	235

8. INVESTMENTS

Company	Group Companies £'000
Cost	
As at 1 January and 31 December 2012	130
Net Book Value	
As at 31 December 2012 and 31 December 2011	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.

9. DEBTORS: Amounts falling due within one year

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade debtors	6	-	-	-
Finance debtor	377	349	-	-
Prepayments and accrued income	341	336	-	-
	724	685	-	-

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

10. DEBTORS: Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Finance debtor	18,160	18,297	-	-
	<u>18,160</u>	<u>18,297</u>	<u>-</u>	<u>-</u>

11. CREDITORS: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Term Loan less than one year	292	187	-	-
Subordinated debts less than one year	-	20	-	-
Trade creditors	61	27	-	-
Accruals and deferred income	960	834	-	-
Other taxation	139	186	-	-
	<u>1,452</u>	<u>1,254</u>	<u>-</u>	<u>-</u>

12. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Term Loan	16,369	16,661	-	-
Subordinated debt	1,976	1,964	-	-
Accruals	173	173	-	-
	<u>18,518</u>	<u>18,798</u>	<u>-</u>	<u>-</u>

	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Repayable between 2-5 years	1,087	1,282	-	-
Repayable after 5 years	17,258	17,516	-	-
	<u>18,345</u>	<u>18,798</u>	<u>-</u>	<u>-</u>

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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 2012. 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 2012 is £16,737,919 (2011: £16,925,536), the interest rate swap matures in September 2031. The fair value of the interest rate swap as at 31 December 2012 gives rise to a liability of £5,797,832 (2011: liability of £5,642,710). The fair value of the RPI swap as at 31 December 2012 gives rise to a liability of £1,785,866 (2011: liability of £2,136,029).

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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 European Infrastructure Fund 1 C V and Equitix Healthcare Limited are 50% Joint Venture Partners in the current year NIBC European Infrastructure Fund 1 C V is the 100% owner of NEIF Project Investments Limited NIBC Bank N V is a lender to the project and is a limited partner (c 28%) in NIBC European Infrastructure Fund 1 C V

	Transactions		Balance owed to/(from) at year end	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Insurance recharge				
- Equitix Healthcare Ltd	2	5		-
Commitment fees & agency fees				
- Equitix Healthcare Ltd		-		-
- NIBC Bank N V	8	20	(2)	(1)
Term loan interest & swap interest				
- Equitix Healthcare Ltd		-		-
- NIBC Bank N V	1,081	1,274	16,873	17,132
Directors' fees				
- Equitix Healthcare Ltd	16	16		-
- NIBC European Infrastructure Fund 1 CV	16	16		-
Subordinated debt				
- Equitix Healthcare Ltd	111	120	2,217	992
- NIBC European Infrastructure Fund 1 CV	111	120	607	992
Dividends				
- Equitix Healthcare Ltd	25	118		-
- NEIF Project Investments Limited	25	118		-
	1,395	1,807	19,695	19,115

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 2012

14. SHARE CAPITAL

	2012	2011
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	130	130

15. PROFIT AND LOSS ACCOUNT

Group		
	2012	2011
	£'000	£'000
Balance brought forward	607	582
Profit for the financial year	267	260
Equity dividends	(50)	(235)
Balance carried forward	824	607

Company

	2012	2011
	£'000	£'000
Balance brought forward	-	-
Profit for the financial year	50	235
Equity dividends	(50)	(235)
Balance carried forward	-	-

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Profit for the financial year	267	260	50	235
Equity dividends	(50)	(235)	(50)	(235)
Net increase to shareholders' funds	217	25	-	-
Opening shareholders' funds	737	712	130	130
Closing shareholders' funds	954	737	130	130

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2012****17. NOTES TO THE CASH FLOW STATEMENT****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2012	2011
	£'000	£'000
Operating profit	391	361
Decrease in debtors	98	137
Increase in creditors	152	99
Net cash inflow from operating activities	641	598

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012	2011
	£'000	£'000
Interest received	1,334	1,355
Interest paid	(1,359)	(1,369)
Bank financing costs paid	(7)	-
Net cash outflow from returns on	(32)	(14)

TAXATION**Taxation**

	2012	2011
	£'000	£'000
Taxation	(131)	(46)

FINANCING**Financing**

	2012	2011
	£'000	£'000
Repayment of loans	(195)	(153)
Net cash outflow from financing	(195)	(153)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**Reconciliation of net cash flow to movement in net debt**

	2012	2011
	£'000	£'000
Increase in cash in the period	233	150
Net cash outflow from term loans	187	137
Net cash outflow from subordinated loan	8	15
Change in net debt	428	302
Opening net debt at 1 January 2012	(17,027)	(17,329)
Closing net debt at 31 December 2012	(16,599)	(17,027)

INTEGRATED CARE SOLUTIONS (EAST KENT) HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2012****17. NOTES TO THE CASH FLOW STATEMENT *(continued)*****ANALYSIS OF CHANGES IN NET DEBT**

	At 31 December 2011 £'000	Cash flow £'000	Non cash £'000	At 31 December 2012 £'000
Cash in hand and at bank	1,807	233		2,040
Creditors due in less than one year	(207)	195	(280)	(292)
Creditors due after more than one year	(18,627)	-	280	(18,347)
	(17,027)	428	0	(16,599)

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.