

**Leicester LIFT Project Company (No. 1) Limited**  
**(formerly DWSCO 2452 Limited)**

**Directors' report and financial statements**

**Period from incorporation on 8 October 2003 to 31 March 2005**

Registered number 04925162



# **Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)**

## **Directors' report and financial statements**

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# Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)

## Directors' report

The directors present the annual report and the audited financial statements from the date of incorporation on 8 October 2003 to 31 March 2005.

### Incorporation

The company was incorporated on 8 October 2003 as DWSCO 2452 Limited.

### Change of name

On 5 November 2003 the company changed its name to Leicester LIFT Project Company (No.1) Limited.

### Principal activities and future developments

The principal activity of the company is the provision of accommodation and servicing thereof. The directors know of no material developments that will adversely affect the completion date for the construction of the assets. Subsequent to the completion of the assets, the company will receive lease plus rental income on a monthly basis from related parties, under an arm's length commercial agreement.

### Results and dividend

The profit for the period before and after taxation amounted to £nil. The directors recommend that no dividend be paid.

### Directors and directors' interests

The directors who held office during the period were as follows:

	Appointed	Resigned
D P Bacon	16/08/04	
DWS Directors	08/10/03	05/11/03
D J M Hartshorne	05/11/03	31/07/04
M G Heath	16/08/04	
A A Prigmore	31/07/04	11/02/05
G J Richer	08/03/05	
M W Smith	05/11/03	
I J Wells	31/07/04	
S H Woolfe	01/03/05	

None of the directors had any beneficial interests in the shares of the company during and at the end of the financial year.

### Auditors

The company appointed Deloitte & Touche LLP as auditors with effect from 18 August 2004. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board

I J Wells  
Director

Date

11/10/2005

Allington House  
150 Victoria Street  
London, SW1E 5LB

# **Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)**

## **Statement of directors' responsibilities**

United Kingdom 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 as at the end of the year 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;
- state whether applicable accounting standards have been followed; 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for the system of internal control, for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEICESTER LIFT PROJECT COMPANY (No.1) LIMITED (FORMERLY DWSCO 2452 LIMITED)**

We have audited the financial statements of Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452) for the period from the date of incorporation on 8 October 2003 to 31 March 2005, which comprise the balance sheet and related notes 1 to 13. 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**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company'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 of the state of the company's affairs as at 31 March 2005 and of its result from the date of incorporation on 8 October 2003 to 31 March 2005, and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*  
**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

Date 18 October 2005

# Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)

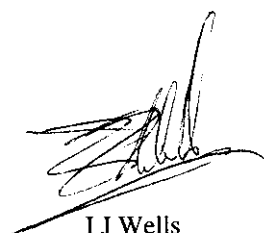
## Balance sheet

As at 31 March 2005

	<i>Note</i>	<b>2005</b> <b>£</b>
<b>Fixed assets</b>		
Assets in the course of construction	4	6,708,424
<b>Current assets</b>		
Debtors	5	660,839
Cash at bank and in hand		536,312
		<u>1,197,151</u>
<b>Creditors: amounts falling due within one year</b>	6	(449,473)
<b>Net current assets</b>		<u>747,678</u>
<b>Total assets less current liabilities</b>		7,456,102
<b>Creditors: amounts falling due after more than one year</b>	7	(7,456,101)
		<u>1</u>
<b>Capital and reserves</b>		
Called up share capital	9	1
Profit and loss account		-
<b>Equity shareholder's funds</b>	10	<u>1</u>

The financial statements were approved by the board of directors on  
signed on its behalf by:

11<sup>th</sup> Dec 2005 and were



I J Wells  
Director

# **Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)**

Notes to the accounts for the period ended 31 March 2005  
(forming part the financial statements)

## **1 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.

### ***Basis of preparation***

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

The company is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985 as the company is included in the accounts of ExcellCare Limited, the ultimate parent company. The company's financial statements present information about it as an individual undertaking and not about its group.

### ***Tangible fixed assets and depreciation***

Tangible fixed assets comprise assets in the course of construction being land and buildings thereon. Assets in the course of construction are not depreciated until commissioned. Once commissioned, assets are depreciated over the concession, which is deemed to be the useful economic life.

### ***Interest and fees***

Interest costs on borrowings used to fund the construction of the accommodation are included within assets in the course of construction during the construction period.

### ***Operating costs***

Operating costs incurred during the construction of the accommodation are included within assets in the course of construction during the construction period. Following practical completion, operating costs are charged to the profit and loss account based on the final construction costs of each building.

### ***Taxation***

Current tax, including United Kingdom 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 substantially enacted by the balance sheet date.

## **2 Profit on ordinary activities before taxation**

The company did not trade throughout the period and thus made neither a profit nor a loss, nor any other recognised gain or loss.

The auditors' remuneration has been borne by ExcellCare Limited, another group company. The company's auditors received £nil during the period for the provision of non-audit services.

The directors received no emoluments in respect of their services to the company. The Company is managed by secondees from the shareholders under a management services contract.

The company had no employees during the period.

# Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)

Notes to the accounts for the period ended 31 March 2005 (continued)

## 3 Tax on profit on ordinary activities

The company does not have a tax charge for the year.

## 4 Fixed assets

	2005 £
As at 8 October 2003	-
Additions: Freehold land	2,123,500
Assets in the course of construction	4,584,924
As at 31 March 2005	<u>6,708,424</u>

Assets in the course of construction consist of payments, including capitalised interest and other finance costs of £323,806 for the construction of buildings on sites, which are the property of the company.

## 5 Debtors

	2005 £
Amounts owed by parent undertakings	82,206
Prepayments	23,958
Other debtors	554,675
	<u>660,839</u>

## 6 Creditors: amounts falling due within one year

	2005 £
Trade creditors	347,461
Accruals	62,266
Other creditors	39,746
	<u>449,473</u>

## 7 Creditors: amounts falling due after more than one year

	2005 £
Senior bank loans	5,967,042
Subordinated debt	895,123
Mezzanine debt	558,217
Amount due to parent undertaking	8,685
Other creditors	27,034
	<u>7,456,101</u>

### Analysis of debt:

Debt can be analysed as falling due:

	2005 £
Between one and two years	25,114
Between two and five years	158,454
In five years or more	7,597,891
	<u>7,781,459</u>
Arrangement fees	(352,392)
	<u>7,429,067</u>



# Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)

## Notes to the accounts for the period ended 31 March 2005 (continued)

### 8 Loans

Interest on the senior facility of £38.5 million is charged at LIBOR plus margins ranging from 1.05% to 1.2%. The Company has entered into fixed interest rate swaps at rates of 5.49%, 5.38% and 5.48% to mitigate its interest exposure.

The senior bank loans are secured by a fixed charge over the assets of the Company under a debenture agreement dated 18 August 2004 and a floating charge over any other assets current or future. The mezzanine debt is secured by a second floating charge over the assets of the Company under a debenture agreement dated 18 August 2004. The subordinated debt is secured by a third floating charge over the assets of the Company.

### 9 Called up share capital

	2005 £
<i>Authorised</i>	
1 Ordinary share of £1 each	<u>1</u>
	£
<i>Allotted, called up and fully paid</i>	
1 Ordinary share of £1 each	<u>1</u>

The 1 ordinary share was issued upon incorporation.

### 10 Reconciliation of movements in equity shareholder's funds

	2005 £
Retained profit for the period	-
Issue of ordinary share capital	<u>1</u>
Net increase in equity shareholder's funds	-
Opening equity shareholder's funds	-
Closing equity shareholder's funds	<u>1</u>

There were no transactions in the profit and loss account in the period. There are no recognised gains or losses.

### 11 Capital commitments and contingent liabilities

#### Capital commitments

As at 31 March 2005, the company is committed to remaining design and construction costs of £7,200,859 payable to Laing O'Rourke Midlands Limited under the Design and Construction Contract relating to Leicester LIFT Project between Leicester LIFT Project Company (No.1) Limited and Laing O'Rourke Midlands Limited.

As at 31 March 2005, the company is committed to a remaining amount of £2,559,229 payable to Equion Facilities Management Limited, a fellow group undertaking, under the Facilities Provision Contract dated 18 August 2004 relating to the Southern Derbyshire LIFT project between Southern Derbyshire LIFT Project Company (No.1) Limited and Equion Facilities Management Limited.

#### Contingent liabilities

There are no known contingencies at 31 March 2005 which require disclosure.

# Leicester LIFT Project Company (No.1) Limited (formerly DWSCO 2452 Limited)

Notes to the accounts for the period ending 31 March 2005 (continued)

## 12 Related party transactions

The following parties are related parties as they are shareholders of Leicester LIFT Company Limited which is the parent undertaking of the immediate parent Leicester LIFT Midco Limited: Partnerships for Health Limited, Leicester City West Primary Care Trust, Eastern Leicester Primary Care Trust and ExcellCare Limited. The following are related parties as they are indirect shareholders of the ultimate parent company: The Governor and Company of the Bank of Scotland and John Laing plc.

There were related party transactions with the following parties.

### Loans from related parties as at 31 March 2005

	2005
	£
<b>Senior bank loan</b>	
The Governor and Company of the Bank of Scotland	5,967,042
Intercompany loan – Leicester LIFT Company Limited	8,685
<b>Subordinated debt</b>	
Partnerships for Health Limited	179,024
Leicester City West Primary Care Trust	89,512
Eastern Leicester Primary Care Trust	89,512
ExcellCare Limited	537,075
	<u>895,123</u>
<b>Mezzanine debt</b>	
Partnerships for Health Limited	111,644
Leicester City West Primary Care Trust	55,822
Eastern Leicester Primary Care Trust	55,822
ExcellCare Limited	334,929
	<u>558,217</u>

### Purchase of assets and services from related parties

Related party	Nature	£
Leicester City West Primary Care Trust	Purchase of LIFT sites	1,600,000
Eastern Leicester Primary Care Trust	Purchase of LIFT site	523,500
ExcellCare Management Services Ltd	Development costs	1,568,336
The Governor and Company of the Bank of Scotland	Development costs	209,175
Partnerships for Health	Development costs	200,000
ExcellCare Management Services Ltd	Management Services	119,525

## 13 Ultimate parent company

Leicester LIFT Midco Limited is the immediate parent undertaking. The ultimate parent undertaking, and smallest and largest group for which consolidated accounts are prepared, is ExcellCare Ltd. The consolidated accounts of ExcellCare Limited can be obtained from Allington House, 150 Victoria Street, London, SW1E 5LB.