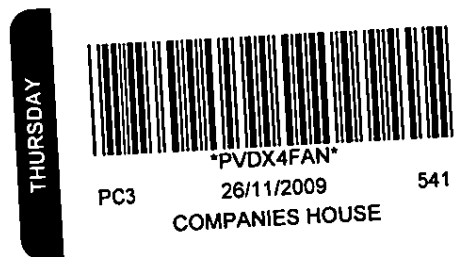


Leicester LIFT Project Company (No.1) Limited

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2009**



Registered Number: 04925162

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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DIRECTORS AND ADVISORS

Directors

J Cassidy	(Resigned 12/5/09)
C Dix	
M Findlay	(Resigned 11/3/09)
B Balfour	(Appointed 11/3/09, Resigned 11/9/09)
M G Heath	
O Newbold	(Resigned 20/5/08)
T Sanders	(Appointed 20/5/08)
S H Woolfe	
T J Evans	
S K Bishop	
C A Reed	

Company secretary and registered office

R K Miller	(Resigned 1/3/09)
M Lewis	(Appointed 1/3/09)

Allington House
150 Victoria Street
London SW1E 5LB

Auditors

Deloitte LLP
Chartered Accountants
Nottingham

Solicitors

Denton Wilde Sapte
One Fleet Place
London EC4M 7WS

Principal bankers

Bank of Scotland Corporate
New Uberior House
11 Earl Grey Street
Edinburgh EH3 9BN

DIRECTORS' REPORT

The Directors present the annual report and the audited financial statements for the year ended 31 March 2009.

This Directors' report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

The Company is a wholly owned subsidiary of Leicester LIFT Midco Limited.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of primary healthcare and social care accommodation within the City of Leicester and the servicing thereof under 25 year Local Improvement Finance Trust agreements with the local NHS Primary Care Trusts and Councils. The Company commenced its construction activity on 18 August 2004. The Company has completed construction and commissioning of one scheme during the year and now has 5 schemes in full operation.

GOING CONCERN

All schemes within the company are fully operational and will generate revenue to cover the company's operating costs and repay senior and shareholder debt over the concession period.

The company's forecasts are based upon the half yearly financial models which are submitted to and approved by the company's funders in accordance with the company's senior debt facility agreements. These generate a positive return for shareholders over the concession period, with costs and revenues that are mainly determined by long term contractual commitments. RPI swaps are in place for the majority of costs and revenues, meaning variability of returns is limited provided that the company manages its operating budgets in accordance with the Financial Close models. The company does not have exposure to movements in interest rates on its debt due to the use of interest rate swap contracts.

On the 14th May 2009, Leicester LIFT Company Limited injected £525,000 of equity into the company to provide additional support to the company's business activities.

The directors believe that the business is able to manage any business risks despite the current economic situation and have the resources to operate in the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

FUTURE DEVELOPMENTS

Following the completion of the remaining site, the company will receive lease plus rental income on a monthly basis from tenants, under arm's length commercial agreements for 25 years.

RESULTS AND DIVIDENDS

The loss for the year before taxation amounted to £293,496 (2008 - loss £262,229). After a taxation charge of £73,824 (2008 - credit of £312), the loss for the year was £367,320 (2008 - loss £261,917).

The Directors do not recommend the payment of a dividend (2008 - £nil).

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in interest exchange rates. The company uses interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables and investments.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

AUDIT INFORMATION

Each of the persons who is a director at the date of approval of this report confirms that:

- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S234ZA of the Companies Act 1985.

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors served throughout the period and to the date of this report except as noted on page 1.

EMPLOYEES

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 9.

AUDITORS

A resolution to re-appoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



C Dix
Director

Allington House
150 Victoria Street
London, SW1E 5LB

26 October 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that 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 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 LEICESTER LIFT PROJECT COMPANY (NO.1) LIMITED

We have audited the financial statements of Leicester LIFT Project Company (No.1) Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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

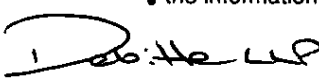
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


Deloitte LLP
Chartered Accountants and Registered Auditors
Nottingham, UK

30 October 2009

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Turnover	2	4,045,048	4,369,743
Cost of sales		(1,096,316)	(2,039,031)
Gross profit		2,948,732	2,330,712
Administrative expenses		(1,452,689)	(1,349,504)
Operating profit being:			
Profit on ordinary activities before interest	3	1,496,043	981,208
Net interest payable and similar charges	6	(1,789,539)	(1,243,437)
Loss on ordinary activities before taxation		(293,496)	(262,229)
Tax (charge)/ credit on loss on ordinary activities	7	(73,824)	312
Loss for the financial year	16	(367,320)	(261,917)

A reconciliation of movement in shareholder's deficit is given in note 17.

All items in the profit and loss account relate to continuing operations.

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents.

All gains and losses are recognised in the profit and loss account in the current and prior periods, and therefore no separate statement of total recognised gains and losses has been presented.

Leicester LIFT Project Company (No.1) Limited

BALANCE SHEET AS AT 31 MARCH 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible fixed assets	8	41,187,756	34,963,698
Current assets			
Debtors - due within one year	9	358,711	1,044,664
Cash at bank and in hand	10	<u>1,724,204</u> 2,082,915	<u>3,958,701</u> 5,003,365
Creditors: amounts falling due within one year	11	<u>(2,934,143)</u>	<u>(5,644,399)</u>
Net current liabilities		<u>(851,228)</u>	<u>(641,034)</u>
Total assets less current liabilities		40,336,528	34,322,664
Creditors: amounts falling due after more than one year	12	(41,274,109)	(34,966,749)
Provisions for liabilities	14	(73,824)	-
Net liabilities		<u>(1,011,405)</u>	<u>(644,085)</u>
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account	16	(1,011,406)	(644,086)
Shareholder's deficit	17	<u>(1,011,405)</u>	<u>(644,085)</u>

The financial statements of Leicester LIFT Project Company (No.1) Limited, registered number 04925162 were approved by the Board of Directors on ~~26 October~~ 2009 and were signed on its behalf by:



C Dix
Director

Notes to the financial statements for the year ended 31 March 2009

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the current and prior year in dealing with items which are considered material in relation to the Company's financial statements.

All schemes within the company are fully operational and will generate revenue to cover the company's operating costs and repay senior and shareholder debt over the concession period.

The company's forecasts are based upon the half yearly financial models which are submitted to and approved by the company's funders in accordance with the company's senior debt facility agreements. These generate a positive return for shareholders over the concession period, with costs and revenues that are mainly determined by long term contractual commitments. RPI swaps are in place for the majority of costs and revenues, meaning variability of returns is limited provided that the company manages its operating budgets in accordance with the Financial Close models. The company does not have exposure to movements in interest rates on its debt due to the use of interest rate swap contracts.

On the 14th May 2009, Leicester LIFT Company Limited injected £525,000 of equity into the company to provide additional support to the company's business activities.

The directors believe that the business is able to manage any business risks despite the current economic situation and have the resources to operate in the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

a) Basis of preparation of accounts

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

The Company is exempt under FRS 1 from preparing a cash flow statement on the basis that it qualifies as a small company.

b) Turnover

Turnover is net of VAT and arises in the United Kingdom, represented by the following :

Lease plus rentals and third party rentals receivable for periods of tenancy recognised on a straight line basis over the lease term.

Capital works income recognition is based upon project accounting determined by the value of completed work.

Income from the recovery of operating costs is recognised so as to match against costs incurred by the company.

Recovery of development costs is recognised to match against development costs that have been incurred by the company.

c) Interest and fees

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

d) 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.

e) Tangible fixed assets and depreciation

Tangible fixed assets comprise land and buildings and assets in the course of construction. Assets in the course of construction are not depreciated until practical completion is reached. All relevant costs (land, construction cost, operating costs, interest and fees) are capitalised at practical completion of each facility, and are depreciated on a straight line basis over 25 years to the expected residual value.

f) 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 substantively enacted by the balance sheet date.

In accordance with FRS 19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not discounted.

g) Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit and loss account.

2 TURNOVER

Turnover includes £2,947,895 (2008: £2,308,878) of rentals receivable in respect of operating leases.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST

	2009 £	2008 £
Profit on ordinary activities before interest and taxation is stated after charging:		
Fees payable to the company's auditors for the audit of the company's annual accounts	11,120	14,617
Depreciation	725,793	651,084

4 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current or prior year. The Company is managed by secondees from the shareholders. The Company paid Directors fees to the respective Directors' employing organisations of £15,000 during the year (2008 - £15,000).

Notes to the financial statements for the year ended 31 March 2009 (continued)

5 STAFF NUMBERS

There are no employees in the current or prior year. The Directors are shown on page 1.

6 NET INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest receivable and similar income		
Interest receivable on bank deposits	19,767	27,626
Interest receivable other	14	128
Interest payable and similar charges		
Interest payable on shareholder loans	(393,555)	(286,342)
Interest payable on bank loans	(1,404,923)	(897,121)
Finance (costs) / income	(10,842)	(87,728)
Net interest payable and similar charges	(1,789,539)	(1,243,437)

7 TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
Analysis of credit for the period		
Current tax		
Group relief receivable	-	312
Total current tax credit	-	312
Deferred tax		
Capital allowances in excess of depreciation and other timing differences	(64,446)	-
Prior year adjustment	(9,378)	-
Total deferred tax charge	(73,824)	-
Total tax (charge) / credit on loss on ordinary activities	(73,824)	312

Factors affecting the tax credit for the current period

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

	2009 £	2008 £
Loss on ordinary activities before tax	(293,496)	(262,229)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 30%)	82,179	78,669
Effects of:		
Capital allowances in excess of depreciation and other timing differences	686,366	227,226
Transfer price on intercompany loan	1,142	-
Deferred tax liability on losses and other timing differences recognised in period	(801,920)	(227,226)
Non qualifying depreciation	(147,767)	(169,638)
Capitalised interest	-	64,999
Unrecognised deferred tax asset on losses in the year	-	28,282
Total current tax credit for the year	-	312

There is no unprovided deferred tax asset on losses in the year (2008: £561,988).

There has been a change in the corporation tax rate from 30% to 28% for the current year.

8 TANGIBLE FIXED ASSETS

	Land & Buildings - Freehold £	Assets in the course of construction £	Total £
Cost			
As at 1 April 2008	27,217,877	8,747,915	35,965,792
Additions	-	6,949,851	6,949,851
Transfers	15,697,766	(15,697,766)	-
Disposals	-	-	-
As at 31 March 2009	42,915,643	-	42,915,643
Depreciation			
As at 1 April 2008	1,002,094	-	1,002,094
Charge for the year	725,793	-	725,793
As at 31 March 2009	1,727,887	-	1,727,887
Net book value			
As at 31 March 2009	41,187,756	-	41,187,756
As at 31 March 2008	26,215,783	8,747,915	34,963,698

Tangible fixed assets consist of payments, including capitalised interest and other finance costs of £3,749,958 (2008 - £2,043,589) for the construction of buildings on sites, which are the property of the company.

Land and buildings - freehold held are for use in operating leases.

Notes to the financial statements for the year ended 31 March 2009 (continued)

9 DEBTORS: DUE WITHIN ONE YEAR

	2009 £	2008 £
<u>Due within one year:</u>		
Trade debtors	190,177	799,621
Amounts owed by parent undertakings	10,959	121,150
Prepayments and accrued income	157,575	123,893
	<u>358,711</u>	<u>1,044,664</u>

10 CASH

Of the cash balance at the end of the period March 2009, £232,636 (2008 - £331,000) is restricted by loan covenants and cannot be used by Leicester LIFT Project Company (No.1) Limited.

11 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Bank loans and overdrafts	438,970	2,116,154
Mezzanine debt	63,714	33,969
Subordinated debt	0	163,394
Trade creditors	417,984	139,515
Other taxation and social security	55,266	141,684
Amounts owed to group undertakings	49,693	703,145
Amounts owed to parent undertakings	1,186,444	4,381
Other creditors	352,923	351,107
Accruals and deferred income	369,149	1,991,049
	<u>2,934,143</u>	<u>5,644,399</u>

12 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Bank loans	34,692,731	29,662,596
Mezzanine debt	2,392,040	2,196,748
Subordinated debt	3,256,511	2,727,838
Amounts owed to parent undertaking	525,000	9,110
Other creditors	-	91,488
Accruals and deferred income	407,827	278,969
	<u>41,274,109</u>	<u>34,966,749</u>

Other creditors falling due after more than one year relate to retentions for schemes due to be completed after one year.

Debt (including amounts owed to parent undertaking) can be analysed as falling due:

	2009 £	2008 £
Within one year or on demand	2,141,227	2,324,359
Between one and two years	465,168	429,783
Between two and five years	1,984,937	2,032,954
In five years or more	38,122,001	32,291,478
	<u>42,713,333</u>	<u>37,078,574</u>
Deferred arrangement fees	(157,923)	(168,766)
	<u>42,555,410</u>	<u>36,909,808</u>

13 LOANS

Interest on the senior loan facilities from Bank of Scotland plc of £39.7 million is charged at LIBOR plus margins ranging from 1.00% to 1.20%. The Company does not hold or issue derivative financial instruments for speculative purposes.

The loans with repayment due beyond five years currently attract interest between 1.00% above LIBOR rate to 12% and the final repayment will be made in March 2034. The repayments profile involves payments every six months based on an increasing percentage of the original loan as the age of the loan increases.

The senior bank loans are secured by a fixed charge over the assets of the Company under a debenture agreement dated 18 August 2004, Amended and Restated on 16 June 2005, 30 March 2006 and 29 September 2006 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, Amended and Restated on 16 June 2005, 30 March 2006 and 29 September 2006. The subordinated debt is unsecured.

The Company has entered into fixed interest rate swaps at rates of 4.93%, 4.77%, 5.464%, 4.825%, 5.35%, 4.88%, 4.625%, 4.65%, 5.449%, 4.90%, 4.75% and 4.85% to mitigate its interest exposure which have a negative fair value at 31 March 2009 of £4,823,092 (2008 - negative £514,695).

In addition, the Company has entered into RPI swap agreements at rates of 2.70%, 2.77%, 2.93% and 2.85% to mitigate its risk in respect of inflation linked income which have a negative fair value at 31 March 2009 of £3,388,148 (2008 - negative £4,732,834).

Notes to the financial statements for the year ended 31 March 2009 (continued)

14 PROVISION FOR LIABILITIES

	Deferred tax 2009 £	Deferred tax 2008 £
As at 1 April 2008	-	-
Charged to profit and loss account	64,446	-
Adjustment in respect of prior periods	9,378	-
As at 31 March 2009	<u>73,824</u>	<u>-</u>

There is no unprovided deferred tax asset on losses in the year (2008: £561,988).

Deferred tax in the prior year arose as a result of capital allowances in excess of depreciation.

15 CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised:		
1 Ordinary "A" Share at £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
	£	£
Allotted, called up and fully paid:		
1 Ordinary "A" Share at £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

16 MOVEMENT IN RESERVES

	Profit and loss account 2009 £
As at 1 April 2008	(644,086)
Loss for the financial year	<u>(367,320)</u>
As at 31 March 2009	<u>(1,011,406)</u>

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2009 £	2008 £
Opening shareholder's deficit	(644,085)	(382,168)
Loss for the financial year	<u>(367,320)</u>	<u>(261,917)</u>
Closing shareholder's deficit	<u>(1,011,405)</u>	<u>(644,085)</u>

18 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

At 31 March 2009, the Company is committed to remaining design and construction costs of £334,636 (31 March 2008 - £7,117,913) payable to Laing O' Rourke Midlands Limited under Design and Construction Contracts relating to the Leicester LIFT Project between Leicester LIFT Project Company (No.1) Limited and Laing O' Rourke Midlands Limited.

At 31 March 2009, the Company is committed to an amount of £8,733,150 (31 March 2008 - £9,017,432) payable to John Laing Integrated Services Limited under Facilities Provision Contracts dated 18 August 2004, 16 June 2005 and 30 March 2008 relating to the Leicester LIFT project between Leicester LIFT Project Company (No.1) Limited and John Laing Integrated Services Limited.

Contingent Liabilities

At 31 March 2009, there were no known contingencies which required disclosure (2008 - none).

Notes to the financial statements for the year ended 31 March 2009 (continued)

19 TRANSACTIONS WITH RELATED PARTIES

The following party is a related party as it is the shareholder of Leicester LIFT Project Co (No.1) Limited: Leicester LIFT Midco Limited.

The following are related parties as they are indirect shareholders or fellow subsidiary undertakings: Bank of Scotland plc, John Laing Social Infrastructure Limited, Leicester LIFT Company Limited, Primary Plus (Holdings) Limited, Community Health Partnerships Limited, Leicester City Primary Care Trust, Southern Derbyshire LIFT Company (No.1) Ltd and John Laing Integrated Services Ltd. Primary Plus Limited, a provider of management services, is also a related party, as it is a subsidiary of Primary Plus (Holdings) Limited.

There were related party transactions with the following parties.

Loans to / from related parties at 31 March 2009

	2009 £	2008 £
Senior bank loans		
Bank of Scotland plc	35,131,701	31,778,750
Subordinated Debt		
Community Health Partnerships Limited	651,302	578,246
Leicester City Primary Care Trust	651,302	578,246
Primary Plus (Holdings) Limited	1,953,907	1,734,740
	<u>3,256,511</u>	<u>2,891,232</u>
Mezzanine Debt		
Community Health Partnerships Limited	504,341	460,249
Leicester City Primary Care Trust	504,341	460,249
Primary Plus (Holdings) Limited	1,513,024	1,380,746
Arrangement fee	(65,952)	(70,527)
	<u>2,455,754</u>	<u>2,230,717</u>
Other Balances		
Trade debtor - Leicester City PCT	169	177,934
Trade creditor - Leicester City PCT	(255,831)	-
Inter company creditor - Leicester LIFT Company Limited	(1,700,484)	(12,471)
Trade creditor - John Laing Integrated Services Limited	(558)	(43,724)
Inter company creditor - Primary Plus Limited	(49,693)	(716,636)
Purchase of assets and services from related parties during the year		
	2009 £	2008 £
Related Party		
Primary Plus Limited		
John Laing Integrated Services Limited		
Bank of Scotland plc		
Leicester LIFT Company Ltd		
Southern Derbyshire LIFT Project Co (No 1) Limited		
Nature		
Management services/ recharges	460,214	1,912,230
Facilities Management	365,775	219,549
Interest/repayments/fees/swaps	4,558,431	1,018,232
Management services/ recharges	279,969	-
Recharge	-	6,815

20 ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

Leicester LIFT Midco Limited is the immediate parent undertaking. The company's ultimate parent and controlling party, and the largest and smallest group in which its results are consolidated, is Primary Plus (Holdings) Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated accounts of Primary Plus (Holdings) Limited are available from its registered offices at Allington House, 150 Victoria Street, London, SW1E 5LB.