

## **Southern Derbyshire LIFT Company Limited**

**DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2010**



**Registered Number 04925179**

## **Southern Derbyshire LIFT Company Limited**

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### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010**

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## **Southern Derbyshire LIFT Company Limited**

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### **DIRECTORS AND ADVISORS**

#### **Directors**

I B Balfour	(resigned 11 September 2009)
J Cassidy	(resigned 12 May 2009)
C Dix	
T J Evans	
A Fillis	(appointed 25 January 2010)
M G Heath	
B Ibell	
C A Reed	
R Rigby	
K Wakeling	

#### **Company secretary and registered office**

M Lewis  
Allington House  
150 Victoria Street  
London SW1E 5LB

#### **Auditors**

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Nottingham

#### **Solicitors**

Denton Wilde Sapte LLP  
One Fleet Place  
London EC4M 7WS

#### **Principal bankers**

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

## **Southern Derbyshire LIFT Company Limited**

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### **DIRECTORS' REPORT**

The Directors present the annual report and the audited financial statements for the year ended 31 March 2010

The Company is a subsidiary of Primary Plus (Holdings) Limited

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

Southern Derbyshire LIFT Company is a development and investment company established between local Primary Care Trusts, John Laing Social Infrastructure Limited and Bank of Scotland plc. The company has two subsidiary companies, Southern Derbyshire LIFT Project Company (No 1) Limited and Southern Derbyshire LIFT Project Company (No 2) Limited, which are held via 2 intermediate holding companies. These two companies have, since 2004, invested £65m in the building and operating of health and social care premises. The company is also now generating revenue by undertaking capital works building refurbishment projects within the Southern Derbyshire LIFT region. There are no LPA schemes in development and the company is completing its Capital Works scheme in Ripley.

On 7 January 2010 the company issued £600,000 of new ordinary shares to its existing shareholders for cash at par in order to resolve the deficiency in net assets as shown by the accounts at 31 March 2009. On 26 February 2010, the company received a subordinate loan of £814k from its shareholders to repay an amount due to Southern Derbyshire LIFT Project Company (No 1) Limited. This loan is repayable on receipt of outstanding development costs from Southern Derbyshire LIFT Project Company (No 2) Limited on the practical completion of that company's Ashbourne scheme later in 2010.

### **GOING CONCERN**

The company continues to generate revenue from its ongoing management activities of its subsidiaries and also through capital works projects which allow the company to meet its day to day operating expenditures.

LPA schemes are subjected to an 'acid test' prior to any significant expenditure on development to ensure that any scheme development costs will be recoverable on a successful Financial Close that delivers a scheme that is affordable, value for money and which meets the client's needs.

Based upon current and ongoing forecasts, 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**

The Company will continue to act as a holding company but is significantly reducing its capital works and partnering services activities. Going forward, it is expected that the Company's main revenue stream will be in relation to the delivery of management services to its subsidiary undertakings. There are no further schemes currently in development.

### **KEY PERFORMANCE INDICATORS**

The KPI's against which the company is measured are set both by its contractual obligations to its clients and by the Board where it is considered appropriate. The KPI's focus on the company's performance in two critical areas, namely:

- Ability to develop and construct schemes to an agreed quality, timescale and cost
- Ability to maintain operational buildings to the agreed standards

The relevant KPI's are monitored and reviewed as follows:

- By the Strategic Partnering Board on a bi-monthly basis
- By the clients on a monthly basis
- By the LIFTCo Board on a monthly basis

During the year the company has successfully achieved all of the above KPI's and generated a profit before tax of £6,252

## Southern Derbyshire LIFT Company Limited

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### DIRECTORS' REPORT (continued)

#### RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £6,252 (2009 - loss of £436,634) After taxation of £nil (2009 - £nil), the profit for the year was £6,252 (2009 - loss of £436,634)

The Directors do not recommend the payment of a dividend (2009 - £nil)

#### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a number of financial risks including credit risk, and liquidity risk

##### *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. However, exposure is spread across a number of counterparties and customers so the risk is not significant.

##### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company manages its day to day working capital funding, utilising short term debt finance, but without the requirement for long 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.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### DIRECTORS

The Directors who served throughout the year and to the date of the report, except as noted, are shown on page 1.

#### 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  
23 June 2010

Allington House  
150 Victoria Street  
London, SW1E 5LB

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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). 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 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 accounting 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 and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 SOUTHERN DERBYSHIRE LIFT COMPANY LIMITED

We have audited the financial statements of Southern Derbyshire LIFT Company Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the cash flow statement, the reconciliation of net cash flow to movement in net debt, the analysis of net debt and the related notes 1 to 17. 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 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 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 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 (APB'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 the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its 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 matter 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.

### 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.
- The directors were not entitled to take advantage of the small companies exemption in preparing the directors report



Mark Doleman, FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants & Statutory Auditors  
Nottingham, UK

29 June 2010

**Southern Derbyshire LIFT Company Limited**

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**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
Turnover	1	2,208,621	2,895,039
Cost of sales		(1,636,823)	(2,552,640)
<b>Gross profit</b>		<b>571,798</b>	<b>342,399</b>
Administrative expenses		(555,644)	(782,849)
<b>Profit / (loss) on ordinary activities before interest</b>	2	<b>16,154</b>	<b>(440,450)</b>
Net interest (payable)/ receivable	5	(9,902)	3,816
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>6,252</b>	<b>(436,634)</b>
Tax on profit/ (loss) on ordinary activities	6	-	-
<b>Profit / (loss) for the financial year</b>	12	<b>6,252</b>	<b>(436,634)</b>

A reconciliation of the movement in shareholders' funds is given in note 13

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



**Southern Derbyshire LIFT Company Limited**

**BALANCE SHEET AS AT 31 MARCH 2010**

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Investments	7	2	1
<b>Current assets</b>			
Debtors - due within one year	9	1,312,649	579,654
- due after more than one year	9	-	814,225
Cash at bank and in hand		776,526	44,749
		<b>2,089,175</b>	<b>1,438,628</b>
<b>Creditors</b> amounts falling due within one year	10	(1,900,734)	(928,236)
<b>Net current assets</b>		<b>188,441</b>	<b>510,392</b>
<b>Total assets less current liabilities</b>		<b>188,443</b>	<b>510,393</b>
<b>Creditors</b> amounts falling due after more than one year	10	-	(928,202)
<b>Net assets/ (liabilities)</b>		<b>188,443</b>	<b>(417,809)</b>
<b>Capital and reserves</b>			
Called up share capital	11	608,000	8,000
Profit and loss account	12	(419,557)	(425,809)
<b>Shareholder's funds/ (deficit)</b>	13	<b>188,443</b>	<b>(417,809)</b>

The financial statements of Southern Derbyshire LIFT Company Limited, registered number 04925179 were approved and authorised for issue by the Board of Directors on 23 June 2010 and were signed on its behalf by



C Dix  
Director

**Southern Derbyshire LIFT Company Limited**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2010 £	2009 £	2009 £
Net (outflow)/ inflow from operating activities	14		(682,223)		40,890
Returns on investments and servicing of finance					
Interest received		-		3,816	
			-		3,816
Net cash inflow from returns on investment and servicing of finance					
Net cash (outflow) / inflow before management of liquid resources and financing			(682,223)		44,706
Financing					
Issue of ordinary share capital		600,000		-	
Receipt of shareholder loan falling due within one year		814,000		-	
Net cash inflow from financing			1,414,000		-
Increase in cash in the year			731,777		44,706

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/ CASH**

	2010 £	2009 £
Cashflows		
Increase in cash in the period	731,777	44,706
(Increase) in shareholder loans due within one year	(814,000)	-
Non cash movement	(9,902)	-

**MOVEMENT IN NET DEBT IN THE YEAR**

Net debt at 1 April 2009	44,749	43
	(92,125)	44,706
<b>NET (DEBT)/ CASH AT 31 MARCH 2010</b>	<b>(47,376)</b>	<b>44,749</b>

**ANALYSIS OF NET CASH/ (DEBT)**

	As at 1 April 2009 £	Cash flow £	Non Cash Movement £	As at 31 March 2010 £
Cash in hand and at bank	44,749	731,777	-	776,526
Shareholder loans repayable in less than one year	-	(814,000)	(9,902)	(823,902)
<b>NET GROUP (DEBT)/ CASH</b>	<b>44,749</b>	<b>(82,223)</b>	<b>(9,902)</b>	<b>(47,376)</b>

The non cash movement of £9,902 relates to accrued interest on the Subordinated debt

## Notes to the financial statements for the year ended 31 March 2010

**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

The company continues to generate revenue from its ongoing management activities of its subsidiaries and also through capital works projects which allow the company to meet its day to day operating expenditures. LPA schemes are subjected to an 'acid test' prior to any significant expenditure on development to ensure that any scheme development costs will be recoverable on a successful Financial Close that delivers a scheme that is affordable, value for money and which meets the client's needs. Based upon current and ongoing forecasts, 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.

As the Company is majority owned by Primary Plus (Holdings) Limited, a company incorporated in Great Britain, the company is exempt from the requirement to prepare and deliver consolidated accounts under section 400 of the Companies Act 2006.

**b) Turnover**

Turnover represents recovery of development costs and is recognised once the scheme achieves Financial Close, at which point the development costs can be recovered from the new Project Company. It also consists of capital works, which is recognised on a project accounting basis based upon completed work, and recovery of operating costs which are recognised to match the costs incurred by the company.

**c) Fixed asset investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

**d) 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.

**e) Project Development Costs**

Project development costs are charged to the profit and loss account until such time as the Company is virtually certain that it will enter into contracts for the relevant project. Virtual certainty is generally achieved at the time the Company achieves stage 1 approval for the project. From the point of virtual certainty, development costs are capitalised and held in the Company balance sheet as a debtor prior to achieving financial close. On financial close of project and financing agreements, the Company recovers capitalised development costs from the relevant project company. If the recovery of development costs exceeds the amount capitalised by the Company to financial close, the over-recovery is credited to the profit and loss account.

**2 PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST**

	2010 £	2009 £
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	4,000	-
Fees payable to the company's auditors for the audit of the subsidiaries annual accounts	15,000	-

The Company has incurred the audit fees of its subsidiary undertakings of £15,000 (2009 - £nil). These costs have been recovered from Southern Derbyshire LIFT Project Company (No 1) Limited and Southern Derbyshire LIFT Project Company (No 2) Limited as part of the wider management services recharges.

**3 DIRECTORS' REMUNERATION**

Fees of £21,000 (2009 - £nil) were paid to the Chairman in the year, having been paid by Southern Derbyshire LIFT Project Company (No 1) Limited in the prior year. 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 £25,000 (2009 - £nil), having been paid by Southern Derbyshire LIFT Project Company (No 1) Limited in the prior year. These costs have been recovered from Southern Derbyshire LIFT Project Company (No 1) Limited as part of the wider management services recharges.

**4 STAFF NUMBERS**

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

**Southern Derbyshire LIFT Company Limited**

**Notes to the financial statements for the year ended 31 March 2010 (continued)**

**5 NET INTEREST RECEIVABLE**

	2010 £	2009 £
<b>Interest receivable and similar income</b>		
Interest receivable on bank deposits	-	3,816
<b>Interest payable and similar charges</b>		
Interest payable on shareholder loans	(9,902)	-
<b>Net interest (payable)/ receivable</b>	<u>(9,902)</u>	<u>3,816</u>

**6 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES**

	2010 £	2009 £
<u><b>Analysis of charge for the year</b></u>		
<b>Current tax</b>		
Group relief payable	-	-
<b>Total tax charge on profit / (loss) on ordinary activities</b>	<u>-</u>	<u>-</u>

*Factors affecting the tax charge 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 profit before tax are as follows

	2010 £	2009 £
<b>Profit / (loss) on ordinary activities before tax</b>	<u>6,252</u>	<u>(436,634)</u>
<b>Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)</b>	(1,751)	122,258
<b>Effects of</b>		
Unrecognised deferred tax asset relating to tax losses	1,873	(122,258)
Non allowable expenses	(122)	-
<b>Total current tax charge for the period</b>	<u>-</u>	<u>-</u>

There is an unprovided deferred tax asset on losses of £120,385 (2009 £122,258) The deferred tax asset is not provided for as there is uncertainty over the timing of taxable profits in the future, against which the asset may be utilised

**7 FIXED ASSET INVESTMENTS**

	2010 £	2009 £
<b>Shares in group undertakings</b>		
Cost and net book value	£	£
As at 1st April 2009	1	1
Share capital investment in Southern Derbyshire Midco (No 2) Limited	1	-
<b>As at 31st March 2010</b>	<u>2</u>	<u>1</u>

The Company's subsidiaries are disclosed in note 8

**8 PRINCIPAL SUBSIDIARIES**

Company name	Class and percentage	Principal activity	Country of incorporation
Southern Derbyshire LIFT Midco Limited	100% of ordinary shares	Intermediate holding company	Great Britain
Southern Derbyshire LIFT Project Company (No 1) Limited	100% of ordinary shares	* PFI accommodation operations	Great Britain
Southern Derbyshire LIFT Midco (No 2) Limited	100% of ordinary shares	Intermediate holding company	Great Britain
Southern Derbyshire LIFT Project Company (No 2) Limited	100% of ordinary shares	* PFI accommodation operations	Great Britain

\* Indirect shareholding

**Southern Derbyshire LIFT Company Limited**

**Notes to the financial statements for the year ended 31 March 2010 (continued)**

<b>9 DEBTORS</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	446,514	289,487
Amounts owed by fellow group undertakings	853,618	284,742
Prepayments and accrued income	12,517	5,425
	<u>1,312,649</u>	<u>579,654</u>
<b>DUE GREATER THAN ONE YEAR</b>	<b>£</b>	<b>£</b>
Amounts owed by fellow group undertakings	-	814,225

<b>10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Subordinated debt	823,902	-
Trade creditors	388,993	1,121
Amounts owed to group undertakings	483,325	728,261
Other taxation and social security	75,693	100,159
Other creditors	54,003	-
Accruals and deferred income	74,818	98,695
	<u>1,900,734</u>	<u>928,236</u>

<b>CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	-	928,202
	<u>-</u>	<u>928,202</u>

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Within one year or on demand	823,902	-
	<u>823,902</u>	<u>-</u>

<b>11 CALLED UP SHARE CAPITAL</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,600 Ordinary "A" Shares at £1 each	121,600	1,600
1,600 Ordinary "B" Shares at £1 each	121,600	1,600
4,800 Ordinary "C" Shares at £1 each	364,800	4,800
	<u>608,000</u>	<u>8,000</u>

	<b>£</b>	<b>£</b>
<b>Opening allotted and called up at £1 each</b>		
1,600 Ordinary "A" Shares at £1 each	1,600	1,600
1,600 Ordinary "B" Shares at £1 each	1,600	1,600
4,800 Ordinary "C" Shares at £1 each	4,800	4,800

	<b>£</b>	<b>£</b>
<b>Allotted and called up in the year</b>		
120,000 Ordinary "A" Shares at £1 each	120,000	-
120,000 Ordinary "B" Shares at £1 each	120,000	-
360,000 Ordinary "C" Shares at £1 each	360,000	-

	<b>£</b>	<b>£</b>
<b>Closing allotted and called up at £1 each</b>		
121,600 Ordinary "A" Shares at £1 each	121,600	1,600
121,600 Ordinary "B" Shares at £1 each	121,600	1,600
364,800 Ordinary "C" Shares at £1 each	364,800	4,800
	<u>608,000</u>	<u>8,000</u>

All shares rank par passu

On 8th January 2010, 600,000 shares were issued for cash at par

<b>12 MOVEMENT IN RESERVES</b>	<b>Profit and loss account</b>
	<b>2010</b>
	<b>£</b>
As at 1 April 2009	(425,809)
Profit for the year	6,252
As at 31 March 2010	<u>(419,557)</u>

## Southern Derbyshire LIFT Company Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS / DEFICIT

	2010	2009
	£	£
Opening shareholders' (deficit) / funds	(417,809)	18,825
Profit/(loss) for the financial year	6,252	(436,634)
	(411,557)	(417,809)
New shares issued	600,000	-
Closing shareholders' funds / (deficit)	188,443	(417,809)

### 14 RECONCILIATION OF PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST TO NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Profit/ (loss) on ordinary activities before interest	16,154	(440,450)
Decrease / (increase) in debtors	81,230	(1,371,323)
(Decrease) / increase in creditors	(779,607)	1,852,663
Net cash (outflow)/ inflow from operating activities	(682,223)	40,890

### 15 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2010, the Company had no capital commitments or contingent liabilities requiring disclosure in the financial statements (2009 £nil)

### 16 RELATED PARTY TRANSACTIONS

The following parties are related parties as they are shareholders of Southern Derbyshire LIFT Company Limited: Community Health Partnerships Limited, Derby City Primary Care Trust, Derbyshire County Primary Care Trust and Primary Plus (Holdings) Limited. Southern Derbyshire LIFT Midco Limited, Southern Derbyshire LIFT Project Company (No 1) Limited and Southern Derbyshire LIFT Project Company (No 2) Limited are subsidiaries and are also related parties. Primary Plus Limited is a related party as it is wholly owned by Primary Plus (Holdings) Limited. Leicester LIFT Company Limited is a related party as it is a subsidiary of Primary Plus (Holdings) Limited.

The following are related parties as they are indirect shareholders of the ultimate parent company: Bank of Scotland plc and John Laing Social Infrastructure Limited.

There were related party transactions with the following parties:

	2010	2009
	£	£
<b>Other Balances</b>		
Trade debtor - Derby City Primary Care Trust	-	289,487
Trade debtor - Derbyshire County Primary Care Trust	421,069	-
Intercompany debtor - Southern Derbyshire LIFT Project Company (No 1) Limited	-	262,280
Intercompany debtor - Southern Derbyshire LIFT Project Company (No 2) Limited	36,061	22,462
Intercompany creditor - Primary Plus Limited	(186,860)	(697,305)
Intercompany creditor - Southern Derbyshire LIFT Project Company (No 1) Limited	(283,519)	(959,158)
Intercompany creditor - Primary Plus Land and Property Development Limited	(905)	-

#### Purchase of assets and services from related parties during the year

Related Party	Nature	2010	2009
		£	£
Primary Plus Limited	Services/Capital Works	677,413	639,543
Southern Derbyshire LIFT Project Company (No 1) Limited	Services	69,441	1,556,584
Southern Derbyshire LIFT Project Company (No 2) Limited	Services	11,762	-
Primary Plus Land and Property Development Limited	Services	82,995	-
Derbyshire County Primary Care Trust	Services	8,684	-
Community Health Partnerships Limited	Directors' Fees	5,000	-
Leicester LIFT Company Limited	Recharges	10,431	-

### 17 ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

The Company's immediate and 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.