

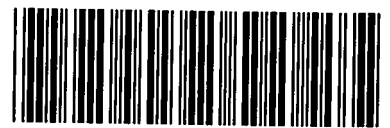
Alliance Medical Acquisitionco Limited

Annual Report & Financial Statements

For the year ended 31 March 2014

Company number 6412789

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COMPANIES HOUSE

Alliance Medical Acquisitionco Limited

DIRECTORS

G E Blomfield
N J Burley
I K Cattermole

SECRETARY

I K Cattermole

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

BANKERS

NatWest Bank plc
1 Town Hall Building
Banbury, Oxon
OX16 8JS

REGISTERED OFFICE

Iceni Centre
Warwick Technology Park
Warwick
Warwickshire
CV34 6DA

Alliance Medical Acquisitionco Limited

STRATEGIC REPORT

PRINCIPAL ACTIVITY AND REVIEW OF THE YEAR

The principal activity of the Company is the provision of funding to fellow subsidiary undertakings of the Company's ultimate parent, Alliance Medical Group Limited.

REVIEW OF THE BUSINESS

The key performance indicator of the Company is:

	2014	2013
	£000	£000
Loss before tax	16,638	15,716

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £16,638,000 (2013: £15,716,000), which has been funded from reserves. The Directors do not recommend the payment of a dividend (2013: £nil).

MANAGEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Company Directors recognise the importance of sound risk management to the success of operations and accordingly set policies to mitigate the risks. The principal risks and uncertainties facing the Company and the potential impact and mitigation are summarised below.

Risk Category	Potential Impact	Mitigation
Financial risk	Changes in market conditions affecting interest rates and the impact of changing foreign exchange rates could have adverse effects on the results of the Company.	Foreign currency risk is mitigated by matching debt denomination with the cash generation capabilities of the Group. In prior years the Company mitigated interest rate risk by entering into hedging instruments that capped interest rates on the external finance, the interest rate swaps expired in February 2014.
Liquidity risk	There is a risk that new lending facilities may not be available when existing finance expires.	The Company monitors its risk to a shortage of funds using a long term business plan that considers the maturity of all of its financial liabilities and the projected cashflows from operations. The Company aims to have sufficient committed borrowings facilities to cover the core long term requirements of Alliance Medical Group. Bank covenants are monitored on a monthly basis and reported to the banks on a quarterly basis. Any projected changes in headroom against covenants would be identified as part of the monthly covenant monitoring process so that remedial action could be taken if necessary.

Alliance Medical Acquisitionco Limited

STRATEGIC REPORT (continued)

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that, after taking into consideration the funding facilities available to subsidiary undertakings, there are sufficient funds available to subsidiary undertakings to support sustainable planned growth and expansion.

To that end, the Company considers capital to comprise shareholder equity and bank loan facilities.

To maintain or adjust the capital structure, the Company may review the utilisation of bank funding facilities, hedging instruments and the interest payment policy to loan notes holders or issue new loan notes. The Company does not expect to distribute dividends or capital to shareholders in the short term.

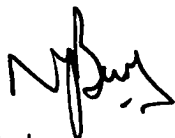
REFINANCING

On 15 July 2013 the Group agreed terms to replace its existing debt facilities with new debt facilities. This refinancing was completed in September 2013. The following revisions to the terms have been agreed:

- Capitalisation of 50% of the senior facility;
- A reduction in the interest margin on the super-senior facility to 5% cash and 2.5% performance in kind ("PIK");
- An extension of the maturity date from February 2014 to March 2017; and
- Changes in the applicable financial covenants.

The revised financing provides the Group with a robust short to medium term debt package with improved liquidity that will support the development of the Group over the coming years.

Approved by the Board on 8 September 2014 and signed on its behalf by:



N J Burley
Director

Alliance Medical Acquisitionco Limited

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 March 2014.

FUTURE DEVELOPMENTS

The Directors continue to seek opportunities to enhance shareholder value by providing suitable finance to Group companies for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The current Directors who served during the year are as follows:

G E Blomfield
N J Burley
I K Cattermole

No Director is beneficially interested in the share capital of the Company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the Company maintained insurance cover for Directors' and Officers' liability as permitted under section 232 (2) of the Companies Act 2006.

POLITICAL DONATIONS

The Company made £nil (2013: £nil) political donations during the year.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP are deemed to be reappointed as auditors under section 487 (2) of the Companies Act 2006.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 418, in the case of each Director in office at the date the Directors' Report is approved:

(a) So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) He has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Alliance Medical Acquisitionco Limited

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

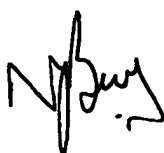
The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared 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 year. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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;
- 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.

Approved by the Board on 8 September 2014 and signed on its behalf by:



N J Burley
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE MEDICAL ACQUISITIONCO LIMITED**REPORT ON THE FINANCIAL STATEMENTS****OUR OPINION**

In our opinion the financial statements, defined below:

- Give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

WHAT WE HAVE AUDITED

The financial statements, which are prepared by Alliance Medical Acquisitionco Limited, comprise:

- The balance sheet as at 31 March 2014;
- The profit and loss account for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE MEDICAL ACQUISITIONCO LIMITED
(continued)

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' Responsibility set out on page 5, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for, and only for, the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



David Teager (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
17 September 2014

Alliance Medical Acquisitionco Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2014

	<i>Note</i>	2014 £000	2013 £000
Impairment of investments in subsidiaries	7	(5,893)	(73,270)
Waiver of intercompany payable		-	60,640
Operating loss	2	(5,893)	(12,630)
Income from shares in group undertakings	6	-	8,564
Interest receivable	3	3,576	5,076
Interest payable and similar charges:			
Non-exceptional items	4	(14,319)	(16,665)
Movement in the fair value of derivatives	4	(2)	(61)
Total interest payable and similar charges		(14,321)	(16,726)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(16,638)	(15,716)
Taxation on loss on ordinary activities	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	15	(16,638)	(15,716)

The Company's activities all derive from continuing operations.

There are no recognised gains and losses other than those shown above and therefore a statement of total recognised gains and losses has not been included in these financial statements.

There is no material difference between the profit on ordinary activities before tax and the profit for the financial years stated above and their historical cost equivalents.

Alliance Medical Acquisitionco Limited

BALANCE SHEET at 31 March 2014

Company registered number: 6412789

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Investments	7	<u>161,180</u>	<u>167,073</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	100	102
Debtors: amounts falling due in more than one year	8	62,061	58,173
Cash at bank and in hand	9	<u>21,309</u>	<u>25,588</u>
		83,470	83,863
CREDITORS: amounts falling due within one year	10	<u>-</u>	<u>(306,752)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>83,470</u>	<u>(222,889)</u>
TOTAL ASSETS LESS NET CURRENT LIABILITIES		244,650	(55,816)
CREDITORS: amounts falling due after more than one year	11	<u>(190,525)</u>	<u>-</u>
NET ASSETS/(LIABILITIES)		<u>54,125</u>	<u>(55,816)</u>
CAPITAL AND RESERVES			
Called up share capital	14	115,052	973
Profit and loss account	15	<u>(60,927)</u>	<u>(56,789)</u>
SHAREHOLDERS' FUNDS/(DEFICIT)	15	<u>54,125</u>	<u>(55,816)</u>

The financial statements were approved by the Board of Directors on 8 September 2014 and were signed on its behalf by:



N J Burley
Director

Alliance Medical Acquisitionco Limited
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2014

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

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of consolidation

Group financial statements have not been prepared as permitted by S400 of the Companies Act 2006, as the Company is a wholly owned subsidiary of Alliance Medical Group Limited, a company incorporated in England and Wales, from whose registered office Group financial statements may be obtained. Therefore these financial statements present information about the Company and not about its Group.

Cash flow statement

The Company has taken advantage of the exemption provided in paragraph 5 of FRS 1 from preparing a Statement of Cash Flows. The cash flows of the Company are incorporated into the consolidated Statement of Cash Flows prepared in the Group financial statements of the ultimate UK parent undertaking.

Fixed asset investments

Investments in subsidiary undertakings and joint ventures are stated at cost less provision for impairment.

Deferred taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes.

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 that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the expectation that the Directors consider that it is more likely than not that there will be suitable taxation profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a undiscounted basis at the 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.

Alliance Medical Acquisitionco Limited
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2014

1. ACCOUNTING POLICIES (continued)

Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as financial assets, financial liabilities or equity instruments according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All financial instruments are initially recognised at fair value. After initial recognition, loans and receivables, including short-term receivables, and financial liabilities, including trade payables, are carried at amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. Derivative financial instruments are carried at fair value.

Derivative financial instruments and hedge accounting

The Company applies FRS 26 'Financial Instruments: Recognition and Measurement' in accounting for financial instruments. The Company's activities expose it to the financial risks of changes in interest rates and foreign currency exchange rates. The Company uses net investment in overseas subsidiaries to manage these exposures. The Company does not use derivative financial instruments for speculative purposes.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Finance costs, which are the difference between the net proceeds and the total amount of payments made in respect of the instruments, are spread on a straight line basis over the expected life of the debt.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received.

Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded at rates prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a non-functional currency are not retranslated.

Dividends received

Dividends receivable from investments in subsidiary undertakings are recognised in the income statement when approved by the shareholders of the company paying the dividend.

Alliance Medical Acquisitionco Limited
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2014

2. OPERATING LOSS

Auditors' remuneration of £5,000 (2013: £5,000) is borne by Alliance Medical Holdings Limited, a fellow group undertaking.

The Company has no employees (2013: nil)

The Directors have neither received nor waived any emoluments in respect of their services to the Company during the year (2013: £nil). The Directors of the Company are also, or have also been, Directors of one or more of the other companies in the Group. These Directors do not believe that it is practicable to apportion their emoluments between their services as Directors of the company and their services as Directors of other companies in the Group.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014	2013
	£000	£000
Bank interest	-	215
Intra-group interest – loans	3,576	4,861
	3,576	5,076

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£000	£000
Bank loans	11,284	16,075
Amortisation of loan set up fee	644	478
Net retranslation of foreign currency loans and receivables	2,391	112
	14,319	16,665
Exceptional item:		
Fair value losses on derivative financial instruments	2	61
	14,321	16,726

Fair value losses on derivative financial instruments relate to movements on interest rate caps.

Alliance Medical Acquisitionco Limited
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2014

5. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Tax on loss on ordinary activities

There is no charge for taxation in the year (2013: £nil).

(b) Factors affecting current tax charge

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £000	2013 £000
Loss on ordinary activities before taxation	(16,638)	(15,716)
Loss on ordinary activities before taxation at the standard rate of 23% (2013: 24%)	(3,827)	(3,772)
Effects of:		
Expenses not deductible for tax purposes	1,355	18,459
Non taxable income	-	(16,599)
Group relief surrendered for no consideration	2,472	1,912
Current tax charge for the year (note 5(a))	-	-

(c) Factors affecting current and future tax charges

The Finance Act 2012 included legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. Further reductions were included in the Finance Act 2013, which was substantively enacted on 2 July 2013, to reduce the rate to 21% from 2014 and 20% from 1 April 2015.

(d) Deferred taxation

The Company has an unrecognised deferred tax asset in relation to tax losses of £21,006,000 (2013: £24,157,000). Deferred tax is not recognised as the future recovery of the asset is uncertain.

6. Dividends received

No dividends have been received during the year. During the prior year dividends were received from Alliance Medical Holdings Limited of £8,564,000.

Alliance Medical Acquisitionco Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2014

7. INVESTMENTS

	<i>Subsidiary Undertakings £000</i>
Cost	
At 1 April 2013 and 31 March 2014	<u>571,775</u>
Impairment	
At 1 April 2013	404,702
Charge for the year	<u>5,893</u>
At 31 March 2014	410,595
Net book value at 31 March 2014	<u>161,180</u>
Net book value at 31 March 2013	<u>167,073</u>

Subsidiary undertakings and joint ventures

The Company held at 31 March 2014 either directly or indirectly, the issued share capital of the following companies:

Name	Country of incorporation	Effective % ownership	Principal activities
Alliance Medical Holdings Limited	England	100	Management services
Alliance Medical Limited	England	100	Medical diagnostic imaging services and parent of English operating subsidiaries
*Erigal Limited	England	100	Production of PET radiopharmaceuticals
*Alliance Medical GmbH	Germany	100	Medical diagnostic imaging services and parent of German operating subsidiaries
*Alliance Medical BV	Holland	100	Medical diagnostic imaging services
*Alliance Medical Diagnostic Imaging Limited	Ireland	100	Management services and parent of Irish operating subsidiaries
Alliance Medical S.r.l.	Italy	100	Medical diagnostic imaging services and parent of Italian operating subsidiaries
*Alliance Medical Diagnosticos SLU	Spain	100	Medical diagnostic imaging services
*Alliance Medical Diagnostic Imaging (Northern Ireland) Limited	Ireland	100	Medical diagnostic imaging services
*Alliance Diagnostic Services Limited	England	100	Medical diagnostic imaging services
*Alliance Medical Molecular Imaging Limited	England	100	Medical diagnostic imaging services
*Lodestone Patient Care Limited	England	100	Dormant company
*Alliance-Servicos Diagnosticos por Imagen Unipessoal	Portugal	100	Dormant company
*Tomovation GmbH	Germany	100	Medical diagnostic imaging services
*TomoSystems GmbH	Germany	100	Medical diagnostic imaging services
*Imagen Medical Digital Servicios Diagnosticos S.A.	Spain	80	Medical diagnostic imaging services
*Alliance Medical Rioja	Spain	65	Medical diagnostic imaging services

Alliance Medical Acquisitionco Limited
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2014

7. INVESTMENTS (continued)

*Charter Medical Diagnostic Imaging Limited	Ireland	100	Medical diagnostic imaging services
*Barringtons MRI Limited	Ireland	50	Medical diagnostic imaging services
*20/20 Imaging Limited	Ireland	33	Medical diagnostic imaging services
*Urology Diagnostic S.r.l.	Italy	100	Medical diagnostic imaging services
*Alliance Medical Diagnostic S.r.l.	Italy	100	Medical diagnostic imaging services
*Radioterapia Aurelia S.r.l.	Italy	67	Medical diagnostic imaging services

*held indirectly

A review of investments in subsidiaries was performed during the year, and as a result £5,893,000 (2013: £73,270,000) of the Company's investment in its subsidiaries was identified as being impaired.

8. DEBTORS

	2014	2013
	£000	£000
Amounts falling due in less than one year:		
Prepayments and other debtors	<u>100</u>	<u>102</u>
Amounts falling due in more than one year:		
Amounts owed by overseas Group undertakings	<u>62,061</u>	<u>58,173</u>
	<u>62,161</u>	<u>58,275</u>

Amounts owed by overseas Group undertakings of £54,439,000 (2013: £54,089,000), included in amounts owed by group undertakings of £62,061,000 (2013: £58,173,000), are unsecured, subject to formal loan agreements and are repayable in more than one year. Interest in respect of these amounts, and amounts owed by overseas group undertakings to fellow UK-based group undertakings, are payable to the Company at a rate of 5% per annum.

The balance of £7,622,000 (2013: £4,084,000), being amounts owed by UK-based Group undertakings to the Company, are unsecured, not subject to formal loan agreement, are repayable in more than one year and are interest free.

9. CASH AT BANK AND IN HAND

At 31 March 2014, cash of £5,786,000 (2013: £6,900,000), which is included in the cash at bank and in hand balance, was pledged as collateral for bank guarantees.

Alliance Medical Acquisitionco Limited
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2014

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£000	£000
Bank loans (note 12)	-	306,752
	-	306,752

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£000	£000
Bank loans (note 12)	181,272	-
Amounts owed to Group undertakings	9,253	-
	190,525	-

Amounts owed to Group undertakings, which are all UK-based and Sterling denominated, of £9,253,000 (2013: £nil) are interest free, are not subject to formal loan agreements, and are repayable in more than one year.

12. BANK LOANS

	2014	2013
	£000	£000
In less than one year	-	307,189
Between 2 and 5 years	182,334	-
	182,334	307,189
Less: unamortised issue cost	(1,062)	(437)
Total bank loans	181,272	306,752

At 1 April 2013, the secured debt comprised a £250m senior facility, consisting of £135.4m Sterling and €134.9m Euro facilities, and a £57.9m super-senior facility, which was fully drawn. The loans were repayable in full in February 2014, but the Company had the option to repay these facilities before then, subject to providing requisite irrevocable notice of five business days. These loans were secured by fixed and floating charges over the assets of the Group. Interest on the senior facility was payable at a rate of LIBOR or EURIBOR, for loans denominated in Sterling and Euros respectively, plus a margin 3.32%. Interest on the super-senior facility was payable at a rate of LIBOR plus 10%.

Alliance Medical Acquisitionco Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2014

12. BANK LOANS (continued)

On 15 July 2013 the Group refinanced its existing debt facilities. This refinancing was completed in September 2013 and the following revisions to the terms were agreed:

- Capitalisation of 50% of the senior facility;
- A reduction in the interest margin on the super-senior facility to 5% cash and 2.5% performance in kind ("PIK");
- An extension of the maturity date from February 2014 to March 2017; and
- Changes in the applicable financial covenants.

The revised financing provides the Group with a robust short to medium term debt package with improved liquidity that will support the development of the Group over the coming years.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

All the Company's interest bearing financial liabilities are at floating rates of interest. The floating rate financial liabilities comprise:

- Sterling denominated bank loans that bear interest at rates based on LIBOR; and
- Euro denominated bank loans that bear interest based on EURIBOR.

Financial liabilities are analysed by currency as follows:

	2014	2013
	£000	£000
Sterling	125,509	192,873
Euro	55,763	113,879
Total	181,272	306,752

Maturity of financial liabilities

The maturity profile of the Company's financial liabilities is as follows:

	2014	2013
	£000	£000
In less than one year	-	306,752
Between two and five years	181,272	-
	181,272	306,752

The Company has assessed the fair value of the Company's bank loan in the light of market movements in interest rates and finance costs. The Directors consider that the fair value of the borrowings is materially consistent with the book value.

Alliance Medical Acquisitionco Limited
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2014

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant to the Company's profit before tax and equity.

	<i>Increase/ decrease in basis points</i>	2014 £000	2013 £000
Sterling	+100	(1,255)	(1,924)
Euro	+100	(558)	(1,139)
Sterling	-100	1,255	1,924
Euro	-100	558	1,139

The Company's principal financial liabilities comprise bank loans. The main purpose of these financial liabilities was to provide funding for the Group. Financial liabilities are denominated in Sterling and Euros which match the cash generation currencies of the Group to mitigate foreign exchange risk. The Company's main risks arising from financial liabilities are funding and liquidity risk, capital market risk, principally as a result of changes in interest rates, and foreign currency risk.

The Company's principal financial assets comprise trade receivables and cash at bank and in hand. The Company aims to ensure that it has sufficient financial resources to fund ongoing operations.

The Company's financial risk exposure is managed by Alliance Medical Group Limited.

Foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the Sterling against Euro exchange rate, with all other variables held constant, of the Company's results before tax (due to the changes in fair value of monetary assets and liabilities) and the Company's equity (due to changes in the realisation of foreign operations and Euro denominated loans).

	2014 Effect on results before tax £000	2014 Effect on equity £000	2013 Effect on results before tax £000	2013 Effect on equity £000
Increase/decrease in Sterling v Euro rate				
+5%	63	63	2,893	2,893
-5%	(100)	(100)	(3,240)	(3,240)

Interest rate caps

In the prior year the Company mitigated increases in LIBOR and EURBOR using two interest rate caps, these expired on 14 February 2014:

- a Sterling cap with a notional value of £90.3m and a fair value of £nil (2013: £nil) which expired on 14 February 2014 which capped LIBOR at 2.5%; and
- b) a Euro cap with a notional value of €90.0m and a fair value of £nil (2013: £nil) which expired on 14 February 2014 which capped EURIBOR at 2.5%.

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14. SHARE CAPITAL

	2014 No.	2014 £000	2013 No.	2013 £000
Authorised:				
Ordinary shares of £1 each	<u>127,552,377</u>	<u>127,552</u>	<u>1,000,000</u>	<u>1,000</u>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>115,052</u>	<u>115,052</u>	<u>973,500</u>	<u>973</u>

The increase in share capital in the year is as a result of the refinancing that completed on 9 September 2013.

15. RECONCILIATION OF SHAREHOLDERS' FUNDS/(DEFICITS) AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 April 2013	973	(56,789)	(55,816)
Retained loss for the year	-	(16,638)	(16,638)
Issue of shares	126,579	-	126,579
Share capital reduction	(12,500)	12,500	-
At 31 March 2014	<u>115,052</u>	<u>(60,927)</u>	<u>54,125</u>

During the year share capital of £126,579,000 has been issued, this is discussed further in the Strategic Report (page 3). On 5 November 2013, all the Directors voted to reduce the issued share capital by £12,500,000 after meeting certain legal requirements. This increased the profit and loss account by £12,500,000.

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are also wholly owned members of Alliance Medical Group Limited.

17. PARENT UNDERTAKINGS

The immediate and ultimate parent undertaking at 31 March 2014 is Alliance Medical Group Limited, registered in England and Wales. Alliance Medical Group Limited is controlled by a syndicate of banks led by Commerzbank AG, M&G Limited and Qatar National Bank. The largest and smallest Group, for which Group financial statements are drawn up is Alliance Medical Group Limited, registered in England and Wales. The financial statements can be obtained by writing to the Secretary at Icen Centre, Warwick Technology Park, Warwick, CV34 6DA.