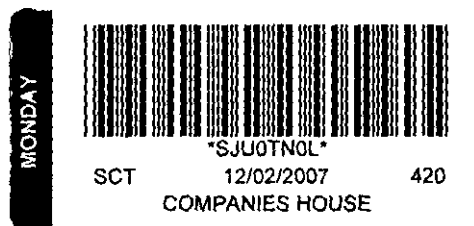


Summit Holdings (Wishaw) Limited
Directors' Report and Group Financial Statements
Year ended 31 March 2006

Registered number SC173083



Summit Holdings (Wishaw) Limited

Directors' Report and Financial Statements

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Summit Holdings (Wishaw) Limited

Directors	Andrew Leslie Tennant Nigel Middleton Timothy John Dickie Alan Dixon Jessop
Company Secretary:	Infrastructure Managers Limited 3rd Floor Hanover House 45 Hanover Street Edinburgh EH2 2PJ
Registered office	3rd Floor Hanover House 45 Hanover Street Edinburgh Eh2 2PJ
Bankers:	Lloyds TSB Bank plc City Office 71 Lombard Street London EC3P 3BS
Solicitors:	Dundas & Wilson Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Auditors:	PricewaterhouseCoopers LLP PO Box 90 Erskine House 68 73 Queen Street Edinburgh EH2 4NH

Summit Holdings (Wishaw) Limited

Directors' Report

The directors present their annual report and the financial statements for the year ended 31 March 2006

Results for the year

The group commenced trading on 24 June 1998 when it raised £136,556,000 through an issue of 6.484% Guaranteed Secured Bonds 2028 by a subsidiary to finance the construction of the New Law General Hospital at Wishaw, Lanarkshire. The hospital started to admit patients in May 2001 and the group made a profit for the year to 31 March 2006 of £395,000 (2005 loss £1,153,000) which has been transferred to reserves. The group is trading satisfactorily and in line with expectations.

The directors do not recommend the payment of a dividend (2005 £nil)

Principal activity and future developments

The principal activity of the group is that of financing and operating a new district general hospital at Wishaw, Lanarkshire for what is now the Lanarkshire Acute Hospitals NHS Trust under the Government's Private Finance Initiative. The hospital opened in May 2001.

Financial instruments

The group's principal financial instruments comprise guaranteed secured bonds, coupon bearing investment sums (CBIS), preferred CBIS, current asset investments and cash. The main purpose of these investments has been to finance the design, build and operation of a hospital under the Government's Private Finance Initiative. The group has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the group's financial instruments are interest rate and liquidity risk. The board has policies for managing each of these risks and they are summarised below. The policies have remained unchanged since incorporation.

Interest rate risk

The group borrows at fixed rate of interest. The group also invests in cash deposits at floating rate. The group's exposure to interest fluctuations will continue to be monitored.

Liquidity risk

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits and proceeds from investment sums.

Key performance indicators

The directors believe that analysis using key performance indicators for the Group is not necessary or appropriate for an understanding of the performance or position of the Group.

Summit Holdings (Wishaw) Limited

Directors and directors' interests

The Directors in office during the year, shown on page 2, had no beneficial interest in the Company. The Directors' interests in the ultimate controlling company are disclosed in that Company's financial statements. The Directors had no material interest in any contract of significance to which the Company was a party during the financial year.

Disclosure of information to the auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General meeting.

The Directors' report was approved by the board on 31 January 2007 and signed on its behalf by



Alan Dixon Jessop
For and on behalf of
Infrastructure Managers Limited
Company Secretary
Edinburgh

Summit Holdings (Wishaw) Limited


Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for the year. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2006, that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

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.

The Statement of Directors' Responsibilities was approved by the Board of Directors on 31 January 2007 and was signed on its behalf by


A. Leslie Tennant
Director

Summit Holdings (Wishaw) Limited

Independent Auditor's Report to the Members of Summit Holdings (Wishaw) Limited

We have audited the group and parent company financial statements of Summit Holdings (Wishaw) Limited for the year ended 31 March 2006 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and 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

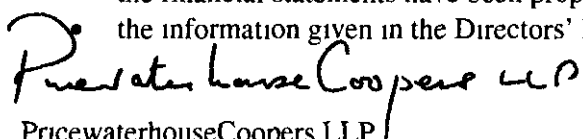
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2006 and of group's profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh

12 February 2007

Summit Holdings (Wishaw) Limited

Group Profit and Loss Account

For the year ended 31 March 2006

	Note	2006 £000	2005 £000
Turnover	2	22,817	22,760
Cost of sales		(12,803)	(13,012)
		<hr/>	<hr/>
Gross profit		10,014	9,748
Administrative expenses		(741)	(813)
		<hr/>	<hr/>
Operating profit		9,273	8,935
Interest receivable	4	823	751
Interest payable	4	(11,333)	(11,422)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	(1,237)	(1,736)
Taxation	5	1,632	583
		<hr/>	<hr/>
Profit / (loss) for the year		395	(1,153)
Loss brought forward		(32,792)	(31,639)
		<hr/>	<hr/>
Loss carried forward		<u>(32,397)</u>	<u>(32,792)</u>

The Company has no recognised gains and losses other than those included in the losses above, which all relate to continuing activities, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the profit / (loss) for the year stated above and their historical cost equivalents


Summit Holdings (Wishaw) Limited

Group Balance Sheet

As at 31 March 2006

	Note	2006 £000	2005 £000
Fixed assets			
Tangible assets	6	83,955	88,046
Current assets			
Debtors			
amounts falling due within one year	8	2,228	904
amounts falling due after one year	9	1,840	1,937
Investments	10	13,163	12,245
		17,231	15,086
Cash at bank and in hand		4,981	5,505
		22,212	20,591
Creditors: amounts falling within one year:			
6 484% Guaranteed Secured Bonds 2028	14	(2,310)	(2,152)
Loan Coupon bearing investment sums (CBIS)	15	(2,611)	(3,209)
Creditors and accruals	12	(6,062)	(6,177)
Net current assets		11,229	9,053
Total assets less current liabilities		95,184	97,099
Creditors: amounts falling due after one year			
6 484% Guaranteed Secured Bonds 2028	14	(115,722)	(118,032)
Loan Coupon bearing investment sums (CBIS)	15	(11,759)	(11,759)
		(127,481)	(129,791)
Net liabilities		<u>(32,297)</u>	<u>(32,692)</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	(32,397)	(32,792)
Equity shareholders' deficit		<u>(32,297)</u>	<u>(32,692)</u>

The financial statements on pages 7 to 21 were approved by the Board of Directors on 31 January 2007 and were signed on its behalf by

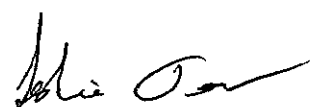

A Leslie Tennant
Director

Summit Holdings (Wishaw) Limited

Company Balance Sheet As at 31 March 2006

	Note	2006 £000	2005 £000
Fixed assets			
Investments	7	11,859	11,859
Current assets			
Debtors	11	3,098	4,552
Creditors: amounts falling within one year			
Loan Preferred CBIS	15	(2,610)	(3,209)
Accruals	13	(488)	(1,343)
		<hr/>	<hr/>
Total assets less current liabilities		11,859	11,859
Creditors: amounts falling due after more than one year			
Loan Coupon bearing investment sums (CBIS)	15	(11,759)	(11,759)
		<hr/>	<hr/>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account		<hr/>	<hr/>
Equity shareholders' funds		<u>100</u>	<u>100</u>

The financial statements on pages 7 to 21 were approved by the Board of Directors on 31 Jan 07 and were signed on its behalf by:


A. Leslie Tennant
Director

Summit Holdings (Wishaw) Limited

Group Cash Flow Statement

For the year ended 31 March 2006

	Note	2006 £000	2005 £000
Net cash inflow from operating activities	18a	14,098	17,206
Returns on investments and servicing of finance			
Interest received		829	1,014
Interest paid		(11,818)	(10,218)
		(10,989)	(9,204)
Taxation			
Receipt for consortium tax		412	
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets			98
Net cash inflow before use of liquid resources and financing		3,521	7,904
Management of liquid resources			
Payment to acquire investments		(28,495)	(63,222)
Receipts from the sale of investments		27,574	62,506
	18d	(921)	(716)
Financing			
Bond capital repaid		(2,525)	(2,368)
CBIS preferred investment sums repaid		(599)	
		(3,124)	(2,368)
(Decrease) / increase in cash	18b	(524)	4,820

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Companies Act 1985 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the financial projections for the Group's PFI project indicates that sufficient funds will be generated to allow ongoing obligations to be met as they fall due. The Directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and have not prepared a profit and loss account for Summit (Holdings) Wishaw Limited.

(b) Basis of consolidation

The Group's financial statements incorporate the assets and liabilities of all subsidiaries as at 31 March 2006 and their results for the year ended on that date.

(c) Depreciation

Depreciation is provided on tangible fixed assets at rates dependant on the life expectancy of the asset concerned. The building cost is depreciated on a straight line basis over the term of the concession, which is 27 years. Plant and equipment is depreciated on a straight line basis with lives varying between 10 and 20 years.

(d) Fixed asset investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

(e) Guaranteed secured bonds

The bond creditor was initially recognised at the value of the net proceeds raised on issue. The finance cost is calculated as the difference between the net carrying amount and the total payments the group is required to make in respect of the bond. Finance costs are allocated to periods over the term of the bond at a constant rate on the carrying amount and charged in the profit and loss account. The bond interest is recognised as accruing on a day to day basis.

Issue costs associated with the bond have been capitalised in accordance with FRS4 and are being amortised over the life of the bonds.

(f) Coupon bearing investment sum interest receivable and payable

The loan interest is recognised as accruing on a day to day basis.

Summit Holdings (Wishaw) Limited

(g) Deferred taxation

Deferred tax is fully provided on timing differences recognised by the balance sheet date when the Company has an obligation to pay more or less tax in the future as a result of these timing differences. The Company has not adopted a policy of discounting deferred tax assets and liabilities, as permitted by FRS 19 (Deferred Tax)

(i) Post contract set up costs

Legal and professional costs relating to the set up of contracts are deferred and held on the balance sheet as a prepayment. These costs are amortised on a straight line basis over the life of the contract.

2 Turnover

Turnover, which is stated net of VAT, represents one class of business, being amounts invoiced for the provision of non clinical services at, and maintenance of, the Wishaw General Hospital, in Lanarkshire, in the United Kingdom.

3 Loss on ordinary activities before taxation

	2006 £000	2005 £000
Loss on ordinary activities before taxation is stated after charging		
Amortisation of post contract set up costs	60	60
Audit remuneration Audit services – Group	12	13
Audit services – Company		
non audit services	4	16
Depreciation of owned tangible fixed assets	4,091	4,091

The Directors did not receive any remuneration from the Company during the year (2005 £nil). There were no employees in the financial year other than the Directors.

4 Interest

	2006 £000	2005 £000
<u>Interest receivable</u>		
Bank interest	<u>823</u>	<u>751</u>
<u>Interest payable</u>		
Long term bond	(8,625)	(8,778)
CBIS notes	(2,117)	(2,116)
Preferred CBIS notes	(591)	(528)
	<u>(11,333)</u>	<u>(11,422)</u>

Summit Holdings (Wishaw) Limited

5 Taxation

	2006 £000	2005 £000
Current tax		
UK Corporation tax on loss for the year		
Adjustments in respect of previous periods	<u>1,669</u>	<u> </u>
	<u>1,669</u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(37)	(583)
	<u> </u>	<u> </u>
Tax credit on loss on ordinary activities	<u>1,632</u>	<u>(583)</u>
The tax assessed for the period differs from the standard rate applying in the UK (30%) The difference is explained below:		
Loss on ordinary activities before tax	<u>(1,237)</u>	<u>(1,736)</u>
Loss on ordinary activities at the UK tax rate (30%)	(371)	(521)
Effect of		
Expenses not deductible for tax purposes	408	408
Accelerated capital allowances / other timing differences	(37)	113
Adjustments to tax charge in respect of previous period	<u>1,669</u>	<u> </u>
Total current tax credit	<u>1,669</u>	<u> </u>

6 Tangible fixed assets

	Long leasehold property £000	Plant and Machinery £000	Total £000
<u>Cost</u>			
At 1 April 2005 and 31 March 2006	<u>52,776</u>	<u>51,631</u>	<u>104,407</u>
<u>Depreciation</u>			
At 1 April 2005	5,444	10,917	16,361
Charge for the year	1,362	2,729	4,091
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2006	<u>6,806</u>	<u>13,646</u>	<u>20,452</u>
<u>Net book value</u>			
As at 31 March 2006	<u>45,970</u>	<u>37,985</u>	<u>83,955</u>
As at 31 March 2005	<u>47,331</u>	<u>40,715</u>	<u>88,046</u>

Summit Holdings (Wishaw) Limited

The long leasehold runs for a period of 125 years to the year 2123, although buildings depreciation is calculated for the concession period to 2028 with a residual value of £15 million at that date

7 Fixed asset investments

Company	Shares £	Loan £	Total £
At 1 April 2005 and at 31 March 2006	<u>100,000</u>	<u>11,759,000</u>	<u>11,859,000</u>

Details of subsidiary undertakings

Summit Healthcare (Wishaw) Limited, a company registered in Scotland, which has built and is now operating a district general hospital

Summit Finance (Wishaw) Plc, a company registered in Scotland, which is financing the building and operating of a district general hospital

Both subsidiaries are wholly owned, and Summit Finance (Wishaw) Plc is wholly owned by Summit Healthcare (Wishaw) Limited

For details of the loan to Summit Healthcare (Wishaw) Limited, see note 15

8 Debtors

Group	2006 £000	2005 £000
Trade debtors	15	96
Other debtors	60	60
Prepayments and accrued income	896	748
Group tax relief	1,257	
	<u>2,228</u>	<u>904</u>

9 Debtors: amount falling due after one year

Group	2006 £	2005 £
Other debtors	1,294	1,354
Deferred tax	546	583
	<u>1,840</u>	<u>1,937</u>
Movement on deferred tax:		
Opening	583	
Movement (note 5)	(37)	583
	<u>546</u>	<u>583</u>
Closing		

Summit Holdings (Wishaw) Limited

9 Debtors: amount falling due after one year (continued)

The deferred tax (asset)/liability recognised and unrecognised in the accounts can be analysed as follows

	2006	Provided	2006	Not provided
	£000	2005	£000	2005
		£000		£000
Accelerated capital allowances	8,081	8,557		
Losses carried forward	(8,627)	(9,140)		
	<u>(546)</u>	<u>(583)</u>		

The deferred tax asset has been recognised in the period as the company has income contracted for the next 23 years which the Directors believe will generate taxable profit in excess of those arising from the reversal of deferred tax liabilities.

10 Investments

Group	2006	2005
	£000	£000
Listed	9,374	10,206
Unlisted	3,789	2,039
	<u>13,163</u>	<u>12,245</u>

The balance sheet value of current asset investments is not materially different from the market value

11 Amounts due from subsidiary undertaking

Company	2006	2005
	£	£
Interest on preferred CBIS	223,648	288,016
Interest on original CBIS	263,852	1,055,411
Preferred CBIS notes	2,610,229	3,208,977
	<u>3,097,729</u>	<u>4,552,404</u>

The amounts due from fellow subsidiary are trading balances, are not interest bearing and are repayable on demand

Summit Holdings (Wishaw) Limited

12 Creditors: amounts falling due within one year

Group	2006 £000	2005 £000
Trade creditors	1,532	
Other taxation and social security	417	392
Accruals and deferred income	4,113	5,785
	<u>6,062</u>	<u>6,177</u>

13 Creditors: amounts falling due within one year

Company	2006 £	2005 £
CBIS interest accrual	<u>487,500</u>	<u>1,343,427</u>

14. Creditors: amounts falling due after one year

Group

On 25 June 1998 the group issued at par value £136,556,000 6 484% Guaranteed Secured Bonds which are repayable in instalments to 31 March 2028

	2006 £000	2005 £000
Amounts repayable in one year or less on demand	2,691	2,524
Between one and two years	2,868	2,691
Between two and five years	9,789	9,184
Over five years	110,052	113,526
	<u>125,400</u>	<u>127,925</u>
Less unamortised finance costs associated with the bond issue	(7,368)	(7,741)
	<u>118,032</u>	<u>120,184</u>
Less included within creditors amounts falling due within one year	(2,310)	(2,152)
	<u>115,722</u>	<u>118,032</u>

The bond has been secured by

- (i) a first ranking floating charge over the whole property, assets and undertakings of the group, and
- (ii) an assignment in security of all bank accounts, if any, of the group and the proceeds thereof and all rights to which the group may be entitled from time to time in relation to the proceeds of any insurance policies, and
- (iii) a standard security over the group's interest in the Head Lease of its property

Summit Holdings (Wishaw) Limited

15 Loan: coupon bearing investment sums (CBIS)

Company and Group

	2006 £000	2005 £000
At 1 April	14,968	14,200
Preferred CBIS paid during the year	(599)	
Preferred CBIS issued during the year		768
	<hr/>	<hr/>
At 31 March	14,369	14,968
Less amounts due within one year	(2,610)	(3,209)
	<hr/>	<hr/>
Amounts due after one year	<u>11,759</u>	<u>11,759</u>

The company has issued £11,759,000 Coupon Bearing Investment Sums (CBIS) to its shareholders. They bear a coupon of 18 per cent per annum, and have a term of 30 years ending 17 June 2028. The CBIS may be redeemed earlier at the company's notification. The whole investment sum as and when issued shall rank *pari passu* equally and rateably without discrimination and preference.

At the time of the issue described above, Summit Healthcare (Wishaw) Limited, a wholly owned subsidiary undertaking, issued £11,759,000 Coupon Bearing Investment Sums to the company. The terms of the company's CBIS payable to Summit Healthcare (Wishaw) Limited are in line with those of the company's CBIS issued to its shareholders.

The coupon on the principal amount outstanding accrues from day to day and is payable in cash on 30 September and 31 March annually subject to meeting certain financial criteria (targets). If the coupon is unable to be paid due to failure to meet these criteria then there shall be issued Preferred CBIS with a principal equal to the coupon due. The term date for each series of Preferred CBIS shall be the first coupon payment date after the allotment.

During the current year, £599,000 of Preferred CBIS has been paid (2005 £768,000 issued)

16 Called up share capital

	2006 No.	2005 No.	2006 £	2005 £
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Summit Holdings (Wishaw) Limited

17 Reconciliation of shareholders' funds and movement on reserves

Group:

	Total Shareholders' Funds £000	Share Capital £000	Profit and Loss Account £000
At 1 April 2005	(32,692)	100	(32,792)
Profit for the year	395		395
	<hr/>	<hr/>	<hr/>
At 31 March 2006	<u>(32,297)</u>	<u>100</u>	<u>(32,397)</u>

Company:

	Total Shareholders' Funds £	Share Capital £	Profit and Loss Account £
At 31 March 2005 and 31 March 2006	<u>100,000</u>	<u>100,000</u>	<u></u>

As permitted by S 230 of the Companies Act 1985, no profit and loss account of the parent company is presented. The profit of the company for the year was £nil (2005 £nil)

18 Notes to the statement of cash flows

a) Reconciliation of operating profit to net cash inflow from operating activities:

	2006 £000	2005 £000
Operating profit	9,273	8,935
(Increase) / Decrease in debtors and prepayments	(67)	4,192
Increase / (Decrease) in creditors	741	(71)
Depreciation charges	4,091	4,090
Amortisation of bid costs	60	60
	<hr/>	<hr/>
	<u>14,098</u>	<u>17,206</u>

Summit Holdings (Wishaw) Limited

18 Notes to the statement of cash flows (continued)

b) Reconciliation of net cash flow to movement in net debt:

	2006 £000	2005 £000
(Decrease)/increase in cash in the year	(524)	4,820
Cash outflow from increase in liquid resources	921	716
Cash outflow from decrease in debt	3,124	2,369
	<hr/>	<hr/>
Change in net debt resulting from cash flows	3,521	7,905
Other	(376)	(1,392)
	<hr/>	<hr/>
Movement in net debt	3,145	6,513
Net debt at the start of the year	(117,402)	(123,915)
	<hr/>	<hr/>
Net debt at the end of the year	<u>(114,257)</u>	<u>(117,402)</u>

c) Analysis of net debt

	At 31 Mar 2005 £000	Cash Flow £000	Other non cash Changes £000	At 31 Mar 2006 £000
Cash	5,505	(524)		4,981
Current asset investments	12,245	921	(3)	13,163
Loans due more than one year (Bonds)	(118,032)	2,310		(115,722)
Loans due within one year (Bonds)	(2,152)	215	(373)	(2,310)
Loans due after one year (CBIS)	(11,759)			(11,759)
Loans due within one year (Preferred CBIS)	(3,209)	599		(2,610)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>(117,402)</u>	<u>3,521</u>	<u>(376)</u>	<u>(114,257)</u>

d) Liquid Resources

Liquid resources are readily marketable investments other than cash. They include Gilts, Commercial Paper, Eurobonds, Short Term Deposits and Certificates of Deposit.

e) Cash and liquid resource restrictions

Cash and liquid resources can only be used to pay the costs associated with the management and construction of the hospital, and the interest payments due on the bonds and both of the CBIS issues. These payments must first be authorised by the Bond Policy Provider.

Summit Holdings (Wishaw) Limited

19 Derivatives and other financial instruments

On 25 June 1998 the group issued at par value £136,556,000 6 484% Guaranteed Secured Bonds in order to finance the design, build and operation of a hospital under the government's PFI initiative. The cash received from this bond issue was used to pay the building costs, professional fees and interest costs during the construction period. Any residual funds have been invested in a portfolio managed by Scottish Widows Investment Partnership. The objective of the portfolio is to maximise gross return and enable the group to manage cashflows inherent within the scope of the project. Investments are made at Scottish Widows' discretion but are subject to certain restrictions on maturity, liquidity and maximums. The investments are made in gilts, commercial paper, Eurobonds, short term deposits and certificates of deposit. There are no equity investments and all the investments are in sterling financial instruments. The disclosures below do not include short term debtors and creditors.

Financial assets

The group's financial assets are its current asset investments of £13,163,000 (2005 £12,245,000) and cash of £4,981,000 (2005 £5,505,000), all of which are denominated in sterling. The investments and the majority of the cash have been held in one portfolio. The weighted average return on investment is 2.74%. A weighted average period has not been calculated but all the current asset investments are made in instruments which mature in less than one year.

Financial liabilities

The group's financial liabilities are its listed bonds of £118,032,000 (2005 £120,184,000) and its CBIS of £14,369,000 (2005 £14,968,000) all of which are denominated in sterling. The bonds have a fixed interest rate of 6.484%. They mature on 31 March 2028 and are subject to repayment in part by half yearly amounts from 30 September 2001. The CBIS have an interest rate of 18%. They have a term of 30 years ending in June 2028, and under the terms of the security trust deed cannot be repaid until the senior liabilities have been repaid.

Currency exposures

As at 31 March 2006 and 31 March 2005 the group had no currency exposures.

Fair value of financial assets and financial liabilities

	Book value 2006 £000	Fair value 2006 £000	Book value 2005 £000	Fair value 2005 £000
Current asset investments	13,163	13,163	12,245	12,245
Cash	4,981	4,981	5,505	5,505
Listed bonds	(118,032)	(117,820)	(120,184)	(136,120)
CBIS	<u>(14,369)</u>	<u>(14,369)</u>	<u>(14,968)</u>	<u>(14,968)</u>

The fair value of the current asset investments and the listed bonds have been calculated using market values. The fair value of CBIS is not materially different from the book value when calculated using discounted future cashflows.

Gains and losses on financial assets held for trading

The net unrealised gain from trading in financial assets is minimal, as the market value of these assets are not materially different to the book value.

Summit Holdings (Wishaw) Limited

20 Related party transactions

The Directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required

21 Contingent liabilities

Company

The contingent liabilities in respect of the bonds issued by the company's subsidiary undertaking, Summit Finance (Wishaw) Plc, are as follows,

- (i) a first ranking floating charge over the whole property, assets and undertaking of the company
- (ii) a share pledge over the shares of Summit Healthcare (Wishaw) Limited, and
- (iii) an assignation in security of all bank accounts of the company and the proceeds thereof and all rights to which the company may be entitled from time to time in relation to the proceeds of any insurance policies