

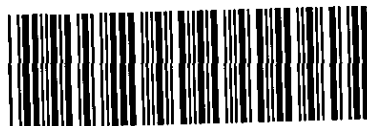
Summit Holdings (Wishaw) Limited

**Consolidated Annual Report and
Financial Statements**

For the Year Ended 31 March 2010

Registered Number SC173083

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Summit Holdings (Wishaw) Limited

Financial Statements

For the Year ended 31 March 2010

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Summit Holdings (Wishaw) Limited

Company Information

Directors	Andrew Leslie Tennant Nigel Middleton Alan Dixon Jessop Victoria Bradley
Company secretary	Infrastructure Managers Limited
Registered office	2nd Floor 11 Thistle Street Edinburgh EH2 1DF
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors PO Box 90 Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Bankers	Lloyds TSB Bank Plc 71 Lombard Street London EC3P 3BS
Solicitors	Dundas and Wilson Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

Summit Holdings (Wishaw) Limited

The Directors' Report

For the Year ended 31 March 2010

The Directors present their report and the financial statements of the group for the year ended 31 March 2010.

Principal Activities and Business Review

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.

Results and Dividends

The profit for the year, after taxation, amounted to £1,570,000 (2009: restated profit £2,157,000). Particulars of dividends paid are detailed in note 9 to the financial statements.

The profit for the year will be transferred to reserves. The results for the year are in line with budget. The Directors anticipate that the Company will perform in line with budget in the coming financial year.

During the year the Board reconsidered the accounting treatment of the property asset. After detailed consideration, the Board concluded that the asset should be treated as a finance debtor rather than a fixed asset. The outcome of this decision was to restate the net assets brought forward at 1 April 2009 to £6,198,000, £39,943,000 higher than previously reported. The restated result for the year ended 31 March 2009, a profit of £2,158,000, was £2,129,000 better than the profit of £29,000 previously reported.

Principal risks and uncertainties

The key business risk affecting the group is the movement in the retail price index to which the majority of its external debt is linked. This is mitigated by the linking the group's future income streams to the retail price index.

Key performance indicators

The performance of the subsidiary undertaking from a cash perspective is assessed six monthly on a group basis by the testing of covenants of the senior debt provider. The key indicator being the debt service cover ratio. The subsidiary undertaking has been performing well and has been compliant with the covenants laid out in the group loan agreement.

Financial Instruments

Details of the group's financial risk management objectives and policies are included in note 1 to the accounts. The fair values of the financial instruments are included in note 17 to the accounts.

Directors

The Directors who served the company during the year and up to the date of this report are listed on page 1.

Summit Holdings (Wishaw) Limited

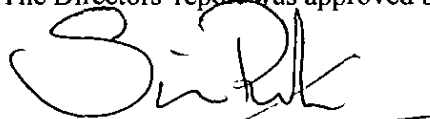
The Directors' Report *(continued)*

For the Year ended 31 March 2010

Auditor

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

The Directors' report was approved by the board on ~~27 September 2010~~ 27 September 2010 and signed on its behalf by:



Simon Peck
For and on behalf of
Infrastructure Managers Limited
Company Secretary
Edinburgh

Summit Holdings (Wishaw) Limited

Statement of Directors' Responsibilities

For the Year ended 31 March 2010

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the group and of the profit or loss of the group 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 estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors' responsibilities were approved by the board on *27 September 2010* and signed on its behalf by:



Andrew Leslie Tennant
Director

Summit Holdings (Wishaw) Limited

Independent auditor's report to the members of Summit Holdings (Wishaw) Limited

We have audited the financial statements of Summit Holdings (Wishaw) Limited for the year ended 31 March 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated statement of total recognised gains and losses, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. 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).

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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.

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 Group'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 Group and the Company's affairs and its Group cashflow 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.

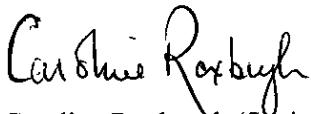
Summit Holdings (Wishaw) Limited

Independent auditor's report to the members of Summit Holdings (Wishaw) Limited *(continued)*

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.



Caroline Roxburgh (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

27 September 2010

Summit Holdings (Wishaw) Limited

Consolidated Profit and Loss Account

For the Year ended 31 March 2010

	Note	2010 £000	2009 £000 <i>(restated)</i>
Turnover	2	13,080	11,984
Cost of sales		(11,364)	(10,388)
Gross Profit		1,716	1,596
Administrative expenses		(742)	(690)
Operating Profit	3	974	906
Interest receivable	6	11,466	12,540
Interest payable and similar charges	7	(10,039)	(10,234)
Profit on Ordinary Activities Before Taxation		2,401	3,212
Tax on profit on ordinary activities	8	(831)	(1,055)
Profit for the Financial Year	19	1,570	2,157

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

The notes on pages 12 to 27 form part of these financial statements.

Summit Holdings (Wishaw) Limited

Consolidated Statement of Total Recognised Gains and Losses

For the Year ended 31 March 2010

	2010 £000	2009 £000 <i>(restated)</i>
Profit for the financial year	1,570	2,157
Total recognised gains and losses relating to the year	<u>1,570</u>	<u>2,157</u>
Prior year adjustment	<u>39,943</u>	<u>-</u>
Total gains and losses recognised since the last annual report	<u><u>41,513</u></u>	<u><u>2,157</u></u>

The notes on pages 12 to 27 form part of these financial statements.


Summit Holdings (Wishaw) Limited

Group Balance Sheet

as at 31 March 2010

	Note	2010 £000	2009 £000 <i>(restated)</i>
Current Assets			
Debtors due within one year	12	2,447	3,759
Debtors due after one year	12	122,661	123,647
Cash at bank and in hand		16,740	20,147
		<u>141,848</u>	<u>147,553</u>
Creditors: Amounts falling due within one year	13	<u>(9,937)</u>	<u>(8,976)</u>
Net Current Assets		<u>131,911</u>	<u>138,577</u>
Total Assets Less Current Liabilities		<u>131,911</u>	<u>138,577</u>
Creditors: Amounts falling due after more than one year	14	<u>(116,401)</u>	<u>(119,468)</u>
		<u>15,510</u>	<u>19,109</u>
Provisions for liabilities	16	<u>(13,742)</u>	<u>(12,911)</u>
Net assets		<u>1,768</u>	<u>6,198</u>
Capital and Reserves			
Share capital	18	100	100
Profit and loss account	19	1,668	6,098
Equity Shareholder's Funds	20	<u>1,768</u>	<u>6,198</u>

These financial statements on pages 7 to 27 were approved by the Directors and authorised for issue on 27 September 2010 and are signed on their behalf by:



 Andrew Leslie Tennant
 Director

The notes on pages 12 to 27 form part of these financial statements.

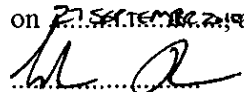
Summit Holdings (Wishaw) Limited

Company Balance Sheet

as at 31 March 2010

	Note	2010 £000	2009 £000
Fixed Assets			
Investments	11	<u>11,859</u>	<u>11,859</u>
Current Assets			
Debtors due within one year	12	—	—
Creditors: Amounts falling due within one year	13	<u>—</u>	<u>—</u>
Net Current Assets		<u>—</u>	<u>—</u>
Total Assets Less Current Liabilities		<u>11,859</u>	<u>11,859</u>
Creditors: Amounts falling due after more than one year	14	<u>(11,759)</u>	<u>(11,759)</u>
Net assets		<u>100</u>	<u>100</u>
Capital and Reserves			
Share capital	18	100	100
Profit and loss account	19	—	—
Equity Shareholder's Funds		<u>100</u>	<u>100</u>

These financial statements on pages 7 to 27 were approved by the Directors and authorised for issue on 27 September 2010, and are signed on their behalf by:



Andrew Leslie Tennant
Director

The notes on pages 12 to 27 form part of these financial statements.

Summit Holdings (Wishaw) Limited

Group Cash Flow Statement

For the Year ended 31 March 2010

	Note	2010 £000	2009 £000
Net Cash Inflow from Operating Activities	21	<u>4,024</u>	<u>1,523</u>
Returns on Investments and Servicing of Finance			
Interest received		237	1,179
Finance debtor interest		11,229	11,361
Interest paid		(9,637)	(9,838)
Dividends paid		<u>(6,000)</u>	<u>-</u>
		<u>(4,171)</u>	<u>2,702</u>
Cash Inflow Before Financing		<u>(147)</u>	<u>4,225</u>
Financing			
Bond Capital Repaid		<u>(3,260)</u>	<u>(3,057)</u>
		<u>(3,260)</u>	<u>(3,057)</u>
Increase/(decrease) in Cash	22	<u>(3,407)</u>	<u>1,168</u>

The notes on pages 12 to 27 form part of these financial statements.

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

Company profit and loss account

As permitted by Section 408 of the Companies Act 2006, the company's Profit and Loss Account has not been included in these Financial Statements. During the year the company made no profit or loss (2009: £nil).

Basis of consolidation

The consolidated financial statements include the company and all its subsidiary undertakings. Where subsidiary undertakings are acquired during the period their results are included in the consolidated financial statements from the date of acquisition up to the date of the financial period end.

Turnover

The turnover shown in the consolidated profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Accounting for PFI assets

Costs incurred in the construction of the Hospital have been accounted for under Financial Reporting Standard (FRS) 5 Application Note F.

Applying the guidance within the Application Note indicates that the project's principal agreement transfers substantially all the risks and rewards of ownership to the customer.

As such the costs incurred on the project have been treated as a finance debtor within these accounts.

Fees are allocated between turnover and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract.

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

1. Accounting policies *(continued)*

Current taxation

The tax expense represents the sum of current tax expense and deferred tax expense.

Current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The Company has not adopted a policy of discounting deferred tax assets and liabilities, as permitted by FRS 19 (Deferred Tax).

Deferred taxation

Deferred taxation has been recognised as a liability or an asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Fixed asset investments

Investments are shown at cost less any provision for diminution in value.

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.

Coupon bearing investment sums (CBIS) interest receivable and payable

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

Pre contract setup 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.

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

1. Accounting policies *(continued)*

Change in accounting treatment

Following a change of composition of the ultimate ownership of the Company, the Board has reconsidered the accounting treatments applied by the Company. In their opinion, having fully reconsidered Financial Reporting Standard (FRS) 5 - Application Note F, the Board has concluded that the risks and rewards relating to the property transfer substantially to the customer. As such it was considered more appropriate for the property provided to be treated as a finance debtor, rather than as a fixed asset as previously recognised, in the books of the Company. The cumulative impact has been recognised in the accounts as a prior year adjustment and comparative figures for 2009 have been restated.

The movement in net assets due to the adjustment is analysed below:

	£000
Net Liabilities as previously reported	(33,745)
Removal of fixed asset	(75,774)
Removal of capitalised bid costs	(1,235)
Inclusion of finance debtor	126,689
Revision of deferred tax balance	(11,866)
Adjustments to profit for the year	2,129
	<hr/>
Net Assets at the end of the year (restated)	6,198

The total of the above adjustments (£39,943,000) is shown in the Statement of Total Recognised Gains and Losses.

The finance debtor balance includes £26,438,000 in respect of items previously treated as revenue.

The impact on the profit and loss account for the accounting period ended 31 March 2010 has not been quantified due to the use of different measurement bases. The impact on the profit and loss account for the year ended 31 March 2009 of recognising the asset as a finance debtor is as follows:

Profit for the financial year as previously reported	29
Effect of eliminating depreciation	4,090
Effect of eliminating amortisation of bid costs	60
Effect of including amortisation of finance debtor	(1,499)
Effect of revision to deferred tax movement	(522)
	<hr/>
Profit for the financial year as restated	2,158

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.
An analysis of turnover is given below:

	2010	2009
	£000	(restated) £000
United Kingdom	<u>13,080</u>	<u>11,984</u>

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. Operating profit

Auditors' remuneration is borne by Lanterndew Limited.

4. Particulars of employees and directors

The average number of staff employed by the group during the financial year amounted to:

	2010 No	2009 No (restated)
Number of administrative staff	1	1
Number of management staff	2	2
	<u>3</u>	<u>3</u>

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

4. Particulars of employees and directors *(continued)*

The aggregate payroll costs of the above were:

	2010	2009 <i>(restated)</i>
	£000	£000
Wages and salaries	221	218
Social security costs	16	16
	<u>237</u>	<u>234</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2010	2009 <i>(restated)</i>
	£000	£000
Emoluments receivable	<u>80</u>	<u>80</u>

6. Interest receivable

	2010	2009 <i>(restated)</i>
	£000	£000
Bank interest receivable	237	1,179
Finance debtor interest	11,229	11,361
	<u>11,466</u>	<u>12,540</u>

7. Interest payable and similar charges

	2010	2009 <i>(restated)</i>
	£000	£000
Interest payable on bank borrowing	7,521	7,722
CBIS notes	2,116	2,116
Amortisation of loan issue costs	402	396
	<u>10,039</u>	<u>10,234</u>

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2010	2009
	£000	(restated) £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 – 30%)	-	-
Over/under provision in prior year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	831	1,055
Tax on profit on ordinary activities	831	1,055

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2010	2009
	£000	(restated) £000
Profit on ordinary activities before taxation	2,401	3,212
Profit on ordinary activities by rate of tax	672	899
Expenses not deductible for tax purposes	159	172
Capital allowances for year in excess of depreciation	(22)	(114)
Other timing differences	-	-
Adjustments to tax charge in respect of previous periods	(809)	(957)
Total current tax (note 8(a))	-	-

9. Dividends

Equity dividends

	2010	2009
	£000	(restated) £000
Paid during the year:		
Dividend £60 per share (2009: £nil)	6,000	-

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

10. Profit attributable to members of the parent company

Of the profit for the financial year, a company profit of £nil is dealt with by the parent accounts of Summit Holdings (Wishaw) Limited. The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and have not presented a profit and loss account for the company alone.

11. Investments

Company	Group companies (restated) £000
Cost	
At 1 April 2008 and 31 March 2009	<u>100</u>
Loans	
At 1 April 2008 and 31 March 2009	<u>11,759</u>
Net Book Value	
At 31 March 2009	<u>11,859</u>
At 31 March 2008	<u>11,859</u>

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 14.

12. Debtors

	2010	Group 2009 (restated)	2010	Company 2009 (restated)
	£000	£000	£000	£000
Trade debtors	93	978	—	—
Finance debtor	123,647	125,190	—	—
Other debtors	402	375	—	—
Prepayments and accrued income	966	863	—	—
	<u>125,108</u>	<u>127,406</u>	<u>—</u>	<u>—</u>

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

12. Debtors (continued)

The debtors above include the following amounts falling due after more than one year:

	2010	Group 2009 (restated)	2010	Company 2009 (restated)
	£000	£000	£000	£000
Finance debtor	122,661	123,647		
	<u>122,661</u>	<u>123,647</u>	<u>-</u>	<u>-</u>

Finance Debtor

The movement in the finance debtor is analysed as follows:

	2010 £	2009 £
Balance as at 1 April 2009	125,190	126,689
Repayments received	(1,543)	(1,499)
Balance at 31 March 2010	<u>123,647</u>	<u>125,190</u>

The amounts owed by group undertakings are trading balances, are not interest bearing and are repayable on demand.

13. Creditors: Amounts falling due within one year

	2010	Group 2009 (restated)	2010	Company 2009 (restated)
	£000	£000	£000	£000
Trade creditors	300	1,444	-	-
Other taxation and social security	431	298	-	-
Guaranteed secured bonds	3,066	2,857	-	-
Accruals and deferred income	6,140	4,377	-	-
	<u>9,937</u>	<u>8,976</u>	<u>-</u>	<u>-</u>

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

14. Creditors: Amounts falling due after more than one year

	2010	Group 2009 (restated)	2010	Company 2009 (restated)
	£000	£000	£000	£000
Coupon bearing investment sums (CBIS)	11,759	11,759	11,759	11,759
Guaranteed Secured Bonds	104,642	107,709	–	–
	<u>116,401</u>	<u>119,468</u>	<u>11,759</u>	<u>11,759</u>

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.

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.

Company

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, £nil of Preferred CBIS has been repaid (2009: £nil).

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

15. Creditors - capital instruments

Creditors include loans which are due for repayment as follows:

	Group		Company	
	2010	2009	2010	2009
		(restated)		(restated)
	£000	£000	£000	£000
Amounts repayable:				
In one year or less or on demand	3,066	2,857	-	-
In more than one year but not more than two years	3,292	3,066	-	-
In more than two years but not more than five years	11,396	10,617	-	-
In more than five years	101,714	105,784	11,759	11,759
	<u>119,467</u>	<u>122,324</u>	<u>11,759</u>	<u>11,759</u>

16. Deferred taxation

The movement in the deferred taxation liability during the year was:

	Group		Company	
	2010	2009	2010	2009
		(restated)		(restated)
	£000	£000	£000	£000
Balance brought forward	12,911	11,856	-	-
Profit and loss movement	831	1,055	-	-
Balance carried forward	<u>13,742</u>	<u>12,911</u>	<u>-</u>	<u>-</u>

The balance of deferred taxation consists of the tax effect of timing differences in respect of:

Group	2010		2009	
	Provided	Unprovided	Provided	Unprovided
				(restated)
	£000	£000	£000	£000
Excess of taxation allowances over depreciation on fixed assets	19,352	-	19,331	-
Tax losses available	(5,610)	-	(6,420)	-
	<u>13,742</u>	<u>-</u>	<u>12,911</u>	<u>-</u>

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

17. Financial risk management objectives and policies

The group's exposure to and management of interest rate risk, credit risk and liquidity risk is detailed below:

Interest rate risk

The company's policy is to manage its cost of borrowings using fixed rate debt. The return on the amounts due from subsidiary undertakings exactly matches the interest payable on the company's bond and accordingly is not exposed to cash flow interest rate risk.

The disclosure below sets out the carrying amount, by maturity, of the company's financial instruments that are not exposed to interest rate risk

	Within 1 year £000	1 - 2 years £000	2 - 3 years £000	3 - 4 years £000	4 - 5 years £000	Over 5 years £000	Total £000
Year ended 31 March 2010							
Fixed Rate:							
Bond loan	(3,066)	(3,292)	(3,533)	(3,792)	(4,071)	(89,955)	(107,709)
Other loans	-	-	-	-	-	(11,759)	(11,759)
Amounts owed by subsidiary undertakings	-	-	-	-	-	11,759	11,759
Floating Rate:							
Cash at bank and in hand	16,740	-	-	-	-	-	16,740
Year ended 31 March 2009							
Fixed Rate:							
Bond loan	(2,857)	(3,066)	(3,292)	(3,533)	(3,792)	(94,025)	(110,566)
Other loans	-	-	-	-	-	(11,759)	(11,759)
Amounts owed by subsidiary Undertakings	-	-	-	-	-	(11,759)	(11,759)
Floating Rate:							
Cash at bank and in hand	20,147	-	-	-	-	-	20,147

The fixed rate liabilities comprise 6.484% Guaranteed Secured Bonds. The interest on the financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

17. Financial risk management objectives and policies (*continued*)

Credit risk

The company's principal financial assets are amounts owed by group undertaking creating a concentration of credit risk. The group company will service the loan with cash flows generated from availability fees charged to the NHS Trust for the provision of a hospital wing.

The maximum credit risk exposure relating to financial assets is represented by the carrying value at the balance sheet date.

This risk has been mitigated by a financial guarantee insurance policy for any obligations with a third party.

Liquidity risk

The principal financial risk to which the company is exposed is liquidity risk.

As with interest rate risk, the return on the amounts due from group undertaking exactly matches the capital payable on the company's bond and accordingly is not exposed to cash flow liquidity risk.

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2010 and 2009 based on contractual undiscounted payments.

	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	Over 5 years £000	Total £000
Year ended 31 March 2010						
Trade and other creditor and accruals	-	6,871	-	-	-	6,290
Bond loan	-	-	10,779	43,115	140,125	194,019
Other loan	-	-	1,061	8,466	41,535	51,063

Year ended 31 March 2009

Trade and other creditor and accruals		6,119	-	-	-	6,119
Bond loan	-	-	10,779	43,115	150,904	204,798
Other loan	-	-	1,061	8,466	43,652	53,179

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

17. Financial risk management objectives and policies *(continued)*

Fair values of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements at other than fair values:

	Book value 2010 £000	Fair value 2010 £000	Book value 2009 £000	Fair value 2009 £000
Financial assets				
Amounts owed by subsidiary undertakings	11,759	11,759	11,759	11,759
Cash at bank and in hand	16,740	16,740	20,147	20,147
Financial liabilities				
Bond loan	(113,526)	(111,219)	(116,785)	(111,560)
Other loans	(11,759)	(11,759)	(11,759)	(11,759)

Market values have been used to determine the fair value of the listed bond loan. Due to the matching of the fixed rate liabilities through the loan agreement with its parent undertaking, the fair value of the debtor is equal to the fair value of the bond.

18. Share capital

Authorised share capital:

	2010 £000	2009 (restated) £000
100,000 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	2010 No 100,000	£000 100	2009 (restated) No 100,000	£000 100
Ordinary shares of £1 each				

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

19. Reserves

Group	Profit and loss account	
	2010	2009
	£000	(restated) £000
Balance brought forward as previously reported	6,098	(33,873)
Prior year adjustment	—	37,814
Balance brought forward restated	6,098	3,941
Profit for the financial year	1,570	2,157
Equity dividends	(6,000)	—
Balance carried forward	1,668	6,098

Company	Profit and loss account	
	(restated) £000	
Balance brought forward and carried forward	—	

20. Reconciliation of movements in shareholders' funds

	2010	2009
	£000	(restated) £000
Profit for the financial year	1,570	2,157
Equity dividends	(6,000)	—
Net (reduction)/addition to shareholders' (deficit)/ funds	(4,430)	2,157
Opening shareholders' funds/(deficit)	6,198	(33,773)
Prior year adjustment	—	37,814
Closing shareholders' funds	1,768	6,198

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

21. Reconciliation of operating profit to net cash inflow from operating activities

	2010	2009 <i>(restated)</i>
	£000	£000
Operating profit	1,555	906
Increase in debtors	2,298	477
Increase in creditors	171	140
Net cash inflow from operating activities	<u>4,024</u>	<u>1,523</u>

22. Reconciliation of net cash flow to movement in net debt

	2010	2009 <i>(restated)</i>
	£000	£000
Increase in cash in the period	(3,407)	1,168
Cash outflow from increase in liquid resources		
Cash outflow from decrease in debt	3,260	3,057
Change in net debt resulting from cash flows	(147)	4,225
Other	(402)	(396)
Change in net debt	(549)	3,829
Net debt at 1 April 2009	(102,178)	(106,007)
Net debt at 31 March 2010	<u>(102,727)</u>	<u>(102,178)</u>

Summit Holdings (Wishaw) Limited

Notes to the Financial Statements

For the Year ended 31 March 2010

23. Analysis of changes in net debt

	At 1 Apr 2009 £000	Cash flows £000	Other Non Cash Changes £000	At 31 Mar 2010 £000
Net cash:				
Cash in hand and at bank	20,147	(3,407)	–	16,740
Debt:				
Loans due within 1 year (Bonds)	(2,857)	193	(402)	(3,066)
Loans due after 1 year (Bonds)	(107,709)	3,067	-	(104,642)
Loans due after 1 year (CBIS)	(11,759)	-	-	(11,759)
	(122,325)	3,260	(402)	(119,467)
Net debt	(102,178)	(147)	(402)	(102,727)

24. Contingent liabilities

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.

25. Related party disclosures

The following information is provided in accordance with FRS 8 as being transactions with related parties for the year.

BOS Infrastructure (No3) Limited is a 40% shareholder in the Company. BOS Infrastructure Limited is the holder of £2,937,500 in subordinated loan notes due from the company. £265,250 in interest was paid in the year.

Elbon Holdings (2) Limited a 60% shareholder in the Company also is the holder of £8,812,500 in subordinated loan notes due from the company. £795,750 in interest was paid in the year.

26. Ultimate parent company

The company has no ultimate controlling party. The directors consider the company's ultimate joint controlling parties to be BOS Infrastructure (No3) Limited (who own 40% of the share capital of the company) and Elbon Holdings (2) limited (who own 60% of the share capital of the company).