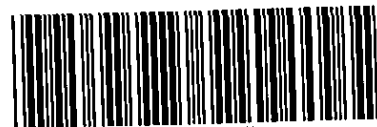


**AFFINITY HOSPITALS HOLDING
LIMITED**

Annual Report and Financial Statements

30 June 2009

WEDNESDAY



S77C7IRY
SCT 31/03/2010 794
COMPANIES HOUSE

AFFINITY HOSPITALS HOLDING LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

AFFINITY HOSPITALS HOLDING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T MacDonald-Milner
J Shaw
A Evans

SECRETARY

J Shaw

REGISTERED OFFICE

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

SOLICITORS

Wragge & Co LLP
55 Colmore Row
Birmingham

BANKERS

Royal Bank of Scotland Plc
1 Spinningfields Square
Manchester

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester, United Kingdom

AFFINITY HOSPITALS HOLDING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2009.

PRINCIPAL ACTIVITY

Affinity Hospitals Holding Limited is a holding company for a group of companies engaged in the provision of private healthcare and does not trade itself.

BUSINESS REVIEW

The company has not traded in the current year or prior year and the directors do not expect it to in the forthcoming year. At 30 June 2009 net assets of the company were £9,924,523 (2008 - £10,139,588).

PRINCIPAL RISKS AND UNCERTAINTIES

The company considers its principal risks to be the financial performance of its subsidiary companies which support the carrying value of the company's investments. This risk is managed through regular contact and review with the subsidiary companies' executive teams.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

RESULTS AND TRANSFER FROM RESERVES

The company made a loss after taxation of £215,065 (2008 - loss £226,586), which has been transferred from reserves. The directors have not proposed or paid any dividends (2008 - £nil).

DIRECTORS

The membership of the board is set out on page 1. All of the directors served during the year and thereafter.

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The company has elected to dispense with the holding of annual general meetings, the laying of accounts before the company in general meetings and the annual appointment of auditors. On 1st December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP and accordingly Deloitte LLP will continue to act as auditors to the Company.

Approved by the directors on *28 October 2009*

Director

J A Shaw

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFFINITY HOSPITALS HOLDING LIMITED

We have audited the financial statements of Affinity Hospitals Holding Limited for the year ended 30 June 2009, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 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.

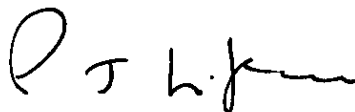
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Patrick Loftus (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester, United Kingdom

08 October 2009

AFFINITY HOSPITALS HOLDING LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2009

	Note	2009 £	2008 £
LOSS ON ORDINARY ACTIVITIES BEFORE			
TAXATION	4	-	-
Tax on loss on ordinary activities	5	(215,065)	(226,586)
LOSS ON ORDINARY ACTIVITIES AFTER			
TAXATION	10,12	(215,065)	(226,586)

There are no recognised gains or losses for the current or preceding financial year other than as included above. Accordingly, no separate statement of total recognised gains and losses is presented.

All activity arose from continuing operations.

AFFINITY HOSPITALS HOLDING LIMITED

BALANCE SHEET

At 30 June 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	6	<u>396,003</u>	<u>396,003</u>
CURRENT ASSETS			
Debtors			
- amounts falling due after one year	7	<u>12,268,875</u>	<u>12,268,875</u>
CREDITORS: amounts falling due within one year	8	<u>(1,065,834)</u>	<u>(850,769)</u>
NET CURRENT ASSETS		<u>11,203,041</u>	<u>11,418,106</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,599,044	11,814,109
CREDITORS: amounts falling due after one year	9	<u>(1,674,521)</u>	<u>(1,674,521)</u>
NET ASSETS		<u>9,924,523</u>	<u>10,139,588</u>
CAPITAL AND RESERVES			
Called up share capital	11	150	150
Profit and loss account	12	<u>9,924,373</u>	<u>10,139,438</u>
SHAREHOLDER'S FUNDS	10	<u>9,924,523</u>	<u>10,139,588</u>

The financial statements of Affinity Hospitals Holding Limited, registered number SC196089 were approved by the board of directors and authorised for issue on *28 October 2009*

Signed on behalf of the Board of Directors

Director

G A Shaw

AFFINITY HOSPITALS HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The accounting policies adopted have been consistently applied throughout the current and preceding years and are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going Concern

As the company does not trade and after taking into account the availability of continuing support for the foreseeable future from its parent company, Affinity Healthcare Holdings Limited the directors have a reasonable expectation that the company will not have any cash requirement for the foreseeable future. Accordingly they continue to adopt the Going Concern basis in preparing the financial statements.

Exemption from consolidation

The company is exempt under s400 of the Companies Act 2006 from preparing group accounts as the results of the company and its subsidiaries are included in the accounts of the ultimate parent company, Affinity Healthcare Holdings Limited. These financial statements therefore represent the results of the company only.

Cash flow statement

The company has taken advantage of exemptions within FRS 1 and has not prepared a cash flow statement on the grounds that the company is a wholly owned subsidiary of a parent undertaking which produces consolidated financial statements including a consolidated cash flow statement dealing with the cash flows of the group.

Investments

Investments in subsidiary undertakings held as fixed assets are stated at cost less provision for any impairment. Other investments held as fixed assets are stated at market value.

Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. TURNOVER

The company does not have any turnover.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There were no employees during the current or prior year. Directors' remuneration is borne by another group company as it is not practical to allocate the total remuneration between each of the group companies.

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee of £3,825 (2008 - £3,825) has been borne by another Group company.

AFFINITY HOSPITALS HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
Current taxation		
Group relief	215,065	226,586
Current tax charge	<u>215,065</u>	<u>226,586</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2008 – 29.5%). The actual tax charge for the year and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2009 £	2008 £
Loss on ordinary activities before tax	-	-
Tax on loss on ordinary activities at standard rate of 28% (2008 – 29.5%)	-	-
Factors affecting charge for the year:		
Transfer pricing adjustment	215,065	226,586
Total actual amount of current tax	<u>215,065</u>	<u>226,586</u>

6. INVESTMENTS

	Shares in subsidiary undertakings £
Cost and net book value	
At 1 July 2008 and 30 June 2009	<u>396,003</u>

The principal activities of the subsidiary undertakings are the provision of private healthcare services.

Subsidiary undertakings	Country of incorporation	Shares owned	%
Affinity Hospitals Group Limited	Scotland	Ordinary	100
Affinity Hospitals Group Limited has the following subsidiaries:			
Affinity Hospitals Limited	England	Ordinary	100
Affinity Hospitals Limited has the following subsidiaries:			
Cheadle Royal Healthcare Limited	England	Ordinary	100
Middleton St George Healthcare Limited	England	Ordinary	100
Cheadle Royal Healthcare Limited has the following subsidiaries:			
Cheadle Royal Hospital Limited (Dormant)	England	Ordinary	100
Cheadle Royal Residential Services Limited	England	Ordinary	100

AFFINITY HOSPITALS HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

7. DEBTORS

	2009 £	2008 £
Amounts falling due after one year:		
Amounts owed by subsidiary companies	9,328,012	9,328,012
Amounts owed by other group companies	<u>2,940,863</u>	<u>2,940,863</u>
	<u>12,268,875</u>	<u>12,268,875</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Group relief	<u>1,065,834</u>	<u>850,769</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2009 £	2008 £
Amounts owed to fellow subsidiary companies	1,544,054	1,544,054
Amounts owed to other group companies	<u>130,467</u>	<u>130,467</u>
	<u>1,674,521</u>	<u>1,674,521</u>

AFFINITY HOSPITALS HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2009 £	2008 £
Loss for the financial year	(215,065)	(226,586)
Opening shareholder's funds	10,139,588	10,366,174
Closing shareholder's funds	<u>9,924,523</u>	<u>10,139,588</u>

11. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Called up, allotted and fully paid		
150,002 ordinary shares of £0.001 each	<u>150</u>	<u>150</u>

12. RESERVES

	Profit and loss account £
Balance at 1 July 2008	10,139,438
Loss for the year	<u>(215,065)</u>
Balance at 30 June 2009	<u>9,924,373</u>

13. OPERATING LEASE COMMITMENTS

At the year end, there were no operating lease commitments (2008 - £nil).

14. CAPITAL COMMITMENTS

At the year end, there were no capital commitments (2008 - £nil).

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of paragraph 3(c) of FRS 8 'Related Party Disclosures' which allows exemption from disclosure of related party transactions with wholly owned group companies.

16. ULTIMATE PARENT COMPANY

The directors regard Duke Street V Limited as the ultimate controlling party of the company. The ultimate parent company is Affinity Healthcare Holdings Limited. The largest and smallest group in which the results of the company are consolidated is that headed by Affinity Healthcare Holdings Limited. Copies of the financial statements of the ultimate parent company may be obtained from Affinity Healthcare Holdings Limited, 100 Wilmslow Road, Heald Green, Cheadle, Cheshire, SK8 3DG.

The intermediate parent company is Affinity Healthcare Limited, a company registered in England and Wales.