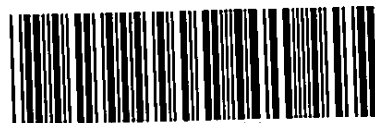


REGISTERED NUMBER 03381546 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 30 September 2010
for
InHealth Facilities Management Limited

THURSDAY



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InHealth Facilities Management Limited (Registered number 03381546)

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for the Year Ended 30 September 2010

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InHealth Facilities Management Limited

Company Information
for the Year Ended 30 September 2010

DIRECTORS

L J Ballinger-Finch
H C Lodge
P J Whitecross

SECRETARY

B R Ally

REGISTERED OFFICE

Beechwood Hall
Kingsmead Road
High Wycombe
Buckinghamshire
HP11 1JL

REGISTERED NUMBER

03381546 (England and Wales)

AUDITORS

KPMG LLP
Aquis Court
31 Fishpool Street
St Albans
AL3 4RF

BANKERS

Bank of Scotland
Corporate Banking
110 Queen Street
Glasgow
G1 3BY

InHealth Facilities Management Limited (Registered number 03381546)

Report of the Directors
for the Year Ended 30 September 2010

The directors present their report with the financial statements of the company for the year ended 30 September 2010

PRINCIPAL ACTIVITY

The company ceased trading on 13 December 2005. Up to this date it provided soft facilities management at St David's Hospital in Cardiff. The company now acts as a holding company for the defined benefit pension scheme which was set up for the former employees.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2010.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2009 to the date of this report.

L J Ballinger-Finch
H C Lodge
P J Whitecross

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD


H C Lodge - Director

Date 28 March 2011



KPMG LLP

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF

Report of the Independent Auditor's to the Member of InHealth Facilities Management Limited

We have audited the financial statements of InHealth Facilities Management Limited for the year ended 30 September 2010 on pages four to twelve. 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 member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in a Report of the Auditors 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 member 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 Statement of Directors' Responsibilities set out on page two, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

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 September 2010 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 Report of the Directors 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.

M Coughtrey (Senior Statutory Auditor) for and on behalf of KPMG LLP

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF

30 March 2011

InHealth Facilities Management Limited (Registered number 03381546)

Profit and Loss Account
for the Year Ended 30 September 2010

	Notes	30 9 10 £	30 9 09 £
TURNOVER		-	-
Administrative expenses		<u>(58,000)</u>	<u>(42,000)</u>
OPERATING LOSS	3	(58,000)	(42,000)
Interest receivable and similar income		<u>-</u>	<u>5,000</u>
		(58,000)	(37,000)
Interest payable and similar charges	4	<u>(17,000)</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(75,000)	(37,000)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(75,000)</u>	<u>(37,000)</u>

DISCONTINUED OPERATIONS

The operating results for the current and preceding year derive from discontinued activities

InHealth Facilities Management Limited (Registered number 03381546)

Statement of Total Recognised Gains and Losses
for the Year Ended 30 September 2010

	30 9 10 £	30 9 09 £
LOSS FOR THE FINANCIAL YEAR	(75,000)	(37,000)
(Loss) / gain associated with defined pension scheme (see note 11)		
Actuarial loss	(188,000)	(590,000)
Deferred tax on reversal of timing difference	<u>-</u>	<u>78,400</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>(263,000)</u>	<u>(548,600)</u>

The notes form part of these financial statements

InHealth Facilities Management Limited (Registered number 03381546)

Balance Sheet
30 September 2010

	Notes	30 9 10 £	30 9 09 £
CURRENT ASSETS			
Debtors	6	489,948	489,948
CREDITORS			
Amounts falling due within one year	7	<u>(141,377)</u>	<u>(91,377)</u>
NET CURRENT ASSETS		<u>348,571</u>	<u>398,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		348,571	398,571
PENSION LIABILITY	11	<u>(470,000)</u>	<u>(257,000)</u>
NET (LIABILITIES)/ASSETS		<u>(121,429)</u>	<u>141,571</u>
CAPITAL AND RESERVES			
Called up share capital	9	500,490	500,490
Profit and loss account	10	<u>(621,919)</u>	<u>(358,919)</u>
SHAREHOLDERS' FUNDS	13	<u>(121,429)</u>	<u>141,571</u>

The financial statements were approved by the Board of Directors on 28 March 2011 and were signed on its behalf by


H C Lodge - Director

**Notes to the Financial Statements
for the Year Ended 30 September 2010**

1 ACCOUNTING POLICIES

Accounting policy

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

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Financial Reporting Standard Number 1

Under Financial Reporting Standard 1 'Cash Flow Statements', the company is exempt from the requirements to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £121,429 (2009 net assets £141,571), which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by InHealth Group Limited, its immediate parent company. InHealth Group Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Taxation

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19 'Deferred Taxation'.

Related party transactions

As the company is a wholly owned subsidiary of the group headed by InHealth UK Holdings Limited within the UK, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related Party Transactions' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of InHealth UK Holdings Limited, within which this company is included, can be obtained from the address given in note 12.

Pensions

The company operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the company and comprise a unitised with-profits policy held with Aviva. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

Pension scheme assets are measured using market values. For quoted securities the mid-market price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Costs of defined contribution schemes are charged to the profit and loss account at the time the related pensionable pay is charged.

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2010**

2 STAFF COSTS

There were no staff costs for the year ended 30 September 2010 nor for the year ended 30 September 2009

3 OPERATING LOSS

The operating loss is stated after charging

	30 9 10 £	30 9 09 £
Directors' remuneration	<u>-</u>	<u>-</u>

The audit fee for the current and preceding year was borne by the immediate parent company. Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information required instead to be disclosed on a consolidation basis in the consolidated financial statements of the company's intermediate parent, InHealth UK Holdings Limited.

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 9 10 £	30 9 09 £
Interest adjustment on pension provision	<u>17,000</u>	<u>-</u>
	<u>17,000</u>	<u>-</u>

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2010 nor for the year ended 30 September 2009.

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below.

	30 9 10 £	30 9 09 £
Loss on ordinary activities before tax	<u>(75,000)</u>	<u>(37,000)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(21,000)	(10,360)
Effects of Expenses and income not subject to taxation	7,000	10,360
Group relief	<u>14,000</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

	30 9 10 £	30 9 09 £
Short term timing differences	(126,900)	(71,960)
Unutilised non-trading losses carried forward	<u>(4,243)</u>	<u>(4,400)</u>
	<u>(131,143)</u>	<u>(76,360)</u>

Deferred tax assets are only recognised to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. The Company did not recognise the above deferred tax assets in the period due to uncertainty as to the timing of the realisation of the amount. There are no unprovided deferred tax liabilities.

InHealth Facilities Management Limited (Registered number 03381546)

Notes to the Financial Statements - continued
for the Year Ended 30 September 2010

6 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 9 10	30 9 09
	£	£
Amounts owed by group undertakings	<u>489,948</u>	<u>489,948</u>

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 9 10	30 9 09
	£	£
Bank loans and overdrafts (see note 8)	1,377	1,377
Amounts owed to group undertakings	<u>140,000</u>	<u>90,000</u>
	<u>141,377</u>	<u>91,377</u>

The bank loans and overdrafts are secured by fixed and floating charges over the group and all property and assets, present and future, including goodwill, book debts, uncalled capital, building, fixtures and fixed plant and machinery

The group has an umbrella banking arrangement and at 30 September 2010 it had an overdraft facility of £5m (2009 £7m)

8 LOANS

An analysis of the maturity of loans is given below

	30 9 10	30 9 09
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>1,377</u>	<u>1,377</u>

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			30 9 10	30 9 09
Number	Class	Nominal value	£	£
500,490	Ordinary	£1	<u>500,490</u>	<u>500,490</u>

10 RESERVES

	Profit and loss account £
At 1 October 2009	(358,919)
Deficit for the year	(75,000)
Actuarial loss	<u>(188,000)</u>
At 30 September 2010	<u>(621,919)</u>
Profit and loss account excluding pension liability	(151,919)
Pension deficit	<u>(470,000)</u>
Profit and loss account	<u>(621,919)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2010

11 EMPLOYEE BENEFIT OBLIGATIONS

The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £nil (2009 £nil)

There were no outstanding or prepaid contributions at either beginning or end of the financial year for the defined contribution scheme

The Company operates a pension scheme providing benefits based on final pensionable pay. The latest valuation was carried out at 1 October 2007

The information disclosed below in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown

The amounts recognised in the balance sheet are as follows

	Defined benefit pension plans	
	30 9 10	30 9 09
	£	£
Present value of funded obligations	(1,191,000)	(1,287,000)
Fair value of plan assets	<u>721,000</u>	<u>1,030,000</u>
	(470,000)	(257,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(470,000)</u>	<u>(257,000)</u>
Net liability	<u>(470,000)</u>	<u>(257,000)</u>

The amounts recognised in profit or loss are as follows

	Defined benefit pension plans	
	30 9 10	30 9 09
	£	£
Current service cost	58,000	42,000
Interest cost	62,000	65,000
Expected return	(45,000)	(70,000)
Past service cost	<u>-</u>	<u>-</u>
	<u>75,000</u>	<u>37,000</u>
Actual return on plan assets	<u>67,000</u>	<u>(181,000)</u>

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio. Where relevant indices are not available describe basis for determining expected rate of return

Changes in the present value of the defined benefit obligation are as follows

	Defined benefit pension plans	
	30 9 10	30 9 09
	£	£
Opening defined benefit obligation	1,287,000	978,000
Current service cost	58,000	42,000
Contributions by scheme participants	11,000	9,000
Interest cost	62,000	65,000
Actuarial losses/(gains)	210,000	339,000
Benefits paid	<u>(437,000)</u>	<u>(146,000)</u>
	<u>1,191,000</u>	<u>1,287,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2010

11 EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows

	Defined benefit pension plans	
	30 9 10	30 9 09
	£	£
Opening fair value of scheme assets	1,030,000	1,258,000
Contributions by employer	50,000	90,000
Contributions by scheme participants	11,000	9,000
Expected return	45,000	70,000
Actuarial gains/(losses)	22,000	(251,000)
Benefits paid	(437,000)	(146,000)
	<u>721,000</u>	<u>1,030,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows

	Defined benefit pension plans	
	30 9 10	30 9 09
	£	£
Actuarial gains/(losses)	(188,000)	(590,000)
	<u>(188,000)</u>	<u>(590,000)</u>
Cumulative amount of actuarial gains/(losses)	<u>(329,000)</u>	<u>(141,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows

	Defined benefit pension plans	
	30 9 10	30 9 09
Unitised with profits policy	82 50%	84 50%
Cash	17 50%	15 50%
	<u>100 00%</u>	<u>100 00%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	30 9 10	30 9 09
Discount rate	4 90%	5 60%
Expected return on scheme assets	5 36%	5 40%
Future salary increases	4 80%	4 75%
Pension escalation in payment to Oct 05	5 00%	5 00%
Pension escalation in payment from Oct 05	3 30%	3 25%
Inflation assumption	3 30%	3 25%
Pension revaluation in deferment	3 30%	3 25%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

- Current pensioner aged 65 23 5 years (male), 26 5 years (female)
- Future retiree upon reaching 65 23 5 years (male), 26 5 years (female)

InHealth Facilities Management Limited (Registered number 03381546)

Notes to the Financial Statements - continued
for the Year Ended 30 September 2010

11 EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous four periods are as follows

	30 9 10	30 9 09	30 9 08	30 9 07	30 9 06
Defined benefit pension plans					
Defined benefit obligation	(1,191,000)	(1,287,000)	(978,000)	(1,490,000)	(1,508,000)
Fair value of scheme assets	721,000	1,030,000	1,258,000	1,330,000	1,101,000
(Deficit)/surplus	(470,000)	(257,000)	280,000	(160,000)	(407,000)
Experience adjustments on scheme liabilities	(19,000)	(54,000)	189,000	38,000	19,000
Experience adjustments on scheme assets	22,000	(251,000)	(96,000)	62,000	45,000

12 ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Damask Trust, the trustees of which are Ivan Bradbury and the Embleton Trust Corporation Limited

The largest group in which the company is consolidated is InHealth UK Holdings Limited. The smallest group in which the company is consolidated is InHealth Group Limited. Both companies are incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 9 10	30 9 09
Loss for the financial year	(75,000)	(37,000)
Other recognised gains and losses relating to the year (net)	(188,000)	(511,600)
Net reduction of shareholders' funds	(263,000)	(548,600)
Opening shareholders' funds	141,571	690,171
Closing shareholders' funds	<u>(121,429)</u>	<u>141,571</u>