
Nations Healthcare (Nottingham) Limited

Directors' Report and Financial Statements

For the year ended 31 December 2007

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Nations Healthcare (Nottingham) Limited

Company information

Directors	A Campbell
Secretary	F Lee
Company number	05153608
Registered office	32 Welbeck Street London W1G 8EU
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	Barclays Bank Plc 54 Lombard Street London EC1R 5HL
Solicitors	Reed Smith Corporate Services Limited Minerva House 5 Montague Road London SE1 9BB

Nations Healthcare (Nottingham) Limited

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Nations Healthcare (Nottingham) Limited

Directors' report

The director presents his report and the financial statements for the year ended 31 December 2007

Results and dividends

The profit for the year, after taxation, amounted to £75,000 (2006 £32,000) Due to the nature of the contract all expenditure that is incurred and provides future economic benefit is taken to the balance sheet as part of the pre contract costs in line with UITF 34 The costs will be amortised over the life of the contract once the facility is operational

The director does not recommend the payment of any dividends (2006 £nil)

Principal activities and review of the business

The principal activity of the company during the year is that of medical practice services

During 2007 the construction of the new treatment centre, located at the Queens Medical Centre in Nottingham, continued Despite the contractors experiencing some delays in completing the facility, the Centre was completed on 28 August 2008 and is now open to patients The director is pleased that the project was completed within the £47m capital budget

During the year an administrative office was leased close to the Queens Medical Site Many of the pre-operational team were transferred to the treatment centre in February 2008 and are working hard to ensure that the facility is a success Important lessons are being taken from the experiences of other group companies of both the Bradford and Burton ISTC (Independent Sector Treatment Centre) contracts and factored into the plans for the new premises

All efforts of the company are now focused on completing the service level agreements with the Queens Medical Centre for staff and services, as well as ensuring that efficient and improved patient pathways are introduced at the treatment centre to make the patient experience as enjoyable as possible

Principal risks and uncertainties

The main risk to the company during the year was that the new facility could experience severe delays in its completion and that constructions costs could overrun The company has used a very experienced construction company and competent project managers in order to mitigate these risks The director is satisfied that the delay in opening has been kept to a minimum and is pleased that the cost of construction has come within budget

As with all medical providers clinical risk is a major consideration The company ensures that all staff and consultants are trained to an appropriate level and annual appraisals are completed A Medical Advisory Committee meets monthly and is made up of both internal and external clinical professionals to maintain the high standards required by the facility

A risk register is maintained at the centre which is regularly updated

Due to the nature of the various monthly minimum take contracts with the customer there is no material price or credit risk exposure for the company

The whole company's liquidity and cash flow risks are managed by its parent undertaking, Circle International Plc, to ensure that the business can operate efficiently

Nations Healthcare (Nottingham) Limited

Directors' report (continued)

Going concern

The directors of the parent company have completed projections for the financial years 2008 and 2009 which indicate that additional funding is required by the company and its parent company which is part of a larger group. Negotiations to raise these additional funds are at an advanced stage, however, no formal agreements have yet been signed. In view of the progress made the director is confident that sufficient additional funding will be made available for the company to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of signing these financial statements. The director therefore considers it appropriate for these financial statements to be prepared on a going concern basis. Further details are provided in note 1.2 to the financial statements.

Future developments

The director aims to ensure that the Nottingham treatment centre offers an excellent standard of patient care for the community. A great deal of time and effort will also be invested to complete the patient pathways, service level agreements and staff secondment agreements during 2008 to ensure that the facility is a success.

Events since the balance sheet date

The Nottingham ISTC opened on 28 July 2008 for day case and dermatology outpatients with a gradual migration, from Nottingham University Hospital, of other planned services targeted for completion by the end of 2008. The construction was completed on budget and has been well received by the local community, consistently receiving excellent patient feedback.

Directors

The directors who served during the year were

A Campbell	(appointed 19 June 2007)
J J Mansmann	(resigned 19 January 2007)
J R Bugos	(resigned 19 June 2007)
I L Donnachie	(resigned 19 June 2007)
J Muolo	(resigned 19 June 2007)
J D Weiss	(resigned 19 June 2007)

The company has granted an indemnity to its director in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force until resignation as a director. There are no outstanding claims or provisions as at the balance sheet date.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company policy to provide continuing employment wherever practical in the same or alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The company operates a framework for employee information and consultation and actively encourages employees to come forward with their views and suggestions on how performance can be improved.

An internal bulletin is produced and distributed among all employees, updating them on developments within the company. In addition management actively communicates to all employees via E-Mail.

Communications from the Human Resource department are made to all staff notifying of any changes to personnel during the year.

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Directors' report (continued)

Disclosure of information to the auditors


So far as the director is aware at the time the report is approved

- There is no relevant audit information of which the company's auditors are unaware, and
- The director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

Re-appointment of auditors

In accordance with s 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company

This report was approved by the board on *30 OCTOBER* 2008 and signed on its behalf



A Campbell
Director

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Nations healthcare (Nottingham) Limited

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The director's responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 director's 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 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Emphasis of matter- going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures in note 1 of the financial statements concerning the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends on the raising of additional funding as explained in note 1 to the financial statements. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

Date *31 October 2008*

Nations Healthcare (Nottingham) Limited

**Profit and loss account
for the year ended 31 December 2007**

	<i>Notes</i>	<i>2007 £000</i>	<i>2006 £000</i>
Interest receivable	4	<u>75</u>	<u>32</u>
Profit on ordinary activities before taxation		75	32
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit on ordinary activities	13	<u>75</u>	<u>32</u>

All amounts relate to continuing operations

**Statement of total recognised gains and losses
for the year ended 31 December 2007**

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account

The notes on pages 9 to 16 form part of these financial statements

Nations Healthcare (Nottingham) Limited

**Balance sheet
at 31 December 2007**

	Notes	£000	2007 £000	£000	2006 £000
Fixed assets					
Tangible fixed assets	6		255		9
Current assets					
Debtors amounts falling due after more than one year	7	45,166		21,605	
Debtors amounts falling due within one year	7	1,553		24	
Cash at bank	8	2,076		2,782	
		48,795		24,411	
Creditors: amounts falling due within one year	9	(2,021)		(3,088)	
Net current assets			46,774		21,323
Total assets less current liabilities			47,029		21,332
Creditors: amounts falling due after more than one year	10		(46,422)		(20,800)
Net assets			607		532
Capital and reserves					
Called up share capital	12		500		500
Profit and loss account	13		107		32
Shareholders' funds	14		607		532

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 OCTOBER 2008

A Campbell
Director



The notes on pages 9 to 16 form part of these financial statements

Notes to the financial statements
at 31 December 2007

1 Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Fundamental accounting concept - going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future

On 19 June 2007 the company's parent undertaking, Nations Healthcare Limited, was acquired by Circle International Plc and its subsidiary, Circle Health Limited ("the Circle Group") and the company is now dependent upon the Circle Group for funding. The company has received confirmation from the directors of Circle International plc and the directors of Circle Health Limited that these companies will make additional funding available to the company to the extent necessary to enable it to meet its liabilities as they fall due

The Circle Group is building a network of modern, dedicated and high-quality hospitals and clinics to service the private healthcare market as well as government-sponsored NHS patients. Until this group's business generates sufficient cash flow to enable it to sustain its activities, it will be dependent on funding from its shareholders and from third parties

The directors of Circle International Plc have prepared cash flow forecasts which show that the Circle Group will require additional funding in the next twelve months

The ability of the Circle Group to raise funding depends on a number of factors, including the acceptance by current or prospective investors of the business plan to address the opportunities and risks presented by the UK healthcare market which is currently experiencing significant change and will continue to be influenced heavily by government policy. The successful execution of this plan is dependent on the implementation of a facility development plan (one element of which is the opening of the company's Nottingham facility on time), a plan for recruitment, management and retention of clinicians and support staff, and an operational plan. The Nottingham facility was opened for day case and digestive dermatology outpatients on 28 July 2008, and there are no indications that the remaining speciality migration plan will not be implemented successfully. There is no reason to expect other sites not to deliver on their operational plans in respect of cost reductions and operational improvements over the next 12 months

The Circle Group has a consistent and successful track record in raising finance as and when required by the business. The completion of a number of financing rounds in the first 8 months of 2008 is particularly encouraging especially in the context of the difficult financial markets, the details of which are

- o £37m to fund Circle Health Limited's central and business development plans (January 2008 - £5.25m, February 2008 - £5m, June 2008 - £27m)
- o £15m refinancing of a loan to the Circle Group due for repayment in August 2008

In addition, the first of the Circle Group's new design hospitals in Bath became fully funded during this period, to the tune of £32m of which £11.3m is in equity/mezzanine finance and £21.7m in senior debt

The Circle Group business is now experiencing increased interest from commercial banks and the private equity community on the back of the Bath funding round, including support for its new Health Estates Fund. Furthermore, the Circle Group is in the late stages of negotiations with a new funding partner that, if successful will ensure the group is fully financed through to the end of 2009. Shareholders have also given indications of their desire to continue injecting funds into the group as and when required

Notes to the financial statements
at 31 December 2007

1. Accounting policies (continued)

1.2 Fundamental accounting concept - going concern (continued)

In view of the above, the director is confident that sufficient additional funding will be made available to enable the company to continue in operational existence for the foreseeable future and concludes that it is appropriate for the financial statements to be prepared on a going concern basis

However, until the required funding is secured by the Circle Group, there remains an uncertainty, particularly given the current difficult financial markets, over whether adequate funding will be available to the company and consequently over whether the going concern basis of preparation of the financial statements is appropriate

The financial statements do not include any adjustments that would result if the required funding is not secured. It is not possible to determine what adjustments would be required, but they would include writing down assets to recoverable amounts, reclassifying fixed assets and long-term liabilities as current, and recognising any additional liabilities

1.3 Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent company publishes consolidated financial statements

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold improvements	-	10 years straight line
Office equipment	-	3 years straight line
IT equipment and software	-	3 years straight line

1.5 Impairment of tangible fixed assets

The carrying values of tangible fixed assets are reviewed for impairment when events or changes of circumstances indicate the carrying value may not be recoverable

1.6 Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Nations Healthcare (Nottingham) Limited

**Notes to the financial statements
at 31 December 2007****1. Accounting policies (continued)**

1.8 Pensions

The company participates in a group personal pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

1.9 Private Finance Initiative (PFI)

Under FRS 5 – Application Note F – *Private Finance Initiative and Similar Contracts* the company has recognised the construction costs of the treatment centre as a financial asset within debtors, and not as a tangible fixed asset. Operational income arising is allocated between capital repayments and interest receivable in respect of the financial asset, and revenues in respect of services provided.

1.10 Long-term contracts and pre-contract costs

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Pre-contract costs are accounted for under UITF Abstract 34 (“Pre-contract costs”). All costs incurred in advance of a contract being awarded are written off to the profit and loss account, until the date that, in the opinion of the director, it is virtually certain that the contract has been secured. Where the director considers virtual certainty has been achieved and the contract is expected to result in future net cash inflows, costs incurred up to the time the contract becomes operational are carried as prepayments. Once the contract is operational the balance is accounted for as part of the accounting for the contract as a whole and amortised over the contract term.

2. Profit and loss account

	2007 £000	2006 £000
Staff costs (note 3)	493	279
Property costs/operating lease rentals	386	69
Depreciation	3	2
Other admin expenses	1,031	299
Amortisation of loan issue costs	70	70
Deferred as pre-contract costs within prepayments and accrued income	<u>1,983</u>	<u>719</u>

The auditors' remuneration was borne by the immediate parent undertaking, Nations Healthcare Limited.

Nations Healthcare (Nottingham) Limited

**Notes to the financial statements
at 31 December 2007****3. Staff costs**

Staff costs were as follows

	2007 £000	2006 £000
Wages and salaries	428	240
Social security costs	49	28
Other pension costs	16	11
	<u>493</u>	<u>279</u>

The director of the company is also a director or officer of a number of companies within the Circle International Plc group of companies and receives remuneration from Circle Health Limited in respect of services provided to the group. It is not possible to identify the proportion of this remuneration that relates to services provided to the company.

The average monthly number of employees, excluding the directors, during the year was as follows

	2007 No	2006 No
Administrative staff	<u>8</u>	<u>5</u>

4. Interest receivable

	2007 £000	2006 £000
Bank interest receivable	<u>75</u>	<u>32</u>

5. Tax

There is no tax charge in the current or prior year

a) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 19%). The differences are explained below

	2007 £000	2006 £000
Profit on ordinary activities before tax	<u>75</u>	<u>32</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 – 19%)	23	6
Effects of:		
Group tax relief	<u>(23)</u>	<u>(6)</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

b) Factors affecting future tax charges

From 1 April 2008, the UK corporation tax rate reduces from 30% to 28%. Changes to the UK capital allowance regime have also been proposed, the most significant of these changes for the company is the reduction in the rate of capital allowances applicable to plant and machinery expenditure from 25% to 20% per annum on a reducing balance basis from 1 April 2008. The effect on the company of these proposed changes to the UK tax system will be fully reflected in the company's financial statements for the year ending 31 December 2008.

Nations Healthcare (Nottingham) Limited

**Notes to the financial statements
at 31 December 2007**

6 Tangible fixed assets

	<i>Leasehold improvements £000</i>	<i>IT equipment & software £000</i>	<i>Office equipment £000</i>	<i>Total £000</i>
Cost				
At 1 January 2007	7	4	-	11
Additions	-	88	161	249
At 31 December 2007	7	92	161	260
Depreciation				
At 1 January 2007	1	1	-	2
Charge for the year	1	2	-	3
At 31 December 2007	2	3	-	5
Net book value				
At 31 December 2007	5	89	161	255
At 31 December 2006	6	3	-	9

7. Debtors

<i>Due after more than one year</i>	<i>2007 £000</i>	<i>2006 £000</i>
PFI financial asset	41,891	19,586
Prepayments and accrued income	3,275	2,019
	45,166	21,605
<i>Due within one year</i>	<i>2007 £000</i>	<i>2006 £000</i>
Prepayments and accrued income	797	24
PFI financial asset	756	-
	1,553	24

The PFI financial asset represents the costs incurred to date for the construction of the Independent Sector Treatment Centre through which the company will provide healthcare services. In accordance with the principles of FRS 5 'Reporting the substance of transactions', Application note F - *Private finance initiative and similar contracts*, beneficial ownership of the associated property asset lies with the purchaser of services and not with the company as provider of those services.

Included in prepayments and accrued income are costs of £4,002,000 (2006 £2,019,000) carried forward in accordance with UITF 34.

Nations Healthcare (Nottingham) Limited

**Notes to the financial statements
at 31 December 2007****8. Cash**

Included in the cash balance of £2,076,000 (2006 £2,782,000) is an amount of £2,000,000 (2006 £2,001,000) held in an authority security account which is not freely available to the company. The balance is pledged to the Department of Health as security to cover works that would be required to complete the facility if the contractor defaults on its contractual obligations and all other construction financial remedies for completion are exhausted.

9. Creditors: amounts falling due within one year

	2007 £000	2006 £000
Bank loan (note 11)	386	229
Trade creditors	1,088	2,786
Amounts owed to group undertakings	180	27
Accrual and deferred income	367	46
	<u>2,021</u>	<u>3,088</u>

10. Creditors: amounts falling due after more than one year

	2007 £000	2006 £000
Bank loan at 5.36% per annum (note 11)	41,997	16,700
Amounts owed to group undertakings	4,425	4,100
	<u>46,422</u>	<u>20,800</u>

11. Loans

	2007 £000	2006 £000
Amounts repayable:		
Within one year (note 9)	386	229
In more than one year but not more than two years	849	919
In more than two years but not more than five years	<u>2,558</u>	<u>2,761</u>
	3,793	3,909
In more than five years	<u>38,590</u>	<u>13,020</u>
	<u>42,383</u>	<u>16,929</u>

The above bank loan is secured by the value of the building in construction, disclosed in the financial statements within debtors as PFI financial asset (note 7) and carries an interest rate of 5.26% per annum. The loan will be repaid in quarterly instalments of £227,000 to £232,000 commencing 1 September 2008.

Loan issue costs of £345,000 (2006 £415,000) have been set off the loan amount and are being spread over the life of the loan in accordance with FRS 4.

Nations Healthcare (Nottingham) Limited

**Notes to the financial statements
at 31 December 2007****12. Share capital**

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
Authorised, allotted, called up and fully paid 500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>

13. Reserves

	<i>Profit and loss account</i> <i>£000</i>
At 1 January 2007	32
Profit for the year	<u>75</u>
At 31 December 2007	<u>107</u>

14. Reconciliation of movement in shareholders' funds

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
Opening shareholders' funds	532	500
Profit for the year	<u>75</u>	<u>32</u>
Closing shareholders' funds	<u>607</u>	<u>532</u>

15. Capital commitments

At 31 December 2007 the company had capital commitments as follows

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
Contracted for but not provided in these financial statements	<u>3,891</u>	<u>26,934</u>

16. Pensions

The company participates in a group personal pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date, there were no unpaid contributions (2006 £Nil) to the fund.

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**Notes to the financial statements
at 31 December 2007****17. Operating lease commitments**

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	<i>Land and buildings</i>			<i>Other</i>
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Expiry date:</i>				
Between 2 and 5 years	95	95	10	10
More than 5 years	210	-	-	-
	<u>305</u>	<u>95</u>	<u>10</u>	<u>10</u>

18. Related party transactions

The company is a wholly owned subsidiary of Nations Healthcare Limited, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with the members of the Nations Healthcare Limited group.

During the year, the company did not enter into any transactions with Nations Healthcare Inc, the ultimate parent undertaking prior to 19 June 2007, and the company did not enter into any transactions with Health Trust Jersey, a company registered in Jersey, the ultimate parent undertaking after that date.

19. Post balance sheet event

The Nottingham ISTC opened on 28 July 2008 for day case and dermatology outpatients with a gradual migration, from Nottingham University Hospital, of other planned services targeted for completion by the end of 2008.

20. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Nations Healthcare Limited, a company registered in England and Wales. Nations Healthcare Limited is the parent company of the smallest group for which consolidated financial statements are prepared that include the financial statements of the company. Copies of the group financial statements of Nations Healthcare Limited may be obtained from 32 Welbeck Street, London W1G 8EU, England.

Circle International Plc is the parent company of the largest group for which consolidated financial statements are prepared that include the financial statements of the company. Copies of the group financial statements of Circle International Plc may be obtained from 32 Welbeck Street, London W1G 8EU, England.

At 31 December 2007, the director regarded Health Trust Jersey, a company registered in Jersey, as the company's ultimate parent undertaking and controlling party.

From 9 May 2008 the director regards Health Investment Holdings Limited, a company registered in Jersey, as the company's ultimate parent undertaking and controlling party.