



**Assura**  
Group

**A new perspective**



2007

**Assura Group** works in partnership with GPs and Health Professionals to deliver property, pharmacy and medical services in primary care.

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focused

# 2007 Highlights

These unaudited interim results are in respect of the six month period to 30 June 2007.

- Group operating profit £8.3m (2006: £7.2m)
- Interim dividend up 17% to 2.33p<sup>1</sup> (2006: 2.00p)
- Net assets up 7% to £286.5m equivalent to 123.2p per Share compared to 114.3p at 31 December 2006
- Eight joint ventures with GPs formed to provide out-patient and diagnostic procedures to a population of circa 1m patients
- 15 (2006: 4) pharmacies open<sup>2</sup> – EBITDA positive at branch level this year
- Invested or committed £493m (2006: £385m) across 135 sites of which 21 are currently in solicitors' hands<sup>2</sup>
- On track to have joint ventures providing services to 1.5m patients and 20 pharmacies by end 2007 and to invest or commit £600m on property by 31 March 2008

<sup>1</sup> Ex-dividend date 26 September 2007, record date 28 September 2007, payment date 19 October 2007.  
<sup>2</sup> As at 01 September 2007.

**£10 million state-of-the-art 'super health centre' approved for Hornsey, North London**



**State-of-the-art pharmacies for Bristol as Assura wins new pharmacy contracts**



**Official opening of Waters Green Medical Centre, Macclesfield**



# Assura Group

## Chief Executive's Statement

This unaudited Interim Report is published in respect of the six months to 30 June 2007.

### Results

I am pleased to report a satisfactory first half of the year with good progress being made to generate current and future income streams out of property, pharmacy and medical services via joint ventures with GPs.

During the period, total revenue amounted to £13.9m (2006: £5.9m) producing a Group operating profit of £8.3m (2006: £7.2m). The resultant profit for the period was £26.6m (2006: £13.4m) reflecting a mark-to-market revaluation surplus of £18.3m (2006: £6.2m) in respect of an interest rate swap entered into by the Company. Net asset value as at 30 June 2007 was up 7% to £286.5m (2006: £267.5m) equivalent to 123.2p per Ordinary Share on a fully diluted basis compared to 114.3p at 31 December 2006.

The pharmacy division is now generating profits at a branch level and the medical division has commenced out-patient services in a number of locations. As has been previously highlighted, it is not anticipated that either division will make a significant contribution to Group profits until 2009 at the earliest. That being said, we continue to invest significantly in the development of these operating businesses in view of the many exciting and increasing opportunities evolving out of the NHS.

An interim dividend of 2.33p (2006: 2.00p) per Ordinary Share has been declared to shareholders on the register as at 28 September 2007 (ex-dividend date 26 September 2007). In the absence of unforeseen circumstances the Company intends to pay a further interim dividend in respect of the period ending 30 September 2007 and a final dividend in respect of the 15 month period to 31 March 2008.

### Operating review

The Company is evolving very rapidly into a primary and community care provider organisation. With strong asset backing from its property division it is able to offer its GP partners, pharmacists and patients modern integrated facilities which are suited to the evolving NHS and are capable of undertaking many services which have hitherto been carried out in hospitals e.g. out-patient and diagnostic procedures. The Company's investment in its joint ventures with GPs, its provision of associated property infrastructure and the development of its pharmacy operating business will all take time to mature but strong progress is being made across a number of geographical locations. The Company now employs around 250 (2006: 99) people and well over 50% by number and salary are employed in its medical and pharmacy divisions.



**Richard Burrell**  
Chief Executive Officer

# vision

The start-up losses associated with the development of the pharmacy and medical divisions continue to be funded out of the Company's existing resources. At the same time, it is expected that the Company's current equity base combined with debt funding can continue to finance the roll-out of these businesses as well as fund the total capital investment in property of at least £750m.

The Company believes that by having a modern portfolio of property assets capable of housing GPs and other health providers, locating its own pharmacies within these facilities and by entering into collaborative joint ventures with GPs to provide out-patient and related services as a 'willing provider'<sup>1</sup> it will build a strong and effective group capable of becoming one of the leading providers of NHS services to patients.

### **Property division**

As at 01 September 2007, the Company's property division had committed £493m (2006: £385m) across 135 sites including 21 which are currently in solicitors' hands. The yield on cost of all capital commitments continues to average over 6% and whilst revaluation surpluses have been credited on completed properties, there remain, assuming current valuation yields<sup>2</sup>, significant potential revaluation surpluses on development properties currently under construction.

The Company settled rent reviews on 11 properties during the first six months of 2007 resulting in an aggregate annualised increase of 4.54% per annum on the passing rent relating to those properties. As at 30 June 2007, the portfolio had an average rent of £147.9 per square metre on GMS space and an average weighted income un-expired term of 19 years.

The shift in services from secondary care (hospitals) towards primary and community care mandated by the government, continues to require large, modern, purpose-built premises. The Company's development team and pipeline continues to grow in response to this and there are a growing number of schemes at an advanced stage of negotiation or under construction.

### **Pharmacy division**

The provision of pharmacy services in health centre locations is key to providing a holistic primary care service and capturing a greater proportion of primary health care expenditure.

The Company's pharmacy division now has 15 (2006: 4) pharmacies trading and a further five are scheduled to be opened in the next three months taking the total to 20 by the end of 2007. In the first six months of 2007, the pharmacy division generated a turnover of £5.1m (2006: £0.5m) and a gross margin of 27.6%. Next year, the Company is intending to open or invest in another 20 pharmacies taking the total, by 31 March 2009, to a minimum of 40 pharmacies.



# Assura Group

## Chief Executive's Statement

### continued

During 2008, the Company intends to develop a direct to consumer channel for the pharmacy business allowing patients to take delivery of their medicines at their home or place of work providing a convenient and efficient service in addition to physical branch locations. This concept is planned to be piloted across a number of regions working closely with GPs and patient groups prior to rolling it out. These developments will transform the Company's pharmacy business into a multi-channel operation offering patients a range of options as to how services can be provided.

#### Medical division

The Company's medical division is at an early stage of development and is in the process of forming a number of joint ventures with GPs and locality groups to provide out-patient and diagnostic services to patients in primary care and community settings. The Company has formed eight joint ventures serving circa 1m patients and is on track to have over 1.5m patients by the end of this financial year. Out-patient services have commenced in Liverpool, Bath and Macclesfield and there are many other services being bid for or planned within the existing eight joint ventures and with other GP partners and locality groups elsewhere.

The Company is very deliberately concentrating significant resources on building its joint venture businesses covering a growing number of potential patients. By giving its joint venture partners the tools required to become highly effective providers of consultant-led services in the community, the Company will have a powerful business model for future NHS-based service provision. These businesses directly address the government requirement for more community based services, but they will take time to mature.

The Company is working extensively with the Acute Trusts and PCTs in its joint venture locations as it is evident that whilst the NHS is embracing the concept of 'willing providers' the processes within PCTs to establish its implementation and monitor progress are still at an early stage of formation. This is improving all the time and the Company looks forward to the next 12 months with a great degree of confidence.



### Strategic outlook

The Company has established its business model for primary care and the outlook for growth in this sector is extremely strong. The Company is well placed to grow organically and via corporate acquisitions.

After the period end, the Company acquired a 15% stake in Surgery Holdings Limited for a consideration of £0.5m. This is a national independent consultant chambers organisation owned by NHS surgeons and the investment will support the Company's provision of primary care based services by giving access to a fast growing network that currently comprises nine local consultant companies, across the UK, comprising over 600 member consultants across a range of specialties.

On 16 August 2007, the Company announced that, subject to completion of the Westbury/Stobart merger, there would be a compensation payment due to the Company. This is likely to result in an exceptional profit after goodwill write-off and payment to sub-advisers of circa £7m. As part of the consideration, the Company will retain circa 6m Stobart Group shares which are subject to a minimum 12 month lock-up.

### Industry trends

The last six months have seen an even greater emphasis on private sector provision in the NHS for both primary and secondary care. We see limited political risk in the overall direction of travel regardless of which political party is in power.

The Strategic Health Authority and Primary Care Trust reorganisations which took place last year are now starting to have a positive effect in most areas and we are seeing good progress being made in a number of locations and across all of our three business divisions.

**Richard Burrell**

**Chief Executive Officer**

17 September 2007

1 'Any Willing Provider' guidance stipulates that PCTs should allow any provider that can meet the necessary quality standards to deliver NHS reimbursed services to patients at tariff. Tendering should only be required where monopolies are to be created, the guiding principle that the rules of open contestability and patient choice should prevail.

2 Investment property on the Company's balance sheet has been independently valued by Savills Commercial Limited at a net initial yield of 5.31%, representing a net equivalent yield of 5.75%.

# Assura Group

## Directors, Officers and Advisors

**Non-Executive Directors:**

Dr Mark Jackson  
Dr John Curran  
Graham Chase  
Peter Pichler  
Fred Porter  
Colin Vibert

**Chief Executive Officer:**

Richard Burrell

**Chief Financial Officer:**

Nigel Rawlings

**Company Secretary:**

Serena Tremlett

**Registered Office:**

Suite 4  
Albert House  
South Esplanade  
St Peter Port  
Guernsey  
Channel Islands

**Administrator:**

Assura Administration Limited  
Suite 4  
PO Box 327  
Albert House  
South Esplanade  
St Peter Port  
Guernsey  
Channel Islands  
GY1 3TX

**Auditors:**

Ernst & Young LLP  
14 New Street  
St Peter Port  
Guernsey  
Channel Islands  
GY1 4AF

**Independent Property Valuer:**

Savills Commercial Limited  
20 Grosvenor Hill  
London  
W1K 3HQ

**Bankers:**

National Australia Bank Limited  
88 Wood Street  
London  
EC2V 7QQ

**Northern Trust (Guernsey) Limited**

Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3DA

**Legal Advisers:**

Addleshaw Goddard  
100 Barbirolli Square  
Manchester  
M2 3AB

**Stockbrokers:**

Cenkos Securities Limited  
6.7.8 Tokenhouse Yard  
London  
EC2R 7AS

**Lehman Brothers International**

(Europe) Limited  
25 Bank Street  
London  
E14 5LE

# Independent Review Report to Assura Group Limited

For the period from 1 January 2007 to 30 June 2007

## Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2007 which comprises the Unaudited Consolidated Income Statement, Unaudited Consolidated Balance Sheet, Unaudited Consolidated Statement of Changes in Equity, Unaudited Consolidated Cash Flow Statement, and the related notes 1 to 21. We have read the other information contained in the interim report and considered whether it contains any apparent mis-statements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

## Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

## Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

## Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

**Ernst & Young LLP**  
**Guernsey, Channel Islands**

17 September 2007

# Assura Group

## Unaudited Consolidated Income Statement

For the period from 1 January 2007 to 30 June 2007

	Notes	1/01/2007 to 30/06/2007 Unaudited £	1/01/2006 to 30/06/2006 Unaudited £
<b>Revenue</b>	4	<b>13,918,979</b>	5,878,239
Cost of sales	5	<b>(4,906,311)</b>	(956,163)
<b>Gross profit</b>		<b>9,012,668</b>	4,922,076
Administrative expenses	6	<b>10,496,338</b>	4,225,670
Other expenses	7	<b>1,284,251</b>	–
		<b>11,780,589</b>	4,225,670
<b>Group trading (losses)/profit</b>		<b>(2,767,921)</b>	696,406
Other operating income	8	<b>11,176,738</b>	7,644,565
Share of post tax losses of associates and joint ventures accounted for using the equity method	9	<b>(112,945)</b>	–
Exceptional pharmacy establishment cost	10	–	(1,105,000)
<b>Group operating profit from continuing operations</b>		<b>8,295,872</b>	7,235,971
Finance revenue	11	<b>18,895,158</b>	6,969,872
Finance costs	12	<b>(563,824)</b>	(801,488)
		<b>18,331,334</b>	6,168,384
<b>Profit before taxation</b>		<b>26,627,206</b>	13,404,355
Taxation		<b>(1,113)</b>	(126)
<b>Profit for the period</b>		<b>26,626,093</b>	13,404,229
Profit for the year attributable to:			
Equity holders of the parent		<b>26,763,881</b>	13,182,050
Minority interest		<b>(137,788)</b>	222,179
		<b>26,626,093</b>	13,404,229
<b>Earnings per share (pence)</b>			
Basic earnings per share on profit for the period	15	<b>11.85p</b>	8.04p
Diluted earnings per share on profit for the period	15	<b>11.63p</b>	8.04p
Dividend per share	13	<b>4.00p</b>	3.34p

The accompanying notes on pages 13 to 16 form an integral part of the financial statements.

# Unaudited Consolidated Balance Sheet

As at 30 June 2007

	Notes	30/06/2007 Unaudited £	30/06/2006 Unaudited £	31/12/2006 Audited £
<b>Non-current assets</b>				
Investment property	16	240,587,635	177,255,373	213,132,257
Development property		61,070,821	30,616,684	35,230,758
Investment in associates		1,680,618	2,148,555	1,069,744
Investment in joint ventures		588,720	–	868,805
Intangible assets		42,047,523	33,942,476	36,997,920
Property, plant and equipment		8,993,227	460,216	5,973,572
Other investments		258,645	–	250,000
Derivative financial instruments at fair value		20,512,364	3,041,001	2,202,305
		<b>375,739,553</b>	247,464,305	295,725,361
<b>Current assets</b>				
Cash and cash equivalents		7,716,820	22,425,602	18,841,640
Debtors		9,824,701	7,511,975	9,891,396
Pharmacy inventories		867,862	250,000	567,290
Property work in progress		5,962,690	7,095,460	3,239,193
		<b>24,372,073</b>	37,283,037	32,539,519
<b>Total assets</b>		<b>400,111,626</b>	284,747,342	328,264,880
<b>Current liabilities</b>				
Bank overdraft		3,375,358	–	2,134,942
Creditors		12,710,013	5,869,848	11,793,107
Corporate tax and other taxes		672,554	276,168	599,003
		<b>16,757,925</b>	6,146,016	14,527,052
<b>Non-current liabilities</b>				
Long-term loan		95,596,811	12,500,000	44,948,569
Payments due under finance lease		1,289,180	1,426,565	1,289,180
		<b>96,885,991</b>	13,926,565	46,237,749
<b>Total liabilities</b>		<b>113,643,916</b>	20,072,581	60,764,801
<b>Net assets</b>		<b>286,467,710</b>	264,674,761	267,500,079
<b>Represented by:</b>				
<b>Capital and reserves</b>				
Share capital	17	22,593,170	22,593,170	22,593,170
Share premium		–	226,983,651	226,678,243
Distributable reserve		232,882,047	14,414,330	15,563,743
Retained earnings		29,899,870	683,610	1,851,738
Revaluation reserve		523,226	–	106,000
Deferred consideration reserve		790,000	–	790,000
		<b>286,688,313</b>	264,674,761	267,582,894
Minority interests		(220,603)	–	(82,815)
<b>Total equity</b>		<b>286,467,710</b>	264,674,761	267,500,079
<b>Basic net asset value per Ordinary Share</b>				
	18	<b>126.79p</b>	117.15p	118.40p
<b>Diluted net asset value per Ordinary Share</b>				
	18	<b>123.20p</b>	113.11p	114.32p

The unaudited financial statements on pages 8 to 12 were approved at a meeting of the Board of Directors held on 17 September 2007 and signed on its behalf by:

**Dr John Curran**  
Deputy Chairman

**Peter Pichler**  
Director

The accompanying notes on pages 13 to 16 form an integral part of the financial statements.

# Assura Group

## Unaudited Consolidated Statement of Changes in Equity

For the period from 1 January 2007 to 30 June 2007

	Share Capital £	Share Premium £	Distributable Reserve £
<b>1 January 2007</b>	22,593,170	226,678,243	15,563,743
Transfer from share premium <sup>1</sup>	–	(226,678,243)	226,678,243
Dividends on Ordinary Shares	–	–	(9,359,939)
Profit/(loss) attributable to equity holders and minority interest	–	–	–
Cost of employee share-based incentives	–	–	–
Revaluation of land & buildings	–	–	–
<b>30 June 2007</b>	<b>22,593,170</b>	<b>–</b>	<b>232,882,047</b>
<b>1 January 2006</b>	14,240,385	122,239,453	–
Issue of Ordinary Shares	9,159,462	133,644,568	–
Treasury shares	(806,677)	–	–
Issue costs on issuance of Ordinary Shares	–	(3,900,370)	–
Transfer from share premium	–	(25,000,000)	25,000,000
Dividends on Ordinary Shares	–	–	(4,756,288)
Profit attributable to equity holders and minority interest	–	–	–
Transfer to retained earnings	–	–	(5,829,382)
Revaluation of land & buildings	–	–	–
<b>30 June 2006</b>	22,593,170	226,983,651	14,414,330
<b>1 January 2006</b>	14,240,385	122,239,453	–
Issue of Ordinary Shares	9,159,462	133,644,568	–
Treasury shares	(806,677)	–	–
Issue costs on issuance of Ordinary Shares	–	(4,205,778)	–
Transfer from share premium	–	(25,000,000)	25,000,000
Minority interest acquired in year	–	–	–
Dividends on Ordinary Shares	–	–	(9,436,257)
Profit/(loss) attributable to equity holders and minority interest	–	–	–
Cost of employee share-based incentives	–	–	–
Revaluation of land & buildings	–	–	–
Deferred share-based consideration	–	–	–
<b>31 December 2006</b>	22,593,170	226,678,243	15,563,743

<sup>1</sup> Following an application to the Royal Court of Guernsey, £226,678,243 was transferred from Share Premium account to Distributable Reserves on 29 June 2007.

The accompanying notes on pages 13 to 16 form an integral part of the financial statements.

Retained Earnings £	Revaluation Reserve £	Minority Interest £	Deferred Consideration Reserve £	Total £
1,851,738	106,000	(82,815)	790,000	267,500,079
-	-	-	-	-
-	-	-	-	(9,359,939)
26,763,881	-	(137,788)	-	26,626,093
1,284,251	-	-	-	1,284,251
-	417,226	-	-	417,226
<b>29,899,870</b>	<b>523,226</b>	<b>(220,603)</b>	<b>790,000</b>	<b>286,467,710</b>
(18,327,822)	-	(222,179)	-	117,929,837
-	-	-	-	142,804,030
-	-	-	-	(806,677)
-	-	-	-	(3,900,370)
-	-	-	-	-
-	-	-	-	(4,756,288)
13,182,050	-	222,179	-	13,404,229
5,829,382	-	-	-	-
-	-	-	-	-
683,610	-	-	-	264,674,761
(18,327,822)	-	(222,179)	-	117,929,837
-	-	-	-	142,804,030
-	-	-	-	(806,677)
-	-	-	-	(4,205,778)
-	-	-	-	-
-	-	610,624	-	610,624
-	-	-	-	(9,436,257)
18,900,446	-	(471,260)	-	18,429,186
1,279,114	-	-	-	1,279,114
-	106,000	-	-	106,000
-	-	-	790,000	790,000
1,851,738	106,000	(82,815)	790,000	267,500,079

# Assura Group

## Unaudited Consolidated Cash Flow Statement

For the period from 1 January 2007 to 30 June 2007

	1/01/2007 to 30/06/2007 Unaudited £	1/01/2006 to 30/06/2006 Unaudited £
<b>Operating activities</b>		
Rent received	<b>6,834,635</b>	3,982,373
Revenue from pharmacies	<b>5,132,901</b>	486,208
Fees received	<b>2,317,106</b>	680,079
Bank and other interest received	<b>585,099</b>	456,552
Expenses paid	<b>(9,920,381)</b>	(5,007,456)
Purchases by pharmacies	<b>(3,714,227)</b>	(359,988)
Interest paid and similar charges	<b>(1,774,297)</b>	(1,015,759)
<b>Net cash outflow from operating activities</b>	<b>(539,164)</b>	(777,991)
<b>Investing activities</b>		
Purchase of development and investment property	<b>(42,118,703)</b>	(41,452,523)
Purchase of investments	<b>(8,645)</b>	–
Purchase of property, plant, equipment and intangibles	<b>(7,652,656)</b>	(650,479)
Acquisition of subsidiaries, net of cash acquired	–	(10,183,080)
Cost of development work in progress	<b>(2,723,497)</b>	(15,574,774)
Net loans advanced to associated companies	<b>(610,874)</b>	(780,582)
<b>Net cash outflow from investing activities</b>	<b>(53,114,375)</b>	(68,641,438)
<b>Financing activities</b>		
Issue of Ordinary Shares	–	110,039,336
Issue costs paid on issuance of Ordinary Shares	–	(4,183,666)
Dividends paid	<b>(9,359,939)</b>	(4,756,288)
Drawdown of term loan	<b>50,648,242</b>	51,000,000
Repayment of term loan	–	(64,000,000)
<b>Net cash inflow from financing activities</b>	<b>41,288,303</b>	88,099,382
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(12,365,236)</b>	18,679,953
Cash and cash equivalents at 1 January	<b>16,706,698</b>	3,745,649
<b>Cash and cash equivalents at 30 June</b>	<b>4,341,462</b>	22,425,602

The accompanying notes on pages 13 to 16 form an integral part of the financial statements.

# Notes to the Unaudited Financial Statements

For the period from 1 January 2007 to 30 June 2007

1. The Company was incorporated on 7 October 2003 and commenced trading following Admission of its shares to the Official List of the London Stock Exchange on 21 November 2003.
2. The results for the six months to 30 June 2007 have been prepared on the basis of the accounting policies set out in the Company's 2006 annual report and financial statements. The results for the six months to 30 June 2007 and 2006 are unaudited. The interim accounts do not constitute statutory accounts. The balance sheet as at 31 December 2006 has been extracted from the Company's 2006 annual report and financial statements. The auditor has reported on the 2006 accounts and the report was unqualified.
3. All revenue and operating profit arose from continuing operations.

## 4. Revenue

	2007 £	2006 £
Rent receivable	<b>6,468,972</b>	4,711,952
Revenue from pharmacies	<b>5,132,901</b>	486,208
Fund management and other fees receivable	<b>2,317,106</b>	680,079
	<b>13,918,979</b>	5,878,239

## 5. Cost of sales

	2007 £	2006 £
Property management expenses	<b>600,668</b>	340,398
Purchases by pharmacies	<b>3,714,227</b>	359,988
Fund management direct costs	<b>591,416</b>	255,777
	<b>4,906,311</b>	956,163

## 6. Administrative expenses

	2007 £	2006 £
Investment Manager's fees	–	1,099,048
Salaries and other staff costs	<b>5,246,745</b>	1,395,488
Premises costs	<b>1,462,772</b>	164,762
Other administrative expenses	<b>3,786,821</b>	1,566,372
	<b>10,496,338</b>	4,225,670

Administrative expenses increased from 15 May 2006 when the Company acquired its former fund manager and, from that date, employed its own internal management team.

## 7. Other expenses

	2007 £	2006 £
Cost of employee share-based incentives	<b>1,284,251</b>	–

## 8. Other operating income

	2007 £	2006 £
Unrealised surplus on revaluation of investment property	<b>11,176,738</b>	7,644,565

# Assura Group

## Notes to the Unaudited Financial Statements continued

For the period from 1 January 2007 to 30 June 2007

### 9. Share of post tax losses of associates and joint ventures accounted for using the equity method.

	2007 £	2006 £
Share of losses of associates and joint ventures	<b>112,945</b>	–

### 10. Exceptional pharmacy establishment cost

	2007 £	2006 £
Pharmacy establishment cost	–	1,105,000

The Company entered into an arrangement with Pharma-e Limited, of which John Curran is a Director and shareholder, to compensate Pharma-e Limited for consultancy services provided to the Group in conjunction with establishment of the pharmacy business of Assura Pharmacy Limited. The consideration was met by the issue of 650,000 Ordinary Shares in the Company to Pharma-e Limited.

### 11. Finance revenue

	2007 £	2006 £
Bank and other interest	<b>585,099</b>	456,552
Unrealised profit on revaluation of derivative financial instrument	<b>18,310,059</b>	6,513,320
	<b>18,895,158</b>	6,969,872

The Company has entered into a long-term interest rate swap at a rate of 4.59% on a principal sum of £100m up to 30 June 2007, £150m up to 31 December 2007 and £200m from then until 31 December 2027. Based on the actual 20-year swap rate at 30 June 2007, the fair value of this swap was £20,512,364 at 30 June 2007 (£3,041,001 at 30 June 2006, £2,202,305 at 31 December 2006).

### 12. Finance costs

	2007 £	2006 £
Long-term loan interest payable	<b>2,037,106</b>	531,492
Interest capitalised on developments	<b>(1,236,615)</b>	–
Swap interest	<b>(438,016)</b>	(26,851)
Non-utilisation fees	<b>54,000</b>	82,449
Amortisation of loan issue costs	<b>130,848</b>	121,959
Bank charges	<b>16,501</b>	92,439
	<b>563,824</b>	801,488

### 13. Dividends paid on Ordinary Shares

	Number of Ordinary Shares	Rate pence	2007 £	Rate pence	2006 £
Final dividend for 2006 paid 4 May 2007 (declared 27 March 2007)	233,998,471 (142,403,847)	4.00	9,359,939	3.34	4,756,288
Dividends paid		4.00	9,359,939	3.34	4,756,288

14. On 18 September 2007 an interim dividend for 2007 of 2.33p per Ordinary Share, to be paid out of Distributable Reserves, was declared to shareholders on the register at 28 September 2007 giving a total amount of £5,462,991 based on 234,463,115 shares currently in issue.

15. The basic profit per Ordinary Share is based on the profit attributable to equity holders of the parent for the year of £26,763,881 (2006: £13,182,050) and on 225,931,703 Ordinary Shares (2006: 163,969,190), being the weighted average number of Ordinary Shares in issue in the respective year, excluding treasury shares.

The diluted profit per Ordinary Share is based on the profit for the year of £26,763,881 (2006: £13,182,050) and on 230,058,425 Ordinary Shares (2006: 163,969,190), being the weighted average number of Ordinary Shares in issue in the respective year.

16. The figures for investment properties at 30 June 2007, 30 June 2006 and 31 December 2006 are based on valuations determined by Savills Commercial Limited.

### 17. Share capital

	£
Consolidated and Company Authorised	
300,000,000 Ordinary Shares of 10p each	<b>30,000,000</b>
20,000,000 Preference Shares of 10p each	<b>2,000,000</b>
	<b>32,000,000</b>

	Number of Shares	Share Capital £
Ordinary Shares issued and fully paid	<b>233,998,471</b>	<b>23,399,847</b>
Treasury Shares	<b>(8,066,768)</b>	<b>(806,677)</b>
Total Share Capital	<b>225,931,703</b>	<b>22,593,170</b>

The Treasury Shares were issued in May 2006 to the Assura Group Limited Employee Benefit Trust and are held for the purposes of the Assura Group Limited Executive Incentive Plan.

# Assura Group

## Notes to the Unaudited Financial Statements continued

For the period from 1 January 2007 to 30 June 2007

**18.** The basic net asset value per Ordinary Share is based on the net assets attributable to the ordinary shareholders of £286,467,710 (30 June 2006: £264,674,671, 31 December 2006: £267,500,079) and on 225,931,703 (30 June 2006: 225,931,703, 31 December 2006: 225,931,703) Ordinary Shares in issue at the balance sheet date excluding treasury shares.

The diluted net asset value per Ordinary Share is based on the net assets attributable to the ordinary shareholders of £286,467,710 (30 June 2006: £264,674,671, 31 December 2006: £267,500,079) and on 232,516,379 (30 June 2006: 233,998,471, 31 December 2006: 233,998,471) Ordinary Shares in issue at the balance sheet date.

**19.** On 16 August 2007 the Company announced the termination of the investment management services provided by Assura Fund Management LLP, a subsidiary of the Company, to The Westbury Property Fund Limited, subject to shareholder approval by the latter company.

Termination of the services, if approved by the shareholders of The Westbury Property Fund Limited, at an Extraordinary General Meeting being held on 19 September 2007, is expected to result in a profit for the Group of circa £7m from the payment of a termination fee by The Westbury Property Fund Limited and after allowance for payments to sub-advisers, taxation and estimated goodwill impairment.

**20.** A copy of this statement has been sent to every shareholder. Further copies are available from the Company's registered office or from the website [www.assuragroup.co.uk](http://www.assuragroup.co.uk).

**21.** The interim financial statements were approved at a meeting of the Board of Directors held on 17 September 2007.



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