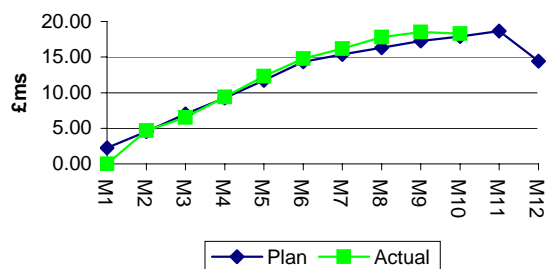


## Financial Overview as at 31st January 2008

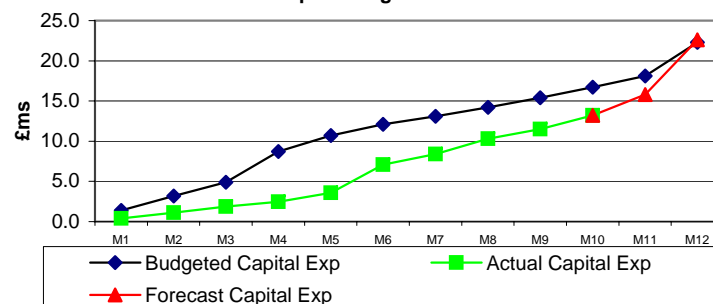
### Income and Expenditure

**I&E Position 2007/08**



### Balance Sheet

**Capital Programme**



### RISKS

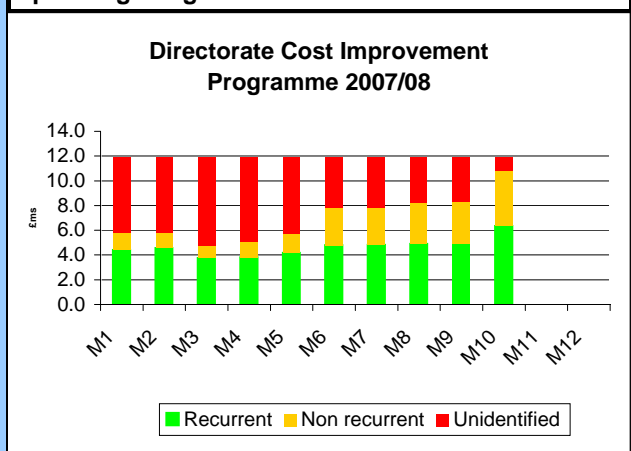
- Delivery of SLA Activity ●
- Management of Waiting list initiative costs ●
- Forecasting cost consequences of 'NICE' drugs ●
- Recruitment to vacant posts ●

	Plan £ms	Actual £ms	Variance £ms
<b>EBITDA</b>	45.3	45.4	0.1
<b>Operating Surplus</b>	27.1	26.3	-0.9
<b>I&amp;E Surplus £ms</b>	17.9	18.3	0.4
Margins	Plan %	Actual %	Variance %
<b>EBITDA Margin</b>	8.8	8.6	-0.3
<b>Operating Margin</b>	5.3	5.0	-0.3

Liquidity		Risk
	£ms	
Cash	68.9	●
Debtor Days	8.1	●
Current Ratio (Liquidity)	1.7	●
Working Capital Facility	50.0	●
Prudential Borrowing Limit	129.1	●
BPPC	92.90%	●

Financial Risk Rating	4.5
-----------------------	-----

### Risk Rating Explanations



Underlying Performance	Weighting	Actual	Rating
EBITDA Margin	25%	8.6%	3
<b>Achievement of Plan</b>			
EBITDA Achieved	10%	100.2%	5
<b>Financial Efficiency</b>			
Return on assets excluding dividend	20.0%	8.8%	5
I&E Surplus Margin net of dividend	20.0%	3.5%	5
<b>Liquidity</b>			
Liquidity Ratio (days)	25%	66	5

- Actual EBITDA divided by Income for the period
- Actual EBITDA divided by Planned EBITDA
- Surplus + dividend + impairments divided by average net assets
- Surplus + impairment divided by income for the period
- Cash plus debtors plus unused working capital facility minus creditors and accruals expressed in number of days operating expenses that could be covered