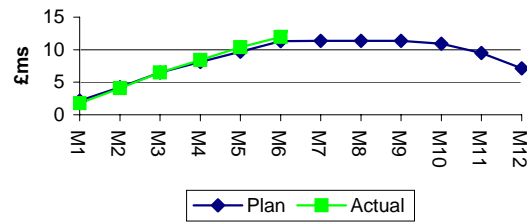


Financial Overview as at 30th September 2008

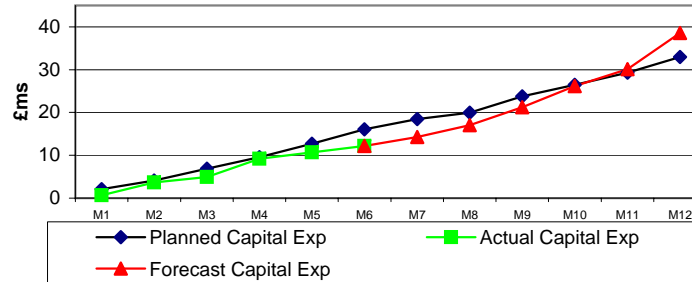
Income and Expenditure (I&E)

I&E Position 2008/09 (excluding impairments)



Balance Sheet

Capital Programme 2008/09



RISKS

- Management of Waiting List Initiative Costs ●
- Achievement of Cost Improvement Programme ●
- Estates/Energy and Utility Expenditure Pressures ●
- Research and Development Accruals ●
- Forecasting Cost Consequences of 'NICE' drugs ●
- Recruitment to Vacant Posts/ Slippage on Service Developments ●

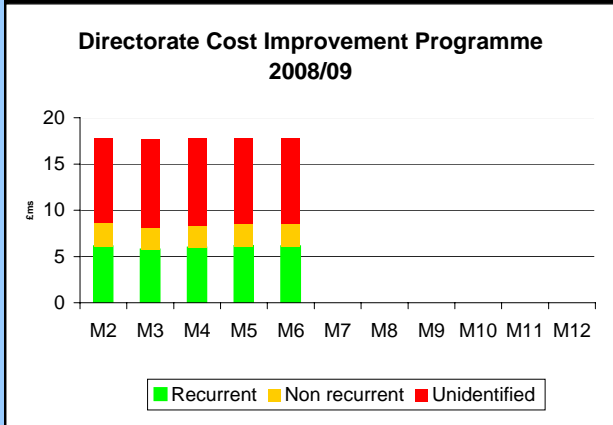
● High Risk ● Medium risk ● Low Risk

	Plan	Actual	Variance
	£ms	£ms	£ms
EBITDA ***	29.6	28.7	-0.9
Operating Surplus	16.7	17.0	0.4
I&E Surplus	11.3	11.9	0.6
Margins	Plan	Actual	Variance
	%	%	%
EBITDA Margin	8.8	8.3	-0.5
Operating Margin	4.9	4.9	0.0

Liquidity		Risk
	£ms	
Cash	47.2	●
Debtor Days	9.7	●
Current Ratio (Liquidity)	1.5	●
Working Capital Facility	15.0	●
Prudential Borrowing Limit	146.8	●
Better Payment Practice Code	88.36%	●

Financial Risk Rating	4.2
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Risk Rating Explanations



Underlying Performance	Weighting	Actual	Rating
EBITDA Margin	25%	8.3%	3
Achievement of Plan			
EBITDA Achieved	10%	96.9%	4
Financial Efficiency			
Return on assets excluding dividend	20.0%	8.2%	5
I&E Surplus Margin net of dividend	20.0%	3.4%	5
Liquidity			
Liquidity Ratio (days)	25%	30	4

- 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

*** EBITDA = Earnings Before Interest Tax Depreciation and Amortisation