

Law Hospital Summit Healthcare Limited

Key Assumptions

Concession Data	
Contracted Term of concession (years)	27.5
Term runs from after construction finished? (1=yes)	1
Max length construction before impacts term? (mo)	35
Therefore Implied Term of Concession	330
Contract end date	Nov-28

Funding requirements	
Funding i	1 (0=pro-rata, 1=backended, 2=frontended)
DSR pre-	y
DSR funded solely	1

Fixed Assets	
Percentage of total buildings qualifying for IBA's	0%
Percentage of M&E expenditure qualifying as SLA'	40%

Depreciation Rates (years)		
	Acc'ting	Tax
Buildings	27.5	4%
M&E Equipment - SLA's	25	25%
Type 20 all assumed to	20	25%
Type 15 qualify for 25%	15	25%
Type 10 Writing Down	10	25%
Type 5 Allowances	5	25%
M&E Equipment - Other	25	6%

Target facility/fees	Target %	Upfront Fee	Commit. %	Cap at %	Collar floor %
Equity 1	0.07%				
Equity 2	0.00%				
Senior debt1	0.00%	1.00%	0.50%	0.00%	0.00%
Senior debt2	0.00%	1.00%	0.50%	0.00%	0.00%
Subordinated Debt facility	0.00%	0.00%	0.00%	0.00%	0.00%
Loan stock	8.60%				

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Present v
Treasury
Inflation c
Trust targ

F
Period ove
proceeds r

Date for Q
Consortiu
Consortiu
% of loss
% payme
VAT:
Days sale
Days crec

Standby facility (% of constr	0.00%	1.00%	0.50%	<i>This facility rar</i>
Maximum Subordinated Deb	0		Loan stock:	Coupon p
Charge committment commi	n			Coupon ε

Bond facility			
total funding applied	91.33%	Arrangement fees	0.00%
Swap rate	6.31%	Guarantee fee:	
Margin	0.17%	Payable upfront?	y
Bond rate	6.48%	Margin	0.42%
ESCROW discount	0.80%	Discount rate	6.48%
Scheduled term (years)	30	Funded from debt?	y
Grace period post drawdwr	12	(Coupon paid semi annually)	
DSR Requirement (months)	6	Profiled repayments?	n

Law Costs Profiling

Inflation rate to 1/4/97 2.50%

Services £'s	Fixed Costs 1-Apr-96	Fixed Costs 1-Apr-98	Inflation Rate	Non-risk %
Equipment	966,629	1,015,565	2	100%
Heated trollies	0	0	1	100%
Food Services	696,765	732,039	1	80%
Linen and Laundry	67,264	70,669	1	100%
Domestic Cleaning	1,028,989	1,081,082	1	80%
Portering	554,317	582,379	1	80%
Security	131,437	138,091	1	80%
Staff Residences	33,505	35,201	1	80%
Waste Management - Clinical	20,228	21,252	1	100%
Switchboard	251,494	264,226	1	80%
Transport	51,272	53,868	1	80%
Estates Maintenance	1,384,312	1,454,393	1	100%
Energy	0	0	1	0%
Other Waste	0	0	1	100%
Other	0	0	1	80%
Other	0	0	1	80%

Availability constraints	
Effective date	1-Apr-96
Discount rate	9.18%
Discount factor	3.00%
Payment fees in year 1 (£)	N/A

Release of land sales	
Number of land sales released to P&L (&tax)	0

Taxation	
Annual returns	31/03/2000
Capital Relief:	
Capital relief taken	None
Losses surrendered	100%
Profit at time of:	
Loss	0%
Profit	100%
Days in debtors	0
Days in costs/overhead	0

Availability fee	
Required availability fee in first period (£000)	
Required IRR	
Allow pass through of availability deductions?	
Percentage of deductions to pass on	
Cap on deductions to pass on (as a percentage of original availability fee)	

Distribution covenants	
Supplementary Reserve:	Minimum
Trigger 1	and Distribution
Trigger 2	Trigger 2
Minimum LLCR	1.20
Minimum ADSCR	1.20
	Minimum and, minimum or minimum LL
Subordinated debt:	Coupon E
Investment	Investment
Minimum LLCR	0.00
Minimum ADSCR	0.00
	Minimum

Margin (b.p.)	Frequency (1,2,4 p.a.)	Grace (quarters)	Term (years)	DSR (months)
0	2	0	19.5	6
0	2	0	19.5	6
0	2	80	27	0
	2	108	27.5	

Working capital as:	
Days sales in debtors:	
Availability fee	
Performance fees	
Variable fees	
Days costs in creditors:	
Fixed Operating Costs	

works in all ways identically with the Senior 1 facility

paid during construction	n
accrued during construction	n

<u>Credit enhancement</u>		
On % of construction cost		0%
Upfront fee thereon		0.000%
<u>Letter of Credit costs:</u>		
Annual LC fee		0.00%
On % of construction cost		0%

Variable Costs
Pass-through avail. fee
Overheads day's costs in credit
SPC Staff Costs
Directors' Remuneration
Bond trustee fee
Threshold Spend/Agency Fee
Professional Fees
Insurance Costs
Other income - days sales in debt
Nurses Accommodation
Other Income

Markup %	% of Costs by:			Cost per patient or item (p or unit measure)			Va	
	In-Patient	Out-Patient	Day Patient				1-Apr-96	
				IP	OP	DP	IP	OP
8%	100%	0%	0%	p	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	3.120	0.000
8%	60%	10%	30%	piece	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	100%	0%	0%	tonne	p	p	345.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	100%	0%	0%	p	p	p	0.000	0.000
8%	100%	0%	0%	MWh	p	p	60.000	0.000
8%	100%	0%	0%	tonne	p	p	37.500	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000
8%	60%	10%	30%	p	p	p	0.000	0.000

	N/A
	15.00%
	n
	100%
	100%

Lifecycle Costs	
Equiv. annual charge to Trust	Y
Lifecycle reserve requirement	N/A
Use lifecycle split between 2 10 and 5 year assets	n
Use hardcoded lifecycle costs	y

Cash before distribution	300
LLCR	1.25
DSCR	1.25
CR	1.5
Bearing net Sum	
LLCR	1.20
ADSCR	1.20

Costs and Overheads	
Cost type: Catalst (W) or alternative(L)	L
RPI between 1/4/96 and 1/4/	2.50%

assumptions	
	0
	0
	0
	0

Cash Sweep	
% of cashflow post senior debt service	0%
Replace % of cashflow sweep to ratio meeting sweep	n
Switch to profiled debt repayment	n

Use of Annuity Depreciation

	0
	0
tors:	
	30
	30
	30
	30
	30
	30
ebtors:	
	30
	30

Use annuity depreciation?	y
Level to depreciate to	15,000
Interest rate implied in annui	7%
Term to depreciate over	27.5

Sensitivities	
Construction	100%
Fixed costs	100%
Variable costs	100%

Variable costs per item			
	1-Apr-98		
DP	IP	OP	DP
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000
0.000	3.278	0.000	0.000
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000
0.000	362.466	0.000	0.000
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000
0.000	63.038	0.000	0.000
0.000	39.398	0.000	0.000
0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000