Assura Group Limited

Preliminary Results

Assura Group reports strong increase in revenues and trading profits

Refocused and streamlined business positioned to resume dividend payments

29 June 2010: Assura Group Limited ("Assura", or "the Group" or "the Company"), one of the UK's leading primary care property and pharmacy companies, today announces its audited results for the year ended 31 March 2010.

Strategic Highlights

- Medical services business ("AML") sold to Virgin Healthcare Holdings Limited for £4m – leaves Assura Group with a 24.9% stake and £4m preferential loan note.
- Significant cost reductions including £6.5m reduction in payroll from March 2009 to May 2010.

Operating Highlights

- Investment portfolio increased 12.5% to £313.7m (2009: £278.9m).
- Rent roll at 31 March 2010 increased 8.7% to £22.5m (2009: £20.7m[1]).
- 7 new developments completed in the year - value £36.9m; 5 developments on site - anticipated value £38.2m.
- 4 new health centre pharmacies opened in year.

Financial Highlights

- Pharmacy revenues increased 16.9% to £31.2m[2] (2009: £26.7m). Same store revenues increased 8% (for stores open for more than 2 years).
- LIFT consultancy revenues increased 85.7% to £2.6m (2009: £1.4m).
- Group revenues up 17.2% to £55.8m (2009: £47.6m).
- Significant cost reductions implemented.
- Pharmacy delivers maiden annual profit of £3.9m[3] (2009: loss £7.6m) and now sustainably profitable.
- Group trading profit from continuing operations up 155.8% to £13.3m (2009: £5.2m).
- Adjusted net assets of £186.5m (2009: £204.4m), equivalent to 60.9p (2009: 66.2p) per Share[4].
- Debt repayments of only £9.5m required prior to March 2013.
- £24.6m[5] cash in hand at year end (2009: £24.8m).
- New £30m facility from Santander Bank fixed on improved terms.
- Dividend expected to resume in current financial year.

[1] Including the rental value of own premises.
[2] Excludes 50% share of revenue derived from pharmacies owned in joint venture with GP Care Limited.
[3] Includes £1.3m reversal of licence impairment and £1.1m profit on disposal of pharmacies.
[4] Adjusted diluted net asset value per Ordinary Share (excluding the notional mark to market value of the Company's interest rate swap).
[5] Includes £14.6m (2009: £12.6m) of restricted cash in respect of cash ring fenced for committed property development expenditure and an interest payment guarantee.

Nigel Rawlings, CEO of Assura, said: "Assura has delivered a strong increase in both revenues and trading profits in the year while refocusing and streamlining its business. With the disposal of a majority stake in AML and a much reduced cost base, Assura is a more focused, leaner and profitable business with a high quality property and pharmacy portfolio. Assura is confident in its future prospects and is positioned to resume dividend payments in the current financial year."

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Chairman's Statement

Introduction

During the year, Assura implemented significant strategic changes to become a leaner, more focused and profitable business. Assura has successfully grown its primary care property and pharmacy businesses, resulting in the Group's continuing operations returning to net profitability.

Early in the year the board determined that it would be in the best interests of the Company and its shareholders to sell the medical services business to create a more focused and profitable medical property and pharmacy Group. After an extensive review of options and a comprehensive sale process a 75.1% stake in AML was sold to Virgin Healthcare Holdings Limited on 2 March 2010. Assura has thereby retained a sizeable stake in the business with no exposure to future business development costs. The Virgin Group has long held the ambition of becoming a significant player in the provision of NHS services to patients and the board is confident that the focus and additional resource that Virgin can provide will enable AML to reach its true potential, from which Assura will benefit through the Group's retained interest.

A significant proportion of the Group's administrative resource was transferred with AML and sizeable further savings have been implemented subsequently. Following the transaction with Virgin Healthcare Holdings, Richard Burrell, former CEO of Assura Group, resigned from the Company to pursue other interests. On behalf of the Company I would again like to thank Richard for his hard work, commitment and enthusiasm. On 15 March 2010 Nigel Rawlings was appointed as the Company's Chief Executive.

Board

In view of the simplification of the Group and as part of the streamlining process John Curran and Colin Vibert will be stepping down from the Board at the AGM. I would also like to thank them for their significant efforts and contribution to the Company during their tenure.

Dividends

The Board is not proposing a dividend for the year to 31 March 2010 but it is the Board's intention to resume dividend payments out of sustainable operating earnings commencing in the year to 31 March 2011.

Outlook

Assura is now profitable and remains a well managed provider of primary care property and pharmacy services. Despite the economic slowdown the Group completed 7 properties during the year, had 5 medical centre property developments on-site at the year end and another has commenced since that time. The pharmacy division is now profitable and is of a very high quality given the focus around medical centres. Our NHS Local Improvement Finance Trust (LIFT) team continues to see opportunities for investment in new NHS premises in partnership with the public sector and is increasingly being seen as a provider of health planning services to Primary Care Trusts.

The Company is now well placed to achieve steady, sustainable and profitable growth and the Board looks forward to recommencing dividend payments.

Rodney Baker-Bates
Non-Executive Chairman
28 June 2010

Chief Executive's Statement

Introduction

This has been a year of significant change for Assura with excellent progress in our primary care property business and with strong growth and the achievement of sustained profitability in our pharmacy business. We have also sold a majority share in the cash-consuming medical service business, ceased other loss making activities and implemented significant cost reductions.

As a result of these changes Assura is now focused on its primary care property and pharmacy businesses, both of which are profitable and growing strongly and, following substantial cutbacks in administrative costs, as an internally managed property company we now benefit from a very competitive cost base.

The economy has struggled to ease itself out of recession and the public sector is set to face sizeable cutbacks although frontline NHS services appear to benefit from some protection. The largest cuts may come in secondary rather than primary care and we have a good pipeline of current and future primary care developments to facilitate continued growth.

Results

The results from continuing operations for each segment are summarised as follows:

	2010 £m	2009 £m
Contribution - Operating profit before central costs		
Property investment	18.7	13.4
Property development	(0.5)	(0.9)
Pharmacy	1.0	(1.0)
LIFT operations	0.0	0.0
Total	**19.2**	**11.5**
Central costs	(5.8)	(8.5)
	13.4	3.0
Property disposal (losses)/ profits	(0.8)	1.9
Asset disposal profits	0.7	0.3
Group trading profit	**13.3**	**5.2**
Property revaluation gains/(losses)	2.4	(58.2)
Profit/(losses) on Associates & Joint Ventures	2.1	(1.0)
Other items	0.2	(0.5)
Exceptional items	(8.8)	(6.6)
Operating profit/(losses)	**9.2**	**(61.1)**
Net finance costs	**(4.8)**	**(38.6)**
Profit/(loss) before taxation from continuing operations	**4.4**	**(99.7)**

Property Investment
At 31 March 2010 the Group held 117 completed medical centre investment properties with an aggregate value of £313.7m (31 March 2009: 118 properties with a value of £278.9m). 7 medical centre developments were completed in the year with an aggregate value of £36.9m at the year end.

The value of our medical centre investment portfolio has increased 12.5% mainly as a result of development completions. With 5 developments on site at the year end and a further development commenced since the year end with an aggregate end value of over £40m, the portfolio will continue to grow.

Assura's portfolio is characterised by long Government-backed leases. The weighted average lease length is 17.1 years and 84% of the rents are receivable from Primary Care Trusts or GP Practices whose rent payments are reimbursed by Primary Care Trusts (PCTs). The balance of rents are receivable from pharmacy companies, including our own pharmacy business, and other tenants including retailers and charities.

The rent roll grew from £20.7m at 31 March 2009 to £22.5m at 31 March 2010 including rent receivable from premises we occupy ourselves (principally £0.6m from our own pharmacies). Development completions (£2.1m) and rent reviews (£0.5m) improved rent receivables while modest rent was lost through the sale of certain non-core properties. Rent reviews have delivered an average rent increase of 3.5% pa.

We have not suffered tenant defaults or tenant voids, although we do accept lease surrenders from GP Practices who move into new medical centres developed by the Group. We also have some planned development voids in the portfolio as a result of developing expansion space for future growth.

Assura's portfolio once again was an above average performer in the IPD Primary Care index which itself out-performed the All Property Index. The entire investment portfolio was revalued by Savills Commercial on 31 March 2010 realising an uplift in value of £6.5m This was partially offset by a £2.2m reduction in value arising from the closure of our Health & Wellness centres.

We will continue to grow rental income through active management, filling of largely planned voids, maximising rental growth on three yearly rent reviews and continued development completions.

Property Development
The Group has remained active in medical centre property development in the year notwithstanding poor commercial property market conditions. 7 medical centres were completed in the year, 5 were on site at the year end and a further development has commenced since 31 March 2010.

The results of our property development activities have been impacted by a number of factors. Developments completed in the year included a loss making conversion of an office to a medical centre and our final hospital retail mall which also suffered a loss, plus other developments that had been written down to their realisable value at 31 March 2009 and hence no profit could be derived this year. Furthermore, we forgo any premium from a pharmacy operator when we open our own pharmacy in a new medical centre and pharmacy premiums that are received from third parties are spread over the term of the pharmacy lease. As a result a loss of £4.5m was suffered on the revaluation of our developments at 31 March 2010. We will now undertake only medical centre developments that are substantially pre-let with fixed price build contracts or those subject to a price ceiling and fixed rate funding agreed in advance and we are confident of achieving regular development gains going forward.

We have a good pipeline of profitable developments beyond those on site and a sizeable land bank comprising 15 sites with an aggregate value of £10.8m. The land bank includes sites earmarked for medical centre developments and sites that are now surplus, where funding or other constraints negate the originally planned medical centre development, with interesting alternative use opportunities such that profitable disposals will be made in due course.

Pharmacy

During the period under review we opened 4 new pharmacies within medical centres, closed 2 and sold 4 non-core pharmacies. This rationalisation of the portfolio has left us with 26 wholly-owned, predominantly medical centre based pharmacies, from which turnover increased by 16.9% to £31.2m (2009: £26.7m). In addition, Assura has an interest in 7 pharmacies owned in a joint venture with GP Care Limited branded 'GP Care Pharmacy' which reported a gross turnover of £5.6m (2009: £5.3m).

Our pharmacy business achieved a maiden annual profit of £3.9m (including £1.3m reversal of pharmacy licence impairments and £1.1m profit on disposal of pharmacies). Further revenue growth is expected to derive from prescription volume growth, a maturing store profile and the opening of selected new stores and there is potential for careful cost cutting following sizeable administrative cost cutbacks in 2009/10.

Gross margins have been maintained at 30% in this business and although further NHS pricing pressure cannot be ruled out as a result of changes in NHS reimbursement policy we will continue to look to achieve productivity improvements in order to minimise any impact these changes might have.

The establishment of new pharmacies and the relocation of existing ones are very tightly regulated in the UK. This has the effect of creating significant barriers to new entrants and securing the position of our existing pharmacy stores. Working within this regulatory environment Assura's experienced pharmacy licensing team has achieved more success in securing new pharmacy licences through the relevant regulatory procedures than any other pharmacy operator in recent years and we will continue to benefit from profit on pharmacy licence trading and adding value to the business from the opening of new pharmacies.

The Assura Board believes that the pharmacy business is positioned for sustained profitability. The business may, in the future, be separated from our property business if the Board considers that doing so would create value for shareholders.

LIFT

LIFT companies are public/private partnerships which procure and supply capital investment needed by public bodies and other health care providers to deliver health and community services to the public.

There are currently 47 LIFTs across England covering approximately 50% of the Primary Care Trusts. Assura has investments in 6 of them, equating to a 13% market share. Assura's 6 LIFT areas are Barnet, Enfield and Haringey; Coventry; Dudley; Liverpool and Sefton; South East Essex; and South West Hampshire. Assura has made subordinated debt investments across the portfolio of £6.5m (2009: £4.9m). These attractive investments are 25 - 30 year fixed income loans yielding on average 12% interest per annum.

Within our LIFT companies, there are 19 primary care buildings with an aggregate value of £169m at 31 March 2010 compared with 17 buildings and a value of £121m at 31 March 2009. In addition, three new schemes in Liverpool with a total development value of £30m started on site in August 2009 and a central hub for delivery of community and primary care services with a development value of £27.5m started on site in Coventry in April 2010.

Assura also provides management services, through a Central Management Services Agreement, to 5 of our LIFTs. These services include project management, estates and business performance management, centre management, health planning and financial management. Revenue from this business, excluding investment income, increased from £1.4m in 2008/09 to £2.6m in 2009/10.

Discontinued Operations
Assura's medical services business was engaged in forming joint ventures with groups of GP Practices around the UK to provide outpatient, urgent care and diagnostic services, and primary care walk in centres, to NHS patients.

During the 11 months prior to its sale on 2 March 2010, the business had 30 joint ventures with combined revenues, in those joint ventures, amounting to £10.5m. This was a significant achievement given that their combined revenues in the prior year were less than £1m, and they benefitted from contracts in hand or pending on 2 March 2010 that would provide annual revenues of over £25m in aggregate.

However the joint ventures incurred losses of £1.8m in the 11 months to 28 February 2010, of which 50% or £0.9m was attributable to Assura Group. In addition Assura's medical services division incurred central costs of over £6m pa supporting this business.

Following an extensive strategic review AML was sold to Virgin Healthcare Holdings Limited for £4m on 2 March 2010, with the £4m proceeds simultaneously reinvested in Virgin Healthcare Holdings Limited in return for a 24.9% equity stake and a loan note of £4m which carries no interest but does benefit from priority repayment out of future profits ahead of dividend payments.

Given the rapid growth continuing in the business and the efficiencies available to the NHS from shifting services out of hospitals into the community and enabling more services to be provided by independent providers, along with the resources committed by Virgin, we believe that our 24.9% investment in this business will deliver benefits and returns in future.

We also ceased our diagnostic rental business in the year and closed our 3 Health & Wellness centres which were serviced medical consulting rooms available for medical service provision by the joint ventures and other parties.

Immediately following the sale of AML, the decision was taken to close down the majority of our London office and half of our Daresbury office space and reduce the administrative staff by a further 17 people over and above those transferred to AML ahead of its sale.

The net impact on the Group's results is an operating loss from discontinued activities in the year of £6.9m and a loss on disposal of the medical services division itself amounting to £7.1m giving a net loss from discontinued activities of £14.0m.

In addition, we recorded a write down in the value of our Health & Wellness centres amounting to £2.2m, made office premises lease provisions of £2.0m to cover the anticipated rental shortfall pending new tenants for the space being found, and incurred other redundancy & restructuring costs amounting to £2.5m.

The Group's resultant administrative cost base is substantially reduced and very competitive. We intend to maintain property management costs below 3% of rents and property development costs below 3% of development expenditure. We intend to maintain central overheads, including the equivalent of fund and asset management and all the costs of administering the Group other than depreciation and amortisation, below 0.5% of total assets.

Balance Sheet
Losses from, and arising on the sale of, AML, and the associated reorganisation and restructuring costs, have contributed to a fall in net assets from £172.0m at 31 March 2009 to £164.2m at 31 March 2010. The adjusted diluted net asset value per share, adjusted to exclude the negative value of our financial derivatives, has fallen from 66.2p to 60.9p.

The Group has gross property assets, including development property and property included within premises and held for sale of £360.1m, and net debt amounting to £232.3m, giving rise to property gearing of 65% (57% when comparing net debt with total capital and debt).

Debt Facilities
The Group has sufficient debt facilities for its future requirements with substantially all debt available until at least March 2013. Loans have been agreed to finance all current medical centre property developments. The Group has headroom on all of its covenant tests and benefits from substantial protection against future interest rate rises through interest rate swap agreements.

Conclusion
We have made improvements in all areas of the business and achieved significant reductions in property investment and central administrative costs during the year, in particular following the sale of the medical services division in March 2010. While these measures have been difficult for the Group and our employees, they were essential to transform the Group into an internally-managed company with a very competitive cost base, positioned for sustainable profitability and the resumption of dividend payments.

Nigel Rawlings
Chief Executive Officer
28 June 2010

Assura Group Limited

Consolidated Income Statement

For the year from 1 April 2009 to 31 March 2010

	Year ended 31 March 2010	Year ended 31 March 2009 *(restated [1])*
	£'000	£'000
Revenue	**55,761**	47,571
Cost of sales	**(24,466)**	(20,453)
Gross profit	**31,295**	27,118
Administrative expenses	**(17,982)**	(21,897)
Group trading profit	**13,313**	5,221
Loss on revaluation of property, plant & equipment	**(47)**	(2,459)
Share of profits/(losses) of associates and joint ventures	**2,125**	(1,019)
Gain/(loss) on revaluation of investment property	**6,466**	(33,369)
Gain/(loss) on sale of investment property	**394**	(1,878)
Impairment of investment property under construction	**(4,506)**	-
Impairment of development property	**-**	(20,378)
Share based payment credit/(charge)	**316**	(637)
Exceptional items		
Gain on disposal of pharmacies	**1,118**	-
Impairment reversal/(loss) on pharmacy licences	**1,300**	(2,498)
Impairment of goodwill	**(4,767)**	(291)
Impairment of property, plant and equipment	**(258)**	-
Gain/(loss) on disposal of other investments	**409**	(3,080)
Impairment of non-current assets held for sale	**-**	(137)
Restructuring costs	**(4,657)**	(570)
Premises provision	**(1,994)**	-
	(8,849)	(6,576)
Operating profit/(loss)	**9,212**	(61,095)
Finance revenue	**1,006**	2,133
Finance costs	**(5,840)**	(40,717)
	(4,834)	(38,584)
Profit/(loss) before taxation	**4,378**	(99,679)
Taxation	**2,376**	563
Profit/(loss) for the year from continuing operations	**6,754**	(99,116)
Discontinued operations		
Loss for the year from discontinued operations	**(13,983)**	(9,768)
Loss for the year	**(7,229)**	(108,884)
Loss for the year attributable to:		
Equity holders of the parent	**(7,191)**	(108,763)
Minority interest	**(38)**	(121)
	(7,229)	(108,884)
Earnings per share (pence)		
Basic earnings per share from continuing operations	**2.14p**	(38.80)p
Diluted earnings per share from continuing operations	**2.14p**	(38.80)p
Basic earnings per share on losst for the year	**(2.27)p**	(42.63)p
Diluted earnings per share on loss for the year	**(2.27)p**	(42.63)p

[1] The Consolidated Income Statement for the year to 31 March 2009 has been restated to transfer losses incurred in the Medical Division to Loss for the year from discontinued operations and to reflect the adoption of a new accounting policy for service concession arrangements within associates.

Assura Group Limited

Consolidated Statement of Comprehensive Income

For the year from 1 April 2009 to 31 March 2010

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000 *(restated)*
Loss for the year	**(7,229)**	(108,884)
Revaluation of land and buildings	**202**	627
Other comprehensive profit for the year, net of tax	**202**	627
Total comprehensive loss for the period, net of tax attributable to equity holders of the parent	**(7,027)**	(108,257)
Attributable to:		
Equity holders of the parent	**(6,989)**	(108,136)
Minority interests	**(38)**	(121)
	(7,027)	(108,257)

Assura Group Limited

Consolidated Balance Sheet

as at 31 March 2010

	31/03/2010	31/03/2009 *(restated [2])*
	£'000	£'000
Non-current assets		
Investment property	**313,672**	278,925
Investment property under construction	**27,690**	-
Development property	**-**	54,767
Investments in associates	**13,962**	5,803
Investments in joint ventures	**7,588**	10,807
Intangible assets	**39,427**	41,844
Property, plant and equipment	**14,927**	26,798
Other investments	**-**	5,968
Deferred tax assets	**1,464**	-
	418,730	424,912
Current assets		
Cash and cash equivalents	**24,602**	24,790
Debtors	**10,260**	9,693
Pharmacy inventories	**1,721**	1,640
Property work in progress	**53**	1,053
	36,636	37,176
Non-current assets held for sale and included in disposal groups	**6,700**	509
Total assets	**462,066**	462,597
Current liabilities		
Creditors	**28,349**	56,298
	28,349	56,298
Non-current liabilities		
Long-term loans	**249,297**	206,679
Payments due under finance leases	**979**	1,076
Derivative financial instruments at fair value	**17,274**	25,609
Provisions	**1,994**	-
Deferred tax liabilities	**-**	912
	269,544	234,276
Total liabilities	**297,893**	290,574
Net assets	**164,173**	172,023
Capital and reserves		
Share capital	**31,747**	31,747
Own shares held	**(5,093)**	(5,093)
Share premium	**23,282**	23,212
Distributable reserve	**213,614**	213,614
Retained earnings	**(102,726)**	(94,921)
Revaluation reserve	**3,349**	3,642
Equity attributable to equity holders of the parent	**164,173**	172,201
Minority interests	**-**	(178)
Total equity	**164,173**	172,023
Basic net asset value per Ordinary Share	**53.58p**	56.20p
Diluted net asset value per Ordinary Share	**53.58p**	56.20p
Adjusted basic net asset value per Ordinary Share	**60.88p**	66.22p
Adjusted diluted net asset value per Ordinary Share	**60.88p**	66.22p

[2] The Consolidated Balance Sheet has been restated to reflect the correct analysis of loans repayable within one year and those due after more than one year and to reflect the adoption of a new accounting policy for service concession arrangements within associates.

Assura Group Limited

Consolidated Statement of Changes in Equity

For the year from 1 April 2009 to 31 March 2010

	Share Capital	Own Shares Held	Share Premium	Distributable Reserve	Retained Earnings	Revaluation Reserve	Total	Minority Interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 April 2009	**31,747**	**(5,093)**	**23,212**	**213,614**	**(94,921)**	**3,642**	**172,201**	**(178)**	**172,023**
Revaluation of land and buildings	-	-	-	-	-	202	**202**	-	**202**
Profit/(loss) attributable to equity holders and minority interest	-	-	-	-	(7,191)	-	**(7,191)**	(38)	**(7,229)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(7,191)**	**202**	**(6,989)**	**(38)**	**(7,027)**
Depreciation transfer for land and buildings	-	-	-	-	495	(495)	**-**	-	**-**
Cost of employee share-based incentives	-	-	-	-	(1,109)	-	**(1,109)**	-	**(1,109)**
Acquisition of minority interest	-	-	-	-	-	-	**-**	216	**216**
Issue costs	-	-	70	-	-	-	**70**	-	**70**
31 March 2010	**31,747**	**(5,093)**	**23,282**	**213,614**	**(102,726)**	**3,349**	**164,173**	**-**	**164,173**

	Share Capital	Own Shares Held	Share Premium	Distributable Reserve	Retained Earnings	Revaluation Reserve	Total	Minority Interest	Total Equity
	£'000	£'000	£'000	£'000	£'000 *(restated)*	£'000	£'000	£'000	£'000
1 April 2008	**23,522**	**(4,561)**	**2,073**	**224,116**	**13,587**	**3,089**	**261,826**	**(57)**	**261,769**
Revaluation of land & buildings	-	-	-	-		627	**627**	-	**627**
Profit/(loss) attributable to equity holders and minority interest	-	-	-	-	(108,763)	-	**(108,763)**	(121)	**(108,884)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(108,763)**	**627**	**(108,136)**	**(121)**	**(108,257)**
Depreciation transfer for land and buildings	-	-	-	-	74	(74)	**-**	-	**-**
Dividends on Ordinary Shares	-	-	-	(10,502)	-	-	**(10,502)**	-	**(10,502)**
Cost of employee share-based incentives	-	-	-	-	910	-	**910**	-	**910**
Issue of deferred shares	-	-	-	-	(729)	-	**(729)**	-	**(729)**
Issue of Ordinary Shares	8,225	-	23,101	-	-	-	**31,326**	-	**31,326**
Issue costs	-	-	(1,962)	-	-	-	**(1,962)**	-	**(1,962)**
Own shares held	-	(532)	-	-	-	-	**(532)**	-	**(532)**
31 March 2009	**31,747**	**(5,093)**	**23,212**	**213,614**	**(94,921)**	**3,642**	**172,201**	**(178)**	**172,023**

Assura Group Limited

Consolidated Cash Flow Statement

For the year from 1 April 2009 to 31 March 2010

	Year ended 31 March 2010	Year ended 31 March 2009
	£'000	£'000
Operating Activities		
Rent received	**22,624**	22,334
Revenue from pharmacies	**31,207**	26,691
Fees received	**4,033**	2,431
Dividend received	**211**	511
Bank and other interest received	**795**	1,622
Cash paid to suppliers and employees	**(28,888)**	(18,802)
Purchases by pharmacies	**(21,891)**	(18,627)
Restructuring costs	**(2,050)**	-
Discontinued operation	**(3,028)**	-
Interest paid and similar charges	**(14,759)**	(10,865)
Net cash (outflow)/inflow from operating activities	**(11,746)**	5,295
Investing Activities		
Purchase of development and investment property	**(19,263)**	(66,829)
Proceeds from sale of development and investment property	**13,907**	17,922
Purchase of investments in associated companies	**(3,203)**	(5)
Purchase of investments in joint venture companies	**(1,036)**	(2,930)
Proceeds from sale of other investments	**6,376**	-
Purchase of property, plant and equipment	**(1,558)**	(3,929)
Proceeds from sale of fixed assets	**3,312**	189
Costs associated with securing pharmacy licenses	**(1,049)**	(634)
Cash paid on acquisition of subsidiaries	**(63)**	(5,876)
Cost of development work in progress	**(127)**	(1,307)
Loans (advanced to)/repaid by associated companies	**(4,454)**	158
Loans repaid by/(advanced to) joint ventures	**1,650**	(2,136)
Net cash outflow from investing activities	**(5,508)**	(65,376)
Financing Activities		
Issue of Ordinary Shares	**-**	30,064
Issue costs paid on issuance of Ordinary Shares	**70**	(1,962)
Dividends paid	**-**	(10,502)
Repayment of long-term loan	**(57,411)**	(232,356)
Drawdown of long-term loan	**75,302**	280,167
Loan issue costs	**(895)**	(1,000)
Net cash inflow from financing activities	**17,066**	64,411
(Decrease)/increase in cash and cash equivalents	**(188)**	4,330
Opening cash and cash equivalents	**24,790**	20,460
Closing cash and cash equivalents	**24,602**	24,790

Assura Group Limited

Notes to the Consolidated Financial Statements

For the year from 1 April 2009 to 31 March 2010

1. Basis of preparation

The financial information set out in this preliminary announcement is derived from but does not constitute the Group's statutory accounts for the year ended 31 March 2010 and period ended 31 March 2009, and as such, does not contain all information required to be disclosed in the financial statements prepared in accordance with the International Financial Report Standards ("IFRS"). The financial information has been extracted from the Group's audited consolidated statutory accounts upon which the auditors have issued an unqualified opinion.

The financial information has been prepared using accounting policies consistent with those set out in the 2009 Annual Report other than as noted below.

Prior period restatements

During the year it was noted that the loan repayments due within one year had been incorrectly included within non-current liabilities in the 31 March 2009 accounts. The loan repayment structure was fully disclosed in note 28 of the 31 March 2009 financial statements stating that £30m was due to be repaid on or before 30 March 2010. The balance sheet for the year to 31 March 2009 has therefore been restated in these accounts showing an increase to current liabilities of £30m with a corresponding decrease to non-current liabilities. There is no effect on net assets.

In addition the Consolidated Income Statement for the year to 31 March 2009 has been restated to transfer losses incurred in the Medical Division to Loss for the year from discontinued operations.

Adoption of IFRIC 12 was mandated by the EU for the first time this year. The Group has followed IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in applying the change of accounting policy retrospectively. The prior year financial information has therefore been restated. As a result of the adoption of IFRIC 12, the following adjustments were made to the 2009 financial information:

As of 31 March 2009:

Net decrease in investments in associates: £1,688,000
Net decrease in retained earnings: £1,688,000
Net decrease in share of losses from associates and joint ventures: £1,926,000
Net decrease in the loss after tax: £1,926,000

The effect on loss per share related to the restatement in 2009 was a decrease of 0.61p per share.

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial period except as follows:

(a) New standards, amendments to published accounts and interpretations to existing standards adopted by the Group:

IFRS 8 Operating Segments. IFRS 8 replaces IAS 14 Segment Reporting (IAS 14).
The Group has concluded following the sale of the medical division that its operating segments determined in accordance with IFRS 8 are property investment, property development, pharmacy & LIFT.

IAS 1 Presentation of Financial Statements (Revised).The revised Standard has required the reconciliation of movements in equity, previously disclosed in the notes, to be presented as a primary statement entitled "Consolidated Statement of Changes on Equity". In addition, the Consolidated Statement of Recognised Income and Expense has been replaced with the Consolidated Statement of Comprehensive Income. The revised standard requires this statement to present all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IFRS 7 Financial Instruments: Disclosures (Amendment). The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. The Group has taken advantage of the transitional provisions under this amendment and has therefore not provided comparative information for 31 March 2009. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments.

IFRS 2 Share-based Payment — Vesting Conditions and Cancellations (Amendment). The amendment to IFRS 2 clarifies the definition of vesting conditions and prescribes the treatment for an award that is cancelled. This amendment did not have an impact on the financial position or performance of the Group.

IAS 40 Investment properties. An amendment to this standard requires development properties to be classified as part of investment property and fair valued. If fair value cannot be reliably estimated it is carried at cost until construction is complete or fair value can be reliably estimated (whichever is earlier), at which stage it is valued at fair value. The amendment has been applied prospectively for investment properties under construction from 1 April 2009. Consequently, investment properties under construction have been valued on this basis by Savills Commercial Limited as at 31 March 2010. In determining the fair value, the valuer is required to consider the significant risks which are relevant to the development process including, but not limited to, construction and letting risks. Historically, properties under construction or development were included in the Balance Sheet at cost. A provision for impairment was made, if necessary, to reduce the carrying value to the recoverable amount.

IFRIC 12 Service Concession Arrangements (SCA). This standard requires the consideration receivable in respect of construction services in the operational phase of the SCA to be accounted for as a 'loan or receivable' and measured at amortised cost. The effect of the application of this standard has been to reclassify investment properties held by the LIFT companies to finance lease receivables. The application of this standard has been applied retrospectively and the 2009 comparative figures have therefore been restated.

The following standards did not have a material impact on the Group's financial statements:

IFRS 1 First-time Adoption of International Financial Reporting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendments)

IAS 27 Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendments).

IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments) Improvements to International Financial Reporting Standards (issued May 2008)

IAS 23 Borrowing Costs. The main change from the previous version is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. There was no impact on the Group accounts from its adoption as borrowing costs were already capitalised where applicable.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement - Embedded Derivatives (Amendments). There was no impact on the Group accounts from its adoption.

IFRIC 15 Agreements for the Construction of Real Estate. There was no impact on the Group accounts from its adoption.

(b) New standards and interpretations not applied:

The following standards and interpretations have an effective date after the date of these financial statements:

International Accounting Standards (IAS / IFRSs) Effective date*
IFRS 1 First Time Adoption of International Reporting Standards 1 July 2009
IFRS 1 Amendments to IFRS 1 – Additional Exemptions for First-time Adopters 1 January 2010
IFRS 1 Amendments to IFRS 1 – Limited Exemption from Comparative
IFRS 7 disclosures 1 July 2010
IFRS 2 Amendments to IFRS 2 –Group Cash-settled Share-based Payment Transactions 1 January 2010
IFRS 3 Business Combinations (revised January 2008) 1 July 2009
IFRS 9 Financial Instruments: Classification & Measurement 1 January 2013
IAS 24 Related Party Disclosures (revised) 1 January 2011
IAS 27 Consolidated and Separate Financial Statements (revised January 2008) 1 July 2009
IAS 32 Amendment to IAS 32: Classification of Rights Issues 1 February 2010
IAS 39 Eligible Hedged Items 1 July 2009 Improvements to IFRS (issued April 2009) Various dates
International Financial Reporting Interpretations Committee (IFRIC)
IFRIC 14 Amendment: Prepayments of a Minimum Funding Requirement 1 January 2011
IFRIC 17 Distributions of Non-Cash Assets to Owners 1 July 2009
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments 1 July 2010

The Group has not early adopted the revised IFRS 3 and so will apply it prospectively to all business combinations on or after 1 April 2010. Whilst it is not possible to estimate the outcome of adoption, the key features of the revised IFRS 3 include a requirement for acquisition-related costs to be expensed and not included in the purchase price; and for contingent consideration to be recognised at fair value on the acquisition date (with subsequent changes recognised in the income statement and not as a change to goodwill). The standard also changes the treatment of non controlling interests (formerly minority interests) with an option to recognise these at full fair value as at the acquisition date and a requirement for previously held minority interests to be fair valued as at the date control is obtained, with gains and losses recognised in the income statement.

IAS 27 revised is effective for annual periods beginning on or after 1 July 2009, in line with the revised IFRS 3. The revised standard no longer restricts the allocation to minority interest of losses incurred by a subsidiary to the amount of the minority equity investment in the subsidiary. Any future partial disposal of equity interest in a subsidiary that does not result in a loss of control will be accounted for as an equity transaction and will have no impact on goodwill, nor will it give rise to any gain or loss. Where there is loss of control of a subsidiary, any retained interest will have to be remeasured to fair value, which will impact the gain or loss recognised on disposal.

The Directors do not anticipate that the adoption of the remaining standards and interpretations will have a material impact on the Group's financial statements.

2. Segmental information

Following the adoption of IFRS 8 and the disposal of the medical services business during the year, the Group's operating segments are internally reported to the chief operating decision maker based on four business segments being primary care premises investment (Property Investment), primary care premises development (Property Development), pharmacy services and LIFT. Previously LIFT was not a separately identified segment and was included within the primary care premises development segment. All the Group's activities and investments in primary healthcare properties and related activities are situated in the UK and in Guernsey.

The Property Investment segment invests in primary care premises and undertakes property management.

The Property Development segment develops primary care premises.

The Pharmacy services segment operates integrated pharmacies in medical centres.

LIFT companies develop and invest in medical centres in partnership between the public and private sectors. Our LIFT segment invests in LIFT companies and provides services to those companies and the primary care trusts in the areas in which they operate.

The medical services segment has been discontinued during the year. The segment has provided medical services, principally outpatient, walk in, urgent care and other services traditionally undertaken in hospitals but being relocated to GP surgeries, community hospitals and other facilities in the community, in collaboration with GPs.

Unrealised surpluses or deficits on revaluation of investment properties are split between Property Investment and Property Development on the basis that after transfer of the property to investment property, the first revaluation surplus is shown in the Property Development segment.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation.

Unallocated assets and liabilities are those which relate to Group companies which cannot be allocated to the individual business segments as their activities are either at a Group or head office level. These subsidiary companies include Assura Management Services Limited, Assura Investments Limited, Assura Fund Management LLP, Assura Services Limited and Assura Intelligence.

The following table presents revenue, profit and certain assets and liability information regarding the Group's business segments:

Year ended 31 March 2010:

	Property Investment	Property Development	Pharmacy	LIFT	Eliminations and Unallocated items	Continuing	Discontinued Medical Services	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**	£'000	**£'000**
Revenue from external customers	21,516	-	31,214	2,405	626	**55,761**	732	**56,493**
Inter-segment sales	1,890	-	-	161	(2,051)	**-**	-	**-**
Segment revenue	23,406	-	31,214	2,566	(1,425)	**55,761**	732	**56,493**
Operating profit/(loss)	16,622	(1,936)	402	24	(1,799)	**13,313**	(6,064)	**7,249**
Cost of employee share-based incentives	192	192	(14)	(32)	(22)	**316**	793	**1,109**
Share of profits/(losses) of associates and joint ventures	-	-	1,623	627	(125)	**2,125**	(913)	**1,212**
Unrealised surplus on revaluation of investment properties	6,466	-	-	-	-	**6,466**	**-**	**6,466**
Realised surplus on revaluation of investment property	394	-	-	-	-	**394**	**-**	**394**
Unrealised deficit on revaluation of property, plant and equipment	(47)	-	-	-	-	**(47)**	**-**	**(47)**

Gain on sale of pharmacy licences	-	-	1,118	-	-	**1,118**	**-**	**1,118**
Impairment of development properties	-	(4,506)	-	-	-	**(4,506)**	**-**	**(4,506)**
Impairment of goodwill	-	(4,767)		-	-	**(4,767)**	(279)	**(5,046)**
Impairment reversal of pharmacy licences	-	-	1,300	-	-	**1,300**	-	**1,300**
Impairment of property, plant and equipment	-	-	(258)	-	-	**(258)**	-	**(258)**
Premises provision	-	-	(98)	-	(1,896)	**(1,994)**	-	**(1,994)**
Restructuring costs	(2,468)	-	(131)	(61)	(1,997)	**(4,657)**	(374)	**(5,031)**
Disposal of division	-	-	-	-	-	**-**	(7,146)	**(7,146)**
Segmental result	21,159	(11,017)	3,942	558	(5,839)	**8,803**	(13,983)	**(5,180)**
Gain on disposal of other investments	-	-	-	-	409	**409**	**-**	**409**
	21,159	(11,017)	3,942	558	(5,430)	**9,212**	(13,983)	**(4,771)**
Net finance revenue/(cost)	-	-	-	-	(4,834)	**(4,834)**	-	**(4,834)**
Profit/(loss) before tax	21,159	(11,017)	3,942	558	(10,264)	**4,378**	(13,983)	**(9,605)**
Taxation	-	-	-	-	2,376	**2,376**	-	**2,376**
Profit/(loss) for the period	21,159	(11,017)	3,942	558	(7,888)	**6,754**	(13,983)	**(7,229)**
Assets and liabilities								
Intangibles	-	20,024	15,685	3,718	-	**39,427**	**-**	**39,427**
Fixed assets	324,891	27,691	3,127	-	581	**356,290**	**-**	**356,290**
Equity accounted investments	-	-	7,588	8,523	5,439	**21,550**	**-**	**21,550**
Current assets	10,349	18,497	8,426	1,304	4,759	**43,335**	**-**	**43,335**
Segment assets	335,240	66,212	34,826	13,545	10,779	**460,602**	**-**	**460,602**
Deferred tax asset						**1,464**	**-**	**1,464**
Total assets						**462,066**	**-**	**462,066**
Segment liabilities								
Current liabilities	(18,472)	-	(4,970)	(954)	(3,953)	**(28,349)**	**-**	**(28,349)**
Derivative financial instruments						**(17,274)**	**-**	**(17,274)**
Non-current liabilities						**(252,270)**	**-**	**(252,270)**
Total liabilities						**(297,893)**	**-**	**(297,893)**
Other segmental information								
Capital expenditure:								
Property, plant and equipment	802	-	392	-	292	**1,486**	636	**2,122**
Intangible assets	-		1,049	-	-	**1,049**	279	**1,328**
Depreciation	459	-	384		1,211	**2,054**	378	**2,432**

Included within the results of the investment property segment above are the results for Assura Health & Wellness Centres Limited which ceased to trade on 31 March 2010. The loss for the current year end for this company was £1,181,000.

Assura Group Limited

Notes to the Consolidated Financial Statements

For the year from 1 April 2009 to 31 March 2010

Year ended 31 March 2009:

	Property Investment	Property Development	Pharmacy	LIFT	Eliminations and Unallocated items	Continuing	Discontinued Medical Services	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue from external customers	19,533	-	26,691	1,441	(94)	**47,571**	712	**48,283**
Inter-segment sales	911	-	-	-	(911)	**-**	-	**-**
Segment revenue	20,444	-	26,691	1,441	(1,005)	**47,571**	712	**48,283**
Operating profit/(loss)	13,748	(3,053)	(2,929)	84	(2,629)	**5,221**	(6,920)	**(1,699)**
Cost of employee share-based incentives	(137)	(182)	(182)	-	(136)	**(637)**	(273)	**(910)**
Share of profits/(losses) of associates and joint ventures	-	-	(1,844)	825	-	**(1,019)**	(1,033)	**(2,052)**
Unrealised deficit on revaluation of investment properties	(33,369)	-	-	-	-	**(33,369)**	-	**(33,369)**
Realised deficit on revaluation of investment property	(1,878)	-	-	-	-	**(1,878)**	-	**(1,878)**
Unrealised deficit on revaluation of property, plant and equipment	(2,459)	-	-	-	-	**(2,459)**	-	**(2,459)**
Impairment of development properties	-	(20,378)	-	-	-	**(20,378)**	-	**(20,378)**
Impairment of goodwill	-	-	-	-	(291)	**(291)**	(1,520)	**(1,811)**
Impairment of pharmacy licences	-	-	(2,498)	-	-	**(2,498)**	-	**(2,498)**
Impairment of property, plant and equipment	-	-	(137)	-	-	**(137)**	-	**(137)**
Restructuring costs	-	(104)	(20)	-	(446)	**(570)**	(22)	**(592)**
Segmental result	(24,095)	(23,717)	(7,610)	909	(3,502)	**(58,015)**	(9,768)	**(67,783)**
Unrealised deficit on revaluation of other investments	-	-	-	-	(3,080)	**(3,080)**	-	**(3,080)**
	(24,095)	(23,717)	(7,610)	909	(6,582)	**(61,095)**	(9,768)	**(70,863)**
Net finance cost	-	-	-	-	(38,584)	**(38,584)**	-	**(38,584)**
Profit/(loss) before tax	(24,095)	(23,717)	(7,610)	909	(45,166)	**(99,679)**	(9,768)	**(109,447)**
Taxation	-	-	-	-	563	**563**	-	**563**
Profit/(loss) for the period	(24,095)	(23,717)	(7,610)	909	(44,603)	**(99,116)**	(9,768)	**(108,884)**

	Property Investment	Property Development	Pharmacy	LIFT	Eliminations and Unallocated items	Continuing	Discontinued Medical Services	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets and liabilities								
Intangibles	-	18,899	13,335	9,610	-	**41,844**	-	**41,844**
Fixed assets	299,504	54,767	2,768	-	2,336	**359,375**	1,115	**360,490**
Equity accounted investments	-	-	6,479	5,803	-	**12,282**	4,328	**16,610**
Current assets	13,992	11,040	8,778	644	2,281	**36,735**	950	**37,685**
Segment assets	313,496	84,706	31,360	16,057	4,617	**450,236**	6,393	**456,629**
Other investments						**5,968**	-	**5,968**
Total assets						**456,204**	6,393	**462,597**
Segment Liabilities								
Current liabilities	(13,357)	-	(5,149)	(525)	(3,583)	**(22,614)**	(3,684)	**(26,298)**
Derivative financial instruments						**(25,609)**	-	**(25,609)**
Non-current liabilities						**(238,667)**	-	**(238,667)**
Total liabilities						**(286,890)**	(3,684)	**(290,574)**
Other segmental information								
Capital expenditure:								
Property, plant and equipment	754	3,570	-	-	2,271	**6,595**	897	**7,492**
Intangible assets	8,382	-	-	-	-	**8,382**	103	**8,485**
Depreciation	353	552	-	-	889	**1,794**	284	**2,078**

Information about major customers
Annual revenue from one customer amounted to £29,334,000 (2009: £24,540,000) arising from sales reported in the Pharmacy segment.

3. Finance revenue	Continuing operations	Discontinued operations	Total 2010	Continuing operations	Discontinued operations	Total 2009
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Bank and other interest	**796**	**-**	**796**	1,622	-	1,622
Income from investments	**210**	**-**	**210**	511	-	511
	1,006	**-**	**1,006**	2,133	-	2,133

4. Finance costs	**Continuing operations**	**Discontinued operations**	**Total 2010**	Continuing operations	Discontinued operations	Total 2009
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Long term loan interest payable	**9,724**	**-**	**9,724**	12,709	-	12,709
Interest capitalised on developments	**(1,364)**	**-**	**(1,364)**	(3,270)	-	(3,270)
Swap interest	**5,248**	**-**	**5,248**	(1,643)	-	(1,643)
Amortisation of loan issue costs	**566**	**-**	**566**	1,450	-	1,450
	14,174	**-**	**14,174**	9,246	-	9,246
Unrealised (profit)/ loss on revaluation of derivative financial instrument	**(8,334)**	**-**	**(8,334)**	31,471	-	31,471
	5,840	**-**	**5,840**	40,717	-	40,717

Interest was capitalised on property developments at 6% (2009: 6%).

5. Taxation

Consolidated income tax	**Year ended 31 March 2010**	Year ended 31 March 2009
	£'000	£'000
Current Tax		
Current income tax charge	**-**	-
Adjustments in respect of current tax of previous periods	**-**	20
Deferred Tax		
Relating to origination and reversal of temporary differences	**(2,376)**	(583)
Income tax credit reported in consolidated income statement	**(2,376)**	(563)

6. Discontinued operations

During the year the Group has discontinued operating its medical division.

On 2 March 2010 the Group sold its majority share holding in Assura Medical Limited, Assura Finance Limited, Assura Corporate Services Limited and Our Care Limited to Virgin Healthcare Holdings Limited.

In addition Assura Diagnostics Limited ceased to trade on 1 March 2010.

The results of the medical division for the period to its date of sale/closure are presented below:

	11 months ended 2 March 2010	12 months ended 31 March 2009
	£'000	£'000
Revenue	**732**	712
Cost of sales	**(70)**	(93)
Administrative expenses	**(6,726)**	(7,539)
Operating loss	**(6,064)**	(6,920)
Cost of employee share-based incentives	**793**	(273)
Share of losses of joint ventures	**(913)**	(1,033)
Impairment of goodwill	**(279)**	(1,520)
Restructuring costs	**(374)**	(22)
	(6,837)	(9,768)
Loss on disposal of discontinued operations	**(7,146)**	-
Loss for the period from discontinued operations	**(13,983)**	(9,768)

At the date of disposal the net assets of Assura Medical Limited were £10,900,000. The net cash flows attributable to Assura Medical Limited were as follows:

	11 months ended 2 March	12 months ended 31 March 2009
	£'000	£'000
Operating activities	**(6,438)**	(6,942)
Investing activities	**(4,483)**	(4,970)
Net cash outflow	**(10,921)**	(11,912)

	11 months ended 2 March	12 months ended 31 March 2009
Loss per share from discontinued operations (pence)		
Basic	**(4.40)p**	(3.83)p
Diluted	**(4.40)p**	(3.83)p

The total disposal consideration and major classes of assets and liabilities sold and is analysed as follows:

	11 months ended 2 March	12 months ended 31 March 2009
	£'000	£'000
Assets and liabilities disposed of other than cash		
Investment in Joint Ventures	**7,100**	-
Property, plant and equipment	**802**	-
Debtors	**377**	-
Cash and cash equivalents	**4,919**	-
Creditors	**(2,298)**	-
Net assets	**10,900**	-
Net assets sold – 75.1%	**8,186**	-
Fair value of proceeds reinvested as loan note (face value of £4m)	**2,860**	-
Costs	**(1,820)**	-
Net proceeds	**1,040**	-
Loss on disposal	**(7,146)**	-

7. Earnings per Ordinary Share

The basic profit/(loss) per Ordinary Share from continuing operations is based on the profit/(loss) attributable to equity holders of the parent for the year of £6,792,000 (2009: loss of £98,995,000) and on 317,467,036 Ordinary Shares (2009: 255,152,896), being the weighted average number of Ordinary Shares in issue in the respective year.

The diluted profit/(loss) per Ordinary Share from continuing operations is based on the profit/(loss) for the year attributable to equity holders of the parent of £6,792,000 (2009: £98,995,000) and on 317,467,036 Ordinary Shares (2009: 255,152,896), being the weighted average number of Ordinary Shares in issue in the respective year.

The basic loss per Ordinary Share is based on the loss attributable to equity holders of the parent for the year of £7,191,000 (2009: loss of £108,763,000) and on 317,467,036 Ordinary Shares (2009: 255,152,896), being the weighted average number of Ordinary Shares in issue in the respective year.

The diluted loss per Ordinary Share is based on the loss for the period attributable to equity holders of the parent of £7,191,000 (2009: £108,763,000) and on 317,467,036 Ordinary Shares (2009: 255,152,896), being the weighted average number of Ordinary Shares in issue in the respective year.

	Year ended 31 March 2010	Year ended 31 March 2009
Weighted average number of shares – basic	**317,467,036**	255,152,896
Weighted average number of own shares held	**-**	-
Weighted average number of shares – diluted	**317,467,036**	255,152,896

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit/(loss) for the year from continuing operations	**6,754**	(99,116)
Add minority liabilities	**38**	121
Profit/(loss) attributable to equity holders of the parent – continuing operations	**6,792**	(98,995)
Loss attributable to equity holders of the parent – discontinued operations	**(13,983)**	(9,768)
Loss attributable to equity holders of the parent	**(7,191)**	(108,763)

Discontinued operations
Loss per share for the discontinued operations is derived from the net loss attributable to equity holders of the parent from discontinuing operations of £13,983,000 (2009: £9,768,000), divided by the weighted average number of Ordinary Shares for both basic and diluted amounts as per the table above.

8. Dividends paid on Ordinary Shares

	Number of Ordinary Shares	**Rate pence**	**2010 £'000**	Number of Ordinary Shares	Rate pence	2009 £'000
Final dividend for 2008	**317,467,036**	**-**	**-**	235,213,115	4.67	10,984
		-	**-**		4.67	10,984

Dividends on 'own shares held' are recognised in distributable reserves.

Of the above cost of dividends paid in relation to 2009 on ordinary shares, £482,000 related to dividends paid on shares held by the Assura Executive Equity Incentive Plan (EEIP). The cost of these dividends has therefore been eliminated on consolidation resulting in a movement on the distributable reserve of £10,502,000. 2009 dividends paid include £597,000 which was taken as a scrip dividend through issue of 731,665 Ordinary Shares, of which 590,912 shares were issued to the employee benefit trust.

After obtaining shareholder agreement, the directors do not intend to pay a final dividend for the year ending 31 March 2010.

9. Note to the Consolidated Cash Flow Statement

	2010 £'000	2009 £'000 *(restated)*
Reconciliation of net profit/(loss) before taxation to net cash inflow from operating activities:		
Net profit/(loss) before taxation		
Profit/(loss) from continuing activities	**4,378**	(99,679)
Loss from discontinued activities	**(13,983)**	(9,768)
	(9,605)	(109,447)
Adjustment for non-cash items:		
Depreciation	**2,432**	2,078
(Increase)/decrease in debtors	**(567)**	4,574
(Decrease)/increase in creditors	**(1,072)**	10,181
Increase in provisions	**1,993**	-
Increase in pharmacy inventories	**(81)**	(297)
(Surplus)/deficit on revaluation of investment property	**(6,466)**	53,747
Development property impairment	**4,507**	-
Deficit on revaluation of property, plant and equipment	**47**	2,459
(Surplus)/deficit on revaluation of other investments	**(814)**	3,080
Loss on disposal of other investments	**405**	-
Interest capitalised on developments	**(1,364)**	(3,270)
(Profit)/loss on revaluation of financial instrument	**(8,334)**	31,470
(Profit)/loss on disposal of investment properties	**(394)**	1,878
Profit on disposal of pharmacies	**(1,118)**	-
Profit on disposal of assets	**(665)**	-
Goodwill impairment	**5,046**	1,811
Licences impairment (reversal)/charge	**(1,300)**	2,498
Impairment of property, plant and equipment	**258**	-
Non-current assets held for resale impairment	**-**	137
Share of losses/(profits) of associates and joint ventures	**(1,212)**	2,053
(Credit)/cost of employee share-based incentives	**(1,109)**	910
Discontinued operations	**4,118**	-
Restructuring costs	**2,981**	-
Other gains and losses	**2**	(16)
Amortisation of loan issue costs	**566**	1,449
Net cash (outflow)/inflow from operating activities	**(11,746)**	5,295

10. PRELIMINARY ANNOUNCEMENT
The Announcement can also be accessed on the Internet at www.assuragroup.co.uk

The Annual Report will be posted to Shareholders on or before the 29th July 2010.

11. APPROVAL
The Preliminary Announcement was approved by the Board of Directors on 28th June 2010.