

Registered number 6613399

BBH - WL (FUND CO 2) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

MONDAY



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COMPANIES HOUSE

BBH - WL (FUNDCO 2) LIMITED

COMPANY INFORMATION

DIRECTORS

C Pitt
P Young
H Claxton
N McElduff
R Ashcroft

COMPANY SECRETARY

Fulcrum Infrastructure Management Limited

COMPANY NUMBER

6613399

REGISTERED OFFICE

105 Piccadilly
London
W1J 7NJ

AUDITORS

BDO LLP
Statutory auditor
55 Baker Street
London
W1U 7EU

BBH - WL (FUND CO 2) LIMITED

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BBH - WL (FUNDCO 2) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements for the year ended 31 March 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

The report of the directors has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

PRINCIPAL ACTIVITIES

The company carries on the business of developing and managing property projects and provides associated services for the NHS Local Improvement Finance Trust ("LIFT") programme in Ealing, Hammersmith and Fulham and Hounslow.

DIRECTORS

The directors who served during the year were

C Pitt (appointed 1 November 2011)
P Young
H Claxton
N McElduff
N Arif (resigned 1 November 2011)
R Ashcroft

BBH - WL (FUNDCO 2) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 30 July 2012 and signed on its behalf



C Pitt
Director

BBH - WL (FUNDCO 2) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BBH - WL (FUNDCO 2) LIMITED

We have audited the financial statements of BBH - WL (FundCo 2) Limited for the year ended 31 March 2012, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at <http://www.frc.org.uk/apb/scope/private.cfm>.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

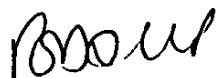
BBH - WL (FUNDCO 2) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BBH - WL (FUNDCO 2) LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Alexander Tapp (Senior statutory auditor)
for and on behalf of

BDO LLP
Statutory auditor
55 Baker Street
London
W1U 7EU

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Date 30 July 2012

BBH - WL (FUNDCO 2) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	631,011	596,321
Cost of sales		(177,074)	(169,429)
		<hr/>	<hr/>
GROSS PROFIT		453,937	426,892
Administrative expenses		(56,764)	(45,986)
		<hr/>	<hr/>
OPERATING PROFIT	3	397,173	380,906
Interest payable and similar charges	6	(444,188)	(442,682)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(47,015)	(61,776)
Tax on loss on ordinary activities	7	136,843	95,607
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	14	89,828	33,831
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 14 form part of these financial statements

BBH - WL (FUND CO 2) LIMITED
REGISTERED NUMBER. 6613399

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	8		8,192,537		8,288,642
CURRENT ASSETS					
Debtors	9	336,371		207,762	
Cash at bank		411,027		500,127	
		<u>747,398</u>		<u>707,889</u>	
CREDITORS amounts falling due within one year	10	(154,772)		(239,334)	
NET CURRENT ASSETS			592,626		468,555
TOTAL ASSETS LESS CURRENT LIABILITIES			8,785,163		8,757,197
CREDITORS amounts falling due after more than one year	11		(8,578,383)		(8,640,245)
NET ASSETS			<u>206,780</u>		<u>116,952</u>
CAPITAL AND RESERVES					
Called up share capital	13		10		10
Profit and loss account	14		206,770		116,942
SHAREHOLDERS' FUNDS	15		<u>206,780</u>		<u>116,952</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2012


C Pitt
 Director

The notes on pages 7 to 14 form part of these financial statements

BBH - WL (FUNDCO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow

The company has used the exemption under Financial Reporting Standard 1, 'Cash Flow Statements', not to prepare a cash flow statement as the directors believe the company is small under the Companies Act 2006

1.3 Turnover

Turnover comprises rental income and revenue recognised by the company in respect of other services supplied, exclusive of Value Added Tax

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	4% straight line
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1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are not discounted

1.6 Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument

1.7 Accounting for loan arrangement fees

Loan arrangement fees are amortised over the term of the loan on a straight line basis

1.8 Rent received in advance

In accordance with UITF 28 'Operating lease incentives', rent received in advance is deferred and amortised over the term of the Lease Plus Agreement

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES (continued)

1.9 Leased assets - Lessor

All leases are treated as operating Leases. Annual rentals are credited to the profit and loss account on a straight line basis over the term of the lease.

2. TURNOVER

The whole of turnover is attributable to the provision of property services under the NHS LIFT programme. An element of this income relates to operating lease income, generated from property owned by the company. This is not separately identified within the Lease plus agreement.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	96,105	96,105

4. AUDITORS' REMUNERATION

Audit fees are borne by Building Better Health West London Limited, a group company.

5. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2011 - £NIL).

6. INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	367,175	365,115
On loans from group undertakings	46,208	46,300
On loans from participating interests	30,805	30,867
Other interest payable	-	400
	<u>444,188</u>	<u>442,682</u>

BBH - WL (FUNDCO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

7. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Deferred tax		
Origination and reversal of timing differences	(11,284)	(15,560)
Effect of decreased tax rate on opening asset	(125,559)	(80,047)
Total deferred tax (see note 12)	<u>(136,843)</u>	<u>(95,607)</u>
Tax on loss on ordinary activities	<u>(136,843)</u>	<u>(95,607)</u>

Factors affecting tax charge for the year

The tax assessed for the year is different to (2011 - different to) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(47,015)</u>	<u>(61,776)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(12,224)	(17,297)
Effects of:		
Capital allowances for year in excess of depreciation	(17,488)	26,909
Utilisation of tax losses	-	(9,612)
Unrelieved tax losses carried forward	29,712	-
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8. TANGIBLE FIXED ASSETS

	Land and buildings £
Cost	
At 1 April 2011 and 31 March 2012	8,402,624
Depreciation	
At 1 April 2011	113,982
Charge for the year	96,105
At 31 March 2012	210,087
Net book value	
At 31 March 2012	8,192,537
At 31 March 2011	8,288,642

Included in land and buildings is freehold land at cost of £614,944 (2011 - £614,944) which is not depreciated

All fixed assets are leased to related parties under operating leases

9 DEBTORS

	2012 £	2011 £
Due after more than one year		
Deferred tax asset (see note 12)	335,957	199,114
Due within one year		
Trade debtors	-	2,524
Prepayments and accrued income	414	936
Other debtors	-	5,188
	<u>336,371</u>	<u>207,762</u>

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10 CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	4,484	3,412
Rent received in advance	54,498	54,044
Trade creditors	5,807	5,457
VAT creditor	20,910	21,112
Other creditors	-	86,476
Accruals and deferred income	69,073	68,833
	<u>154,772</u>	<u>239,334</u>

11 CREDITORS:

Amounts falling due after more than one year

	2012 £	2011 £
Bank loans	6,777,483	6,781,967
Amounts owed to participating interests	245,320	246,290
Amounts owed to group undertakings	367,978	369,434
Rent received in advance	1,187,602	1,242,554
	<u>8,578,383</u>	<u>8,640,245</u>

Included within the above are amounts falling due as follows

	2012 £	2011 £
Between one and two years		
Bank loans	11,853	4,482
Between two and five years		
Bank loans	40,848	41,992
Over five years		
Bank loans	6,724,782	6,735,493
Amounts owed to participating interests	245,320	246,290
Amounts owed to group undertakings	367,978	369,434

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

11. CREDITORS:

Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £	2011 £
Repayable by instalments	6,724,782	6,735,493
Repayable other than by instalments	613,298	615,724
	<u>7,338,080</u>	<u>7,351,217</u>

The bank loans bear interest at LIBOR plus a margin, and are secured by various fixed and floating charges over the company's assets. They are repayable by instalments, with the final instalment due on 13 January 2040.

The loan notes from group entities and participating interests are 12.5% p.a. unsecured loan notes, repayable on 31 March 2040. No principal is due to be repaid in the next 12 months.

12. DEFERRED TAXATION

	2012 £	2011 £
At beginning of year	199,114	103,507
Provided for during year/period	136,843	95,607
At end of year	<u>335,957</u>	<u>199,114</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Accelerated capital allowances	153,143	113,662
Tax losses carried forward	182,814	85,452
	<u>335,957</u>	<u>199,114</u>

Deferred tax has been provided for as required by FRS 19, which states that provision should be made in accordance with enacted or substantially enacted tax legislation as at the balance sheet date.

13. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
10 ordinary shares of £1 each	<u>10</u>	<u>10</u>

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

14. RESERVES

	Profit and loss account £
At 1 April 2011	116,942
Profit for the year	89,828
	<u>206,770</u>
At 31 March 2012	<u><u>206,770</u></u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	116,952	83,121
Profit for the year	89,828	33,831
	<u>206,780</u>	<u>116,952</u>
Closing shareholders' funds	<u><u>206,780</u></u>	<u><u>116,952</u></u>

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided in paragraph 3(c) of Financial Reporting Standard 8 (Revised) not to disclose transactions between companies in the Building Better Health West London Limited group, as it is a 100% owned subsidiary of that entity

	Income /(Expense) 2012 £	Income /(Expense) 2011 £	Debtor /(Creditor) 2012 £	Debtor /(Creditor) 2011 £
Rental income and other trading income / (expense)				
Ealing Primary Care Trust, a shareholder in Building Better Health West London Limited	631,011	596,321	-	-
Partners 4 Lift F5 Limited, a related party with the same ultimate parent company	-	(2,375)	-	-
Loan notes and investments	-	-	-	-
Fulcrum Infrastructure Group Limited, a parent company	(46,208)	(46,300)	(367,978)	(369,434)
Ealing Primary Care Trust, a shareholder in Building Better Health West London Limited	(15,403)	(15,426)	(122,660)	(123,145)
Community Health Partnerships, a shareholder in Building Better Health West London Limited	(15,402)	(15,426)	(122,660)	(123,145)

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

17. ULTIMATE PARENT UNDERTAKING

The company is a 100% subsidiary of BBH-WL (HoldCo 2) Limited, a company incorporated in England and Wales

The parent company of BBH-WL (HoldCo 2) Limited is Building Better Health West London Limited, a company incorporated in England and Wales

The company is ultimately 60% owned by Meridiam Infrastructure Finance s a r l, a company based in Luxembourg. However, as a result of the shareholders' agreement of Building Better Health West London Limited there is no effective control by any individual shareholder