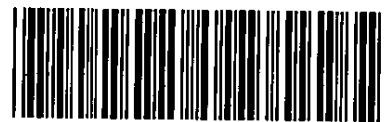

BBH - WL (FUND CO 2) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

MONDAY



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COMPANIES HOUSE

BBH - WL (FUND CO 2) LIMITED

COMPANY INFORMATION

DIRECTORS

C Lenox-Conyngham
T Hayhoe
E Prinsloo
P Young
N Arif
R Ashcroft

COMPANY SECRETARY

Fulcrum Infrastructure Management Limited

COMPANY NUMBER

661 3399

REGISTERED OFFICE

North Suite
Park Lorne
111 Park Road
London
NW8 7JL

AUDITORS

BDO LLP
55 Baker Street
London
W1U 7EU

BBH - WL (FUND CO 2) LIMITED

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Balance sheet	6
Notes to the financial statements	7 - 15

BBH - WL (FUNDCO 2) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and the financial statements for the year ended 31 March 2010

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 AND REVIEW OF BUSINESS

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.

The directors do not recommend the payment of a dividend for the year.

RESULTS

The profit for the year, after taxation, amounted to £83,341 (2009 - loss £230).

BBH - WL (FUND CO 2) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

DIRECTORS

The directors who served during the year were

D Bowler (resigned 18 January 2010)
C Lenox-Conyngham
T Hayhoe
S Pierce (resigned 18 January 2010)
E Prinsloo
P Young
N Arif (appointed 18 January 2010)
R Ashcroft (appointed 18 January 2010)

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

RSM Tenon Audit Limited resigned and BDO LLP were appointed as auditors by resolution of the Board of Directors

This report was approved by the board on 3 November 2010 and signed on its behalf


N Arif
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 2010, set out on pages 5 to 15. 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 to them 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 Statement of directors' responsibilities, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2010 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 (FUND CO 2) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BBH - WL (FUND CO 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

BDO UP

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 *31/1/2010*

BBH - WL (FUND CO 2) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Note	year ended 31 March 2010 £	period ended 31 March 2009 £
TURNOVER	1,2	130,018	-
Cost of sales		(36,602)	-
GROSS PROFIT		93,416	-
Administrative expenses		(28,543)	(207)
OPERATING PROFIT/(LOSS)	3	64,873	(207)
Interest receivable	6	2,498	-
Interest payable	7	(87,537)	(23)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(20,166)	(230)
Tax on loss on ordinary activities	8	103,507	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	15	83,341	(230)

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 7 to 15 form part of these financial statements

BBH - WL (FUND CO 2) LIMITED
REGISTERED NUMBER: 661 3399

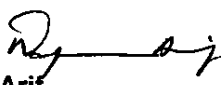
BALANCE SHEET
AS AT 31 MARCH 2010

	Note	£	2010 £	2009 £
FIXED ASSETS				
Tangible fixed assets	9		8,384,747	4,043,576
CURRENT ASSETS				
Debtors	10	119,266	145,440	
Cash at bank		618,821	52,656	
		<u>738,087</u>	<u>198,096</u>	
CREDITORS : amounts falling due within one year	11	(339,453)	(2,084,686)	
NET CURRENT ASSETS/(LIABILITIES)			<u>398,634</u>	<u>(1,886,590)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,783,381</u>	<u>2,156,986</u>
CREDITORS : amounts falling due after more than one year	12		(8,700,260)	(2,157,206)
NET ASSETS/(LIABILITIES)			<u><u>83,121</u></u>	<u><u>(220)</u></u>
CAPITAL AND RESERVES				
Called up share capital	14		10	10
Profit and loss account	15		83,111	(230)
SHAREHOLDERS' FUNDS/(DEFICIT)	16		<u><u>83,121</u></u>	<u><u>(220)</u></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

3 November 2010


N Arif
 Director

The notes on pages 7 to 15 form part of these financial statements

BBH - WL (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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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Assets in the course of construction are held at the lower of cost and net realisable value. Net realisable value is ascertained in part by reference to the expected cashflows arising from the property. Costs include interest, fees and duties where they are considered to have enhanced the asset value.

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 incurred which are directly attributable to the construction of properties are capitalised as part of the cost of those assets. The capitalisation of these costs ceases when properties are complete and operational.

1.7 Accounting for loan arrangement fees

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

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

1. ACCOUNTING POLICIES (continued)

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

1.9 Assets in the course of construction

Assets in the course of construction are not depreciated. Finance charges incurred during the course of construction are capitalised and included within fixed assets. These are no longer capitalised once the property has reached practical completion

2. TURNOVER

The whole of the turnover is attributable to property activity under the NHS LIFT programme

All turnover arose within the United Kingdom

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	year ended 31 March 2010 £	period ended 31 March 2009 £
Depreciation of tangible fixed assets - owned by the company	17,877	-

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 its directors. The directors did not receive any remuneration for their services to the company (2009 £nil)

6. INTEREST RECEIVABLE

	year ended 31 March 2010 £	period ended 31 March 2009 £
Bank interest receivable	2,498	-

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

7. INTEREST PAYABLE

	year ended 31 March 2010 £	period ended 31 March 2009 £
On bank loans and overdrafts	72,938	23
On loans from group undertakings	8,759	-
On loans from participating interests	5,840	-
	<u>87,537</u>	<u>23</u>

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

8. TAXATION

	year ended 31 March 2010 £	period ended 31 March 2009 £
Analysis of tax charge in the year/period		
Deferred tax (see note 13)		
Origination and reversal of timing differences	(103,507)	-
Tax on loss on ordinary activities	<u>(103,507)</u>	<u>-</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2009 - the same as) the standard rate of corporation tax in the UK (28%) as set out below

	year ended 31 March 2010 £	period ended 31 March 2009 £
Loss on ordinary activities before tax	<u>(20,166)</u>	<u>(230)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(5,646)	(64)
Effects of:		
Utilisation of tax losses	5,646	64
Current tax charge for the year/period (see note above)	<u>-</u>	<u>-</u>

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Assets in the course of construction £	Total £
Cost			
At 1 April 2009	614,944	3,428,632	4,043,576
Additions	-	4,359,048	4,359,048
	<u>614,944</u>	<u>7,787,680</u>	<u>8,402,624</u>
At 31 March 2010	614,944	7,787,680	8,402,624
Depreciation			
At 1 April 2009	-	-	-
Charge for the year	17,877	-	17,877
	<u>17,877</u>	<u>-</u>	<u>17,877</u>
At 31 March 2010	17,877	-	17,877
Net book value			
At 31 March 2010	<u>597,067</u>	<u>7,787,680</u>	<u>8,384,747</u>
At 31 March 2009	<u>614,944</u>	<u>3,428,632</u>	<u>4,043,576</u>

Included in land and buildings is freehold land at cost of £614,944 (2009 £614,944) which is not depreciated

Interest of £377,794 (2009 £90,701) was capitalised during the year

10 DEBTORS

	2010 £	2009 £
Due after more than one year		
Deferred tax asset (see note 13)	103,507	-
Due within one year		
Trade debtors	7,535	-
Amounts owed by group undertakings	2,145	-
Prepayments and accrued income	891	-
Other debtors	5,188	145,440
	<u>119,266</u>	<u>145,440</u>

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

11 CREDITORS:

Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	12,061	1,577,676
Rent received in advance	54,044	-
Trade creditors	4,524	1,840
VAT creditor	6,974	-
Accruals and deferred income	175,374	457,188
Other creditors	86,476	47,982
	<u>339,453</u>	<u>2,084,686</u>

12. CREDITORS:

Amounts falling due after more than one year

	2010 £	2009 £
Bank loans	6,785,379	1,910,074
Rent received in advance	1,297,052	-
Amounts owed to participating interests	247,132	247,132
Amounts owed to group undertakings	370,697	-
	<u>8,700,260</u>	<u>2,157,206</u>

Included within the above are amounts falling due as follows

	2010 £	2009 £
Between one and two years		
Bank loans	3,412	12,061
Between two and five years		
Bank loans	34,230	19,747
Over five years		
Bank loans	6,747,737	1,878,266
Amounts owed to participating interests	247,132	247,132
Amounts owed to group undertakings	370,697	-

BBH - WL (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

12. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	2010 £	2009 £
Repayable by instalments	7,365,566	2,125,398

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 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.

13. DEFERRED TAXATION

	2010 £	2009 £
At beginning of year/period	-	-
Provided for during year/period	103,507	-
At end of year/period	103,507	-

The deferred taxation balance is made up as follows

	2010 £	2009 £
Accelerated capital allowances	4,827	-
Tax losses carried forward	98,680	-
	103,507	-

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.

14. SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
10 Ordinary shares of £1 each	10	10

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

15 RESERVES

	Profit and loss account £
At 1 April 2009	(230)
Profit for the year	83,341
	<u>83,111</u>
At 31 March 2010	<u>83,111</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' deficit	(220)	-
Profit/(loss) for the year/period	83,341	(230)
Shares issued during the year/period	-	10
	<u>83,121</u>	<u>(220)</u>
Closing shareholders' funds/(deficit)	<u>83,121</u>	<u>(220)</u>

17. CAPITAL COMMITMENTS

At 31 March 2010 the company had capital commitments as follows

	2010 £	2009 £
Contracted for but not provided in these financial statements	-	4,363,511
	<u>-</u>	<u>4,363,511</u>

18. 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) 2010 £	Income /(Expense) 2009 £	Debtor /(Creditor) 2010 £	Debtor /(Creditor) 2009 £
Rent and other services				
Ealing Primary Care Trust, a shareholder in Building Better Health West London Limited	129,055	-	(1,351,096)	-
Loan notes and investments				
Fulcrum Infrastructure Group Limited, a parent company	8,759	-	(370,697)	-
Ealing Primary Care Trust, a shareholder in Building Better Health West London Limited	2,920	-	(123,566)	(123,566)
Community Health Partnerships, a shareholder in Building Better Health West London Limited	2,920	-	(123,566)	(123,566)
	<u>2,920</u>	<u>-</u>	<u>(123,566)</u>	<u>(123,566)</u>

BBH - WL (FUND CO 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. RELATED PARTY TRANSACTIONS (continued)

19. 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