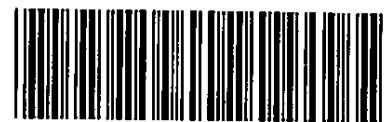

MPG HOSPITAL PROPERTIES LIMITED

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

SATURDAY



A43 *A1EKVHOY* #91
04/08/2012
COMPANIES HOUSE

MPG HOSPITAL PROPERTIES LIMITED

COMPANY INFORMATION

DIRECTORS	S L Gumm J M J M Jensen N M Leslau
COMPANY SECRETARY	S L Gumm
COMPANY NUMBER	7179949
REGISTERED OFFICE	Cavendish House 18 Cavendish Square London W1G 0PJ
AUDITORS	BDO LLP Emerald House East Street Epsom Surrey KT17 1HS

MPG HOSPITAL PROPERTIES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the financial statements	7 - 11

MPG HOSPITAL PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

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

DATE OF INCORPORATION

The company was incorporated on 5 March 2010 and the comparative results relate to the period from that date to 31 March 2011. The company commenced operations on 28 May 2010.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £645,612 (2011 - £319,709)

The directors do not recommend the payment of a dividend

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company is property investment. The company owns a portfolio of four private hospitals in Blackburn, Liverpool, Ayr and Stirling, let on 25 year leases with annual upward-only RPI linked uplifts in June each year throughout the term.

There have been no changes in the principal activity of the company in the year.

The company's profit principally arises from the net rental income on its investment properties. Gross rent is expected to increase in future as rents rise in line with RPI. The portfolio has also seen a significant increase in value during the period since acquisition as a result of the RPI linked rental increases achieved under the terms of the leases.

The directors are satisfied with the performance of the company in the year.

DIRECTORS

The directors who served during the year were

S L Gumm
J M J M Jensen
N M Leslau

PRINCIPAL RISKS AND UNCERTAINTIES

Market factors

The bank finance and property markets in the UK have continued to experience very turbulent conditions during the year and the economic environment is still fragile, as is the investment property market, in particular as a result of the limited amount of new bank finance available. The directors consider the portfolio of properties owned by the company relatively well placed to withstand market fluctuations by virtue of the quality of the assets, strong tenant, and the length of the committed financing held by its parent undertaking.

Risk management objectives and policies

The management of risk is integral to the company's approach to running its property investment activities and the financing arrangements of its parent undertaking. Cash resources generated from the company's operations, including those resulting from strict credit control over its short term debtors and creditors, are utilised in meeting the working capital requirements of the company and its parent undertaking.

The company does not have a bank account, so income and expenditure is received by its parent undertaking.

MPG HOSPITAL PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

and accounted for through the intercompany loan balance. The company is therefore exposed to liquidity risk and credit risk with its parent undertaking. This is monitored by the directors and is not considered significant at the balance sheet date.

DIRECTORS' RESPONSIBILITIES STATEMENT

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,
- 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.

PROVISION OF INFORMATION TO AUDITORS

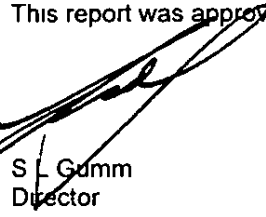
Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- 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 financial statements with the registrar, whichever is earlier.

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



S. J. Gumm
Director

Date 27 July 2012

MPG HOSPITAL PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MPG HOSPITAL PROPERTIES LIMITED

We have audited the financial statements of MPG Hospital Properties Limited for the year ended 31 March 2012, set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (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 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 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.

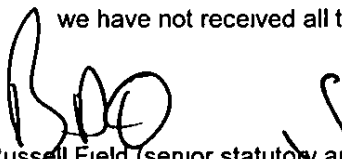
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.

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.



Russell Field (senior statutory auditor)
for and on behalf of
BDO LLP, statutory auditor

Epsom, United Kingdom
BDO LLP is a limited liability partnership registered in England & Wales (with registered number OC305127)

27 July 2012

MPG HOSPITAL PROPERTIES LIMITED

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

	Note	Year ended 31 March 2012 £	Period ended 31 March 2011 £
TURNOVER	1	2,459,825	1,981,528
Cost of sales		<u>(5,703)</u>	<u>(4,342)</u>
GROSS PROFIT		2,454,122	1,977,186
Administrative expenses		<u>(17,616)</u>	<u>(18,493)</u>
OPERATING PROFIT	2	2,436,506	1,958,693
Interest receivable and similar income		1,250	-
Interest payable and similar charges		<u>(1,674,143)</u>	<u>(1,402,795)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		763,613	555,898
Tax on profit on ordinary activities	4	<u>(118,001)</u>	<u>(236,189)</u>
PROFIT FOR THE FINANCIAL YEAR/PERIOD		<u>645,612</u>	<u>319,709</u>

All amounts relate to continuing operations

There was no difference between historical cost profit and reported profit for the period

The notes on pages 7 to 11 form part of these financial statements

MPG HOSPITAL PROPERTIES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	Year ended 31 March 2012 £	Period ended 31 March 2011 £
RETAINED PROFIT FOR THE YEAR/PERIOD		645,612	319,709
Unrealised surplus on revaluation of investment properties		<u>460,000</u>	<u>2,761,995</u>
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR/PERIOD		<u><u>1,105,612</u></u>	<u><u>3,081,704</u></u>

The notes on pages 7 to 11 form part of these financial statements

MPG HOSPITAL PROPERTIES LIMITED
REGISTERED NUMBER 7179949

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investment properties	6		34,560,000		34,100,000
CURRENT ASSETS					
Debtors	7	1,385		1,400	
CREDITORS amounts falling due within one year	8	(30,374,068)		(31,019,695)	
NET CURRENT LIABILITIES			(30,372,683)		(31,018,295)
NET ASSETS			<u>4,187,317</u>		<u>3,081,705</u>
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Revaluation reserve	10		3,221,995		2,761,995
Profit and loss account	10		965,321		319,709
SHAREHOLDERS' FUNDS	11		<u>4,187,317</u>		<u>3,081,705</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2012


S L Gumm
 Director

The notes on pages 7 to 11 form part of these financial statements

MPG HOSPITAL PROPERTIES LIMITED

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

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis, which assumes the company will continue to meet its liabilities when they fall due, for the foreseeable future. Although the company has net current liabilities, its parent undertaking has confirmed that it will not request repayment of its loan for a period of at least twelve months from the date of approval of these financial statements

1.2 Turnover

Turnover represents rent receivable at invoiced amounts net of value added tax. Turnover is wholly attributable to the principal activity of the company and arises solely in the United Kingdom

1.3 Investment properties

Investment properties are included in the balance sheet at market value at the balance sheet date, on the basis of an annual valuation in accordance with the RICS Valuation - Professional Standards (2012). Aggregate surpluses or deficits arising on valuation are transferred to the revaluation reserve. Permanent diminutions in the value of the properties are charged directly to the profit and loss account.

Additions to investment properties include only costs of a capital nature. Costs such as interest and other property outgoings are treated as revenue expenditure and are written off as incurred.

In accordance with SSAP 19 (as amended), no depreciation or amortisation is provided in respect of freehold investment properties. This treatment is a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets. However, the company's investment properties are held not for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

MPG HOSPITAL PROPERTIES LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.4 Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is unable to utilise existing capital losses, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

1.5 Related party transactions

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under FRS 8 not to disclose details of any transactions with entities that are included in the consolidated financial statements of MPG Hospital Holdings Limited

1.6 Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

2. OPERATING PROFIT

The operating profit is stated after charging

	Year ended 31 March 2012 £	Period ended 31 March 2011 £
Auditors' remuneration	3,825	-

In the prior period, auditors' remuneration was borne by the company's parent undertaking

3 EMPLOYEES AND DIRECTORS

The company had no employees in the year (2011 - nil) No directors received any emoluments from the company during year (2011 - £nil)

MPG HOSPITAL PROPERTIES LIMITED

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

4. TAXATION

	Year ended 31 March 2012 £	Period ended 31 March 2011 £
Analysis of tax charge in the year/period		
UK corporation tax charge on profit for the year/period	198,539	236,189
Adjustments in respect of prior period	(80,538)	-
Tax on profit on ordinary activities	<u>118,001</u>	<u>236,189</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	Year ended 31 March 2012 £	Period ended 31 March 2011 £
Profit on ordinary activities before tax	<u>763,613</u>	<u>555,898</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	198,539	155,651
Effects of:		
Adjustments to tax charge in respect of prior period	(80,538)	-
Group relief received	-	(61,132)
Interest disallowed under thin capitalisation rules	-	141,670
Current tax charge for the year/period	<u>118,001</u>	<u>236,189</u>

Factors that may affect future tax charges

On 3 July 2012, the UK corporation tax rate with effect from 1 April 2013 was reduced to 23%, which will reduce the levels of both current and deferred tax in future years

5. DEFERRED TAX

Unprovided deferred tax liability

	2012 £	2011 £
Arising on carrying value of investment properties over their indexed base cost at 24% (2011 - 26%)	<u>(194,640)</u>	<u>(393,900)</u>

MPG HOSPITAL PROPERTIES LIMITED

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

6. INVESTMENT PROPERTIES

	Freehold land and buildings £
Valuation	
At 1 April 2011	34,100,000
Surplus on revaluation	460,000
	<hr/>
At 31 March 2012	34,560,000
	<hr/>

The 31 March 2012 valuations of the investment properties were carried out by CBRE Limited, Commercial Real Estate Advisers, in their capacity as external valuers on the basis of market value. The historic cost of the investment properties is £31,338,005 (2011 £31,338,005)

The investment properties are held as security by a fixed charge in respect of bank borrowings provided to the company's parent undertaking

7. DEBTORS

	2012 £	2011 £
Prepayments	1,385	1,400
	<hr/>	<hr/>

8. CREDITORS.

Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,500	-
Amounts owed to parent undertaking	29,639,695	30,207,434
Corporation tax payable	118,001	236,189
VAT payable	28,215	26,625
Accruals and deferred income	586,657	549,447
	<hr/>	<hr/>
	30,374,068	31,019,695
	<hr/>	<hr/>

The amounts owed to parent undertaking are unsecured and have no fixed repayment date. Interest is payable at a rate equivalent to that paid by the parent undertaking on its bank borrowings, which averaged 5.5% in the year (2011 - 5.5%). Interest payable on amounts owed to parent undertaking during the year was £1,674,143 (2011 - £1,403,795)

MPG HOSPITAL PROPERTIES LIMITED

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

9. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

10. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 2011	2,761,995	319,709
Retained profit for the year	-	645,612
Unrealised surplus on revaluation of investment properties	460,000	-
At 31 March 2012	3,221,995	965,321

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Year ended 31 March 2012 £	Period ended 31 March 2011 £
Opening shareholders' funds	3,081,705	-
Retained profit for the year/period	645,612	319,709
Issue of ordinary share	-	1
Other recognised gains and losses during the year/period	460,000	2,761,995
Closing shareholders' funds	4,187,317	3,081,705

12. CONTROLLING PARTY INFORMATION

The company is a wholly owned subsidiary of MPG Hospital Holdings Limited, which is registered in England & Wales and is jointly controlled by Uberior Equity Limited and Max Investor Limited. Copies of the consolidated financial statements of MPG Hospital Holdings Limited are available from The Company Secretary, Cavendish House, 18 Cavendish Square, London, W1G 0PJ.