

REGISTERED NUMBER: 05394635 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31st March 2012
for
BHE (ST James) Limited**

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for the Year Ended 31st March 2012

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Company Information

for the Year Ended 31st March 2012

DIRECTORS:

A S Darke
Assura Limited

REGISTERED OFFICE:

The Brew House
Greenalls Avenue
Stockton Heath
Warrington
Cheshire
WA4 6HL

REGISTERED NUMBER:

05394635 (England and Wales)

AUDITORS:

Deloitte LLP
2 Hardman Street
Manchester
M3 3HF

Report of the Directors for the Year Ended 31st March 2012

The directors present their report with the financial statements of the company for the year ended 31st March 2012

PRINCIPAL ACTIVITY

The principal activity during the period was the development and commercial letting of retail malls within the National Health Service

RESULTS AND FINANCIAL POSITION

The results for the year ended 31st March 2012 and financial position of the company are as shown in the profit and loss account and balance sheet

DIVIDENDS

The directors have not declared a dividend for the year ended 31st March 2012 (2011 same)

FUTURE DEVELOPMENTS

The directors aim to continue to expand and develop its portfolio of properties within the National Health Service

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2011 to the date of this report

A S Darke
Assura Limited

Other changes in directors holding office are as follows

N K Rawlings - resigned 28th March 2012

GOING CONCERN

After making enquires, and based on the assumptions outlined in the Accounting Policies in note 1, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis for accounting in preparing the annual financial statements

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

Report of the Directors for the Year Ended 31st March 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Following a competitive tender process, which included a non 'Big Four' firm, Deloitte LLP were appointed as auditor of the Group and Company in January 2012 in place of Ernst & Young LLP who were the Group's previous auditor. The committee thanks both firms for facilitating a smooth transition.

In accordance with s. 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of auditors, Deloitte LLP, as auditor of the company.

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

BY ORDER OF THE BOARD:



A S Darke - Director

27th September 2012

Report of the Independent Auditors to the Members of BHE (ST James) Limited

We have audited the financial statements of BHE (ST James) Limited for the year ended 31st March 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. 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 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

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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 loss 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of BHE (ST James) 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 take advantage of the small companies' exemption in preparing the Report of the Directors



Alan Fendall (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
2 Hardman Street
Manchester
M3 3HF

27th September 2012

Profit and Loss Account

for the Year Ended 31st March 2012

	Notes	2012 £	2011 £
TURNOVER		637,761	583,320
Cost of sales		<u>(431,885)</u>	<u>(244,695)</u>
GROSS PROFIT		205,876	338,625
Administrative expenses		<u>(691,664)</u>	<u>89,064</u>
OPERATING (LOSS)/PROFIT	5	<u>(485,788)</u>	<u>427,689</u>
Interest payable and similar charges	6	<u>-</u>	<u>(394,917)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(485,788)	32,772
Tax on (loss)/profit on ordinary activities	7	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(485,788)</u></u>	<u><u>32,772</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

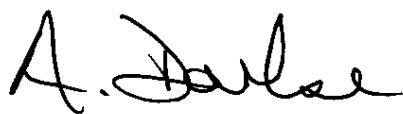
The notes form part of these financial statements

Balance Sheet

31st March 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Investment property	8	1,730,000	2,360,000
CURRENT ASSETS			
Debtors	9	311,128	397,067
Cash at bank		66,980	152,860
		378,108	549,927
CREDITORS			
Amounts falling due within one year	10	(645,647)	(216,759)
NET CURRENT (LIABILITIES)/ASSETS		(267,539)	333,168
TOTAL ASSETS LESS CURRENT LIABILITIES		1,462,461	2,693,168
CREDITORS			
Amounts falling due after more than one year	11	-	(7,394,919)
NET ASSETS/(LIABILITIES)		1,462,461	(4,701,751)
CAPITAL AND RESERVES			
Called up share capital	13	6,650,002	2
Profit and loss account	14	(5,187,541)	(4,701,753)
SHAREHOLDERS' FUNDS	17	1,462,461	(4,701,751)

The financial statements were approved and authorised for issue by the Board of Directors on 27th September 2012 and were signed on its behalf by



A S Darke - Director

The notes form part of these financial statements

Notes to the Financial Statements

for the Year Ended 31st March 2012

1 GOING CONCERN

The directors have received confirmation that Assura Group Limited ("Assura"), the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. In considering the ability of Assura to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Assura's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Additional details surrounding these uncertainties and mitigating actions can be found in the accounts for Assura Group Limited.

Taking all these factors into account the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

2 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary and this information is included in the consolidated financial statements of its ultimate holding company, Assura Group Limited, which are publically available.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property.

Turnover

Turnover relates primarily to rental income. Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term and is shown net of VAT.

Investment property

Investment properties are revalued annually to open market value. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties, or in respect of leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 Accounting for investment properties. The financial effect of the departure from the statutory accounting rules cannot reasonably be identified or quantified.

The market value of investment property as estimated by an external valuer is adjusted for the unamortised pharmacy lease premium held at the balance sheet.

Deferred tax

Deferred tax is recognised in respect of all timing differences to the extent recoverable that have originated but not reversed at the balance sheet date.

3 STAFF COSTS

There were no staff costs for the year ended 31st March 2012 nor for the year ended 31st March 2011.

Notes to the Financial Statements - continued

for the Year Ended 31st March 2012

4 DIRECTORS' EMOLUMENTS

The directors received no remuneration for their services to the company in the financial year (2011 same) All directors remuneration has been borne by another Group company

5 OPERATING (LOSS)/PROFIT

The operating loss (2011 - operating profit) is stated after charging

	2012 £	2011 £
Auditors' remuneration - audit	3,000	2,400
Impairment of investment property	630,000	-
	<u>630,000</u>	<u>-</u>

No non-audit fees have been incurred during the current year (2011 same)

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Intercompany interest charged	-	394,917
	<u>-</u>	<u>394,917</u>

7 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st March 2012 nor for the year ended 31st March 2011

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(485,788)	32,772
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	(126,305)	9,176
Effects of		
Expenses non deductible	6	-
Impairment	166,619	2,800
Group relief claimed	(40,293)	-
Utilisation of losses brought forward	(27)	(11,976)
	<u>-</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued

for the Year Ended 31st March 2012

7 TAXATION - continued

Factors that may affect future tax charges

Finance Act 2012

In his Budget of 21 March 2012 the Chancellor of the Exchequer announced certain changes which have an effect on the company's future tax position. The proposals included phased reductions in the corporation tax rate to 22% from 1 April 2014. The corporation tax rate has been reduced to 24% from 1 April 2012 and the 2012 Finance Bill contains proposals to reduce the corporation tax rate to 23% from 1 April 2013 with a further reduction to 22% expected to be reflected in future Finance Acts.

As at the balance sheet date, only the reduction in the rate to 24% had been substantively enacted and therefore deferred tax has been provided for at this rate. The rate changes will also impact the amount of future cash tax payments to be made by the company. The effect on the Company of these proposed changes to the UK tax system will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

8 INVESTMENT PROPERTY

	Total £
COST	
At 1st April 2011	2,360,000
Impairments	(630,000)
	<u>1,730,000</u>
At 31st March 2012	<u>1,730,000</u>
NET BOOK VALUE	
At 31st March 2012	<u>1,730,000</u>
At 31st March 2011	<u>2,360,000</u>

The investment properties were valued by Savills Commercial Limited as at 31 March 2012, on an open market basis in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The historical cost of investment property included at valuation was £6,850,502 (2011 £6,850,502).

The directors consider the downward revaluations of investment property to be permanent and therefore the deficit is recognised in the profit and loss account in accordance with requirements of SSAP 19.

9 DEBTORS

	2012 £	2011 £
Trade debtors	7,051	328,257
Amounts owed by group undertakings	265,000	-
Other debtors	33,329	60,934
Prepayments and accrued income	5,748	7,876
	<u>311,128</u>	<u>397,067</u>

Notes to the Financial Statements - continued

for the Year Ended 31st March 2012

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	1,818	-
Amounts owed to group undertakings	394,917	-
Social security and other taxes	71	-
VAT	-	14,104
Accruals and deferred income	248,841	202,655
	<u>645,647</u>	<u>216,759</u>

The balance due to group undertakings is unsecured, interest free and repayable on demand

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Amounts owed to group undertakings	-	7,394,919
	<u>-</u>	<u>7,394,919</u>

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2012	2011
	£	£
Expiring		
In more than five years	<u>140,000</u>	<u>140,000</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2012	2011
Number	Class	Nominal value	£	£
6,650,002	Allotted, called-up and fully paid (2011 2)	£1	<u>6,650,002</u>	<u>2</u>

£6,650,000 shares of £1 each were allotted, called up and fully paid for cash at par during the year

Notes to the Financial Statements - continued

for the Year Ended 31st March 2012

14 RESERVES

	Profit and loss account £
At 1st April 2011	(4,701,753)
Deficit for the year	(485,788)
At 31st March 2012	<u>(5,187,541)</u>

15 ULTIMATE PARENT COMPANY

The ultimate controlling party is Assura Group Limited, a company incorporated in Guernsey. This is the largest group in which the results of the Company are consolidated. Copies of the group financial statements are available from The Brew House, Greenalls Avenue, Warrington, Cheshire, WA4 6HL and also from the Groups Website www.assuragroup.co.uk

16 RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose related party transactions on the grounds that 100% of the Company's voting rights are controlled within that group, and consolidated financial statements in which the Company is included are publicly available.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
(Loss)/profit for the financial year	(485,788)	32,772
Issue of share capital	6,650,000	-
Net addition to shareholders' funds	<u>6,164,212</u>	<u>32,772</u>
Opening shareholders' funds	(4,701,751)	(4,734,523)
Closing shareholders' funds	<u>1,462,461</u>	<u>(4,701,751)</u>