

C R O COPY

HEALTH INVESTMENTS NO.2 LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2011

MAURICE ANDREWS
Chartered Accountants
Grove House
25 Upper Mulgrave Road
Cheam, Sutton
Surrey, SM2 7BE

TUESDAY



AN612Z9V

A21

15/11/2011

28

COMPANIES HOUSE

HEALTH INVESTMENTS NO.2 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

CONTENTS	PAGES
The directors' report	1 to 2
Independent auditor's report to the shareholders	3 to 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 to 13

HEALTH INVESTMENTS NO.2 LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2011

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 30th June 2011.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of property investment

DIRECTORS

The directors who served the company during the year were as follows:

R J Burgess
A A. Keith
G T. Marsden
M J Pendower
D A Robson

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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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

In so far as the directors are aware.

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

HEALTH INVESTMENTS NO.2 LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH JUNE 2011

AUDITOR

Maurice Andrews are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

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

Signed by order of the directors



R J. BURGESS
Company Secretary

Approved by the directors on 24th October 2011

HEALTH INVESTMENTS NO.2 LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HEALTH INVESTMENTS NO.2 LIMITED
YEAR ENDED 30TH JUNE 2011

We have audited the financial statements of Health Investments No 2 Limited for the year ended 30th June 2011 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 (APB'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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 30th June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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

HEALTH INVESTMENTS NO.2 LIMITED

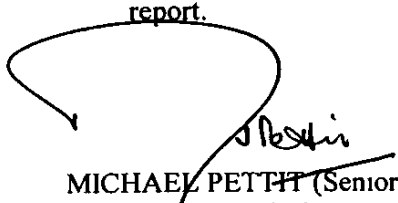
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HEALTH INVESTMENTS NO.2 LIMITED (continued)

YEAR ENDED 30TH JUNE 2011

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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



MICHAEL PETTIT (Senior Statutory Auditor)
For and on behalf of
MAURICE ANDREWS
CHARTERED ACCOUNTANTS
& STATUTORY AUDITORS

24th October 2011

25 Upper Mulgrave Road,
Cheam, Sutton,
Surrey, SM2 7BE

HEALTH INVESTMENTS NO.2 LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2011**

	Note	Year to 30.6.2011 £	Period from 27 10.2009 to 30 6.2010 £
TURNOVER		329,379	18,416
Administrative expenses		(20,603)	(1,039)
OPERATING PROFIT	2	308,776	17,377
Interest receivable		3,966	—
Interest payable and similar charges		(188,471)	(22,513)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		124,271	(5,136)
Tax on profit/(loss) on ordinary activities	3	3,851	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	12	128,122	(5,136)

HEALTH INVESTMENTS NO.2 LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30TH JUNE 2011

	Year to 30.6.2011 £	Period from 27 10 2009 to 30.6.2010 £
Profit/(Loss) for the financial year attributable to the shareholders	128,122	(5,136)
Unrealised profit on revaluation of certain fixed assets	404,055	—
Total gains and losses recognised since the last annual report	<u>532,177</u>	<u>(5,136)</u>

HEALTH INVESTMENTS NO.2 LIMITED**BALANCE SHEET****30TH JUNE 2011**

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	4	5,845,000	3,754,869
CURRENT ASSETS			
Debtors	5	257,025	25,033
Cash at bank		<u>1,228,164</u>	<u>2,981,105</u>
		1,485,189	3,006,138
CREDITORS: Amounts falling due within one year	7	<u>(4,453,920)</u>	<u>(2,495,760)</u>
NET CURRENT (LIABILITIES)/ASSETS		(2,968,731)	510,378
TOTAL ASSETS LESS CURRENT LIABILITIES		2,876,269	4,265,247
CREDITORS: Amounts falling due after more than one year	8	(2,349,208)	(4,270,363)
NET ASSETS/(LIABILITIES)		<u>527,061</u>	<u>(5,116)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	20	20
Revaluation reserve	11	404,055	—
Profit and loss account	12	122,986	(5,136)
SHAREHOLDERS' FUNDS		<u>527,061</u>	<u>(5,116)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 24th October 2011, and are signed on their behalf by



R.J. BURGESS

Company Registration Number: 07058621

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2011****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents rental income derived from the letting of properties owned by the company

Fixed assets

All fixed assets are initially recorded at cost

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2011****1. ACCOUNTING POLICIES *(continued)*****Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. OPERATING PROFIT

Operating profit is stated after charging.

	Year to 30.6.2011 £	Period from 27.10 2009 to 30.6 2010 £
Directors' remuneration	—	—

3. TAXATION ON ORDINARY ACTIVITIES**Analysis of charge in the year**

	Year to 30.6.2011 £	Period from 27.10 2009 to 30 6.2010 £
Deferred tax		
Origination and reversal of timing differences	3,851	—

No tax falls due for payment as a result of offsetting capitalised interest and capital allowances on the company's development sites.

The company has loan relationship deficits carried forward of £4,878 (2010 - £39,873) and unused capital allowances of £1,437,409 at the year end.

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2011****4. TANGIBLE FIXED ASSETS**

	Freehold Investment Property £	Freehold Investment Properties Under Construction £	Total £
COST OR VALUATION			
At 1st July 2010	2,327,772	1,427,097	3,754,869
Additions	–	1,686,076	1,686,076
Revaluation	404,055	–	404,055
Transfers	3,113,173	(3,113,173)	–
At 30th June 2011	5,845,000	–	5,845,000
NET BOOK VALUE			
At 30th June 2011	5,845,000	–	5,845,000
At 30th June 2010	2,327,772	1,427,097	3,754,869

The freehold investment properties have been included in the financial statements at their open market value at 30th June 2011, as determined by G.T Marsden MRICS, a director of the company.

The historic cost of the freehold investment properties was £5,440,945 (2010 - £3,754,869)

5. DEBTORS

	2011 £	2010 £
Sundry debtors and prepayments	253,174	25,033
Deferred taxation (note 6)	3,851	–
	257,025	25,033

6. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	Year to 30.6.2011 £	Period from 27 10.2009 to 30 6.2010 £
Included in debtors (note 5)	3,851	–

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2011****6. DEFERRED TAXATION (continued)**

The movement in the deferred taxation account during the year was:

	Year to 30.6.2011 £
Profit and loss account movement during the year	3,851
Balance carried forward	<u>3,851</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2011 £	2010 £
Tax losses available	1,268	-
Premiums receivable	2,583	-
	<u>3,851</u>	<u>-</u>

7. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Bank loans	1,925,522	14,730
Trade creditors	2,740	4,913
Shareholders' loans	2,403,989	2,403,617
Other creditors and accruals	121,669	72,500
	<u>4,453,920</u>	<u>2,495,760</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2011 £	2010 £
Bank loans	<u>1,925,522</u>	<u>14,730</u>

8. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Bank loans and overdrafts	<u>2,349,208</u>	<u>4,270,363</u>

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2011****8. CREDITORS: Amounts falling due after more than one year (continued)**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	<u>2,349,208</u>	<u>4,270,363</u>

Included within creditors falling due after more than one year is an amount of £2,233,950 (2010 - £2,228,614) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

9. RELATED PARTY TRANSACTIONS

The company acquired freehold investment properties at their market value of £2,327,772 on 22nd June 2010 from Health Investments Limited, a company with mutual shareholders and directors.

The company also took over bank lending of £2,285,093 associated with those properties from Health Investments Limited

The shareholders initially lent £2,403,617 to the company. These loans do not currently have formal terms and are deemed to be repayable on demand.

During the year the company was charged £50,000 (2010 - £350,000), for services capitalised in connection with the development of investment properties, by Primary Medical Property Health Developments Limited, Greenwich Estates Limited and Cheam Developments Ltd, companies in which the directors of Health Investments No.2 Limited are also directors.

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2011 No 20	£ 20	2010 No 20	£ 20
20 Ordinary shares of £1 each	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

11. REVALUATION RESERVE

	Year to 30.6.2011 £	Period from 27 10 2009 to 30 6 2010 £
Revaluation of fixed assets	<u>404,055</u>	—
Balance carried forward	<u>404,055</u>	—

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2011****12. PROFIT AND LOSS ACCOUNT**

	Year to 30.6.2011 £	Period from 27 10.2009 to 30 6.2010 £
Balance brought forward	(5,136)	-
Profit/(loss) for the financial year	128,122	(5,136)
Balance carried forward	<u>122,986</u>	<u>(5,136)</u>