

C R O COPY

HEALTH INVESTMENTS NO.2 LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2012

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

THURSDAY



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HEALTH INVESTMENTS NO.2 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

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HEALTH INVESTMENTS NO.2 LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 30TH JUNE 2012**

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 30th June 2012

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 year.

In preparing those 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.

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 2012

AUDITOR

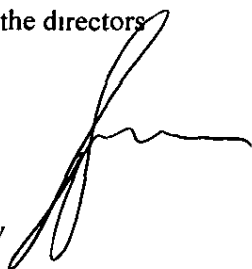
Maurice Andrews are deemed to be re-appointed under section 487(2) of the Companies Act 2006

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

A handwritten signature in black ink, appearing to be 'R J BURGESS', written over a horizontal line.

Approved by the directors on 28th March 2013

HEALTH INVESTMENTS NO.2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF **HEALTH INVESTMENTS NO.2 LIMITED**

YEAR ENDED 30TH JUNE 2012

We have audited the financial statements of Health Investments No 2 Limited for the year ended 30th June 2012 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 the 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 2012 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 2012

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

28th March 2013

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

HEALTH INVESTMENTS NO.2 LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2012**

	Note	2012 £	2011 £
TURNOVER		458,132	329,379
Administrative expenses		<u>(31,849)</u>	<u>(20,603)</u>
OPERATING PROFIT	2	426,283	308,776
Interest receivable		576	3,966
Interest payable and similar charges		<u>(199,873)</u>	<u>(188,471)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		226,986	124,271
Tax on profit on ordinary activities	3	<u>(47,299)</u>	<u>3,851</u>
PROFIT FOR THE FINANCIAL YEAR	12	<u>179,687</u>	<u>128,122</u>

HEALTH INVESTMENTS NO.2 LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 30TH JUNE 2012**

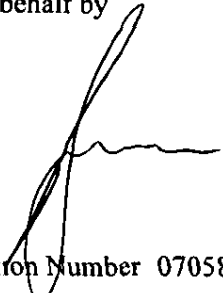
	2012 £	2011 £
Profit for the financial year attributable to the shareholders	179,687	128,122
Unrealised (loss)/profit on revaluation of certain fixed assets	<u>(400,000)</u>	<u>404,055</u>
Total gains and losses recognised since the last annual report	<u>(220,313)</u>	<u>532,177</u>

HEALTH INVESTMENTS NO.2 LIMITED**BALANCE SHEET****30TH JUNE 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	4	5,445,000	5,845,000
CURRENT ASSETS			
Debtors	5	—	257,025
Cash at bank		545,926	1,228,164
		545,926	1,485,189
CREDITORS: Amounts falling due within one year	6	(2,543,930)	(4,453,920)
NET CURRENT LIABILITIES		(1,998,004)	(2,968,731)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,446,996	2,876,269
CREDITORS: Amounts falling due after more than one year	7	(3,096,800)	(2,349,208)
PROVISIONS FOR LIABILITIES			
Deferred taxation	8	(43,448)	—
NET ASSETS		306,748	527,061
CAPITAL AND RESERVES			
Called-up equity share capital	10	20	20
Revaluation reserve	11	4,055	404,055
Profit and loss account	12	302,673	122,986
SHAREHOLDERS' FUNDS		306,748	527,061

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 28th March 2013, 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 2012

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.

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.

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2012****1. ACCOUNTING POLICIES *(continued)*****Financial instruments *(continued)***

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

	2012 £	2011 £
Directors' remuneration	—	—
Auditor's fees	<u>2,135</u>	<u>3,035</u>

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012 £	2011 £
Deferred tax		
Origination and reversal of timing differences	<u>47,299</u>	<u>(3,851)</u>

The company has loan relationship deficits carried forward of £39,867 (2011 - £4,878) and unused capital allowances of £1,170,769 (2011 - £1,437,409) at the year end.

4. TANGIBLE FIXED ASSETS**Freehold Investment Property**

	£
COST OR VALUATION	
At 1st July 2011	5,845,000
Revaluation	<u>(400,000)</u>
At 30th June 2012	<u>5,445,000</u>
NET BOOK VALUE	
At 30th June 2012	<u>5,445,000</u>
At 30th June 2011	<u>5,845,000</u>

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2012****4. TANGIBLE FIXED ASSETS *(continued)***

The freehold investment properties have been included in the financial statements at their open market value at 30th June 2012, as determined by G T Marsden MRICS, a director of the company

The historic cost of the freehold investment properties was £5,440,945 (2011 - £5,440,945)

5. DEBTORS

	2012	2011
	£	£
Sundry debtors and prepayments	—	253,174
Deferred taxation (note 8)	—	3,851
	<u>—</u>	<u>257,025</u>

6. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Bank loans	42,044	1,925,522
Shareholders' loans	2,375,000	2,403,989
Trade creditors	913	2,740
Other creditors and accruals	125,973	121,669
	<u>2,543,930</u>	<u>4,453,920</u>

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

	2012	2011
	£	£
Bank loans	<u>42,044</u>	<u>1,925,522</u>

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

	2012	2011
	£	£
Bank loans and overdrafts	<u>3,096,800</u>	<u>2,349,208</u>

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

	2012	2011
	£	£
Bank loans and overdrafts	<u>3,096,800</u>	<u>2,349,208</u>

Included within creditors falling due after more than one year is an amount of £3,004,718 (2011 - £2,233,950) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2012****8. DEFERRED TAXATION**

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 5)	-	(3,851)
Included in provisions	43,448	-
	<u>43,448</u>	<u>(3,851)</u>

The movement in the deferred taxation account during the year was

	2012 £
Balance brought forward	(3,851)
Profit and loss account movement arising during year	47,299
Balance carried forward	<u>43,448</u>

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

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	53,328	-
Tax losses available	(7,973)	(1,268)
Premiums receivable	(1,907)	(2,583)
	<u>43,448</u>	<u>(3,851)</u>

9. RELATED PARTY TRANSACTIONS

The shareholders' loans do not currently have formal terms and are deemed to be repayable on demand. The aggregate amount outstanding at the year end is shown in note 6 to the financial statements.

During the year the company was charged £Nil (2011 - £50,000) 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:

	2012		2011
	No 20	£ 20	No 20 £ 20
20 Ordinary shares of £1 each	<u>20</u>	<u>20</u>	<u>20</u>

HEALTH INVESTMENTS NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2012****11. REVALUATION RESERVE**

	2012 £	2011 £
Balance brought forward	404,055	—
Revaluation of fixed assets	(400,000)	404,055
Balance carried forward	<u>4,055</u>	<u>404,055</u>

12. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Balance brought forward	122,986	(5,136)
Profit for the financial year	179,687	128,122
Balance carried forward	<u>302,673</u>	<u>122,986</u>