Registered Number
07058621

C R O COPY

HEALTH INVESTMENTS NO.2 LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2014

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

SATURDAY

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HEALTH INVESTMENTS NO.2 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

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HEALTH INVESTMENTS NO.2 LIMITED

DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2014

The directors present their report together with the audited financial statements of the company for the year ended 30th June 2014.

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 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.

AUDITOR

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

HEALTH INVESTMENTS NO.2 LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH JUNE 2014

AUDITOR *(continued)*

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the directors

R.J. BURGESS
Company Secretary

Approved by the directors on 21st October 2014

HEALTH INVESTMENTS NO.2 LIMITED

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

YEAR ENDED 30TH JUNE 2014

We have audited the financial statements of Health Investments No.2 Limited for the year ended 30th June 2014. 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 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 2014 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 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.

HEALTH INVESTMENTS NO.2 LIMITED

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

YEAR ENDED 30TH JUNE 2014

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

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

21st October 2014

HEALTH INVESTMENTS NO.2 LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2014

	Note	2014 £	2013 £
TURNOVER		**458,324**	456,596
Administrative expenses		**(106,390)**	(30,793)
OPERATING PROFIT	2	**351,934**	425,803
Interest receivable		**3,766**	3,720
Interest payable and similar charges		**(190,419)**	(192,636)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**165,281**	236,887
Tax on profit on ordinary activities	3	**(33,056)**	(47,377)
PROFIT FOR THE FINANCIAL YEAR	11	**132,225**	189,510

HEALTH INVESTMENTS NO.2 LIMITED

BALANCE SHEET

30TH JUNE 2014

	Note	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Tangible assets	4		**5,445,000**		5,445,000
CURRENT ASSETS					
Debtors	5	**454**		1,326	
Cash at bank		**749,745**		585,590	
		750,199		586,916	
CREDITORS: Amounts falling due within one year	6	**(2,460,975)**		(2,398,677)	
NET CURRENT LIABILITIES			**(1,710,776)**		(1,811,761)
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,734,224**		3,633,239
CREDITORS: Amounts falling due after more than one year	7		**(3,004,406)**		(3,051,761)
PROVISIONS FOR LIABILITIES					
Deferred taxation	8		**(101,335)**		(85,220)
NET ASSETS			**628,483**		496,258
CAPITAL AND RESERVES					
Called-up equity share capital	10		**20**		20
Revaluation reserve			**4,055**		4,055
Profit and loss account	11		**624,408**		492,183
SHAREHOLDERS' FUNDS			**628,483**		496,258

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the shareholders and authorised for issue on 21st October 2014 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 2014

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 2014

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:

	2014 £	2013 £
Directors' remuneration	–	–
Auditor's fees	**2,535**	2,485

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	**16,941**	5,605
Total current tax	**16,941**	5,605
Deferred tax:		
Origination and reversal of timing differences	**16,115**	41,772
Tax on profit on ordinary activities	**33,056**	47,377

The company has unused capital allowances of £921,999 (2013 - £1,002,173) at the year end.

HEALTH INVESTMENTS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

4. TANGIBLE FIXED ASSETS

Freehold Investment Property

	£
COST OR VALUATION	
At 1st July 2013 and 30th June 2014	**5,445,000**
NET BOOK VALUE	
At 30th June 2014	**5,445,000**
At 30th June 2013	5,445,000

The freehold investment properties have been included in the financial statements at their open market value at 30th June 2014, as determined by G.T. Marsden MRICS, a director of the company.

The historic cost of the freehold investment properties was £5,440,945 (2013 - £5,440,945).

5. DEBTORS

	2014	2013
	£	£
Trade debtors	454	–
Other debtors and prepayments	–	1,326
	454	1,326

6. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Bank loans	47,391	44,654
Shareholders' loans	2,234,455	2,304,455
Trade creditors	926	913
Corporation tax	16,941	5,605
Other taxation	16,950	–
Other creditors and accruals	144,312	43,050
	2,460,975	2,398,677

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

	2014	2013
	£	£
Bank loans	47,391	44,654

HEALTH INVESTMENTS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

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

	2014	2013
	£	£
Bank loans	**3,004,406**	3,051,761

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

	2014	2013
	£	£
Bank loans	**3,004,406**	3,051,761

Included within creditors falling due after more than one year is an amount of £2,783,491 (2013 - £2,843,627) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

8. DEFERRED TAXATION

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

	2014
	£
Provision brought forward	**85,220**
Profit and loss account movement arising during year	**16,115**
Provision carried forward	**101,335**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	**103,082**	87,047
Premiums receivable	**(1,747)**	(1,827)
	101,335	85,220

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 £26,512 (2013 - £8,840) in aggregate for management services by G.T. Marsden, Cedarmarsh Limited, Mulberry Property Consultants Limited and Cheam Manor Limited, businesses in which directors of Health Investments No.2 Limited are also owners or directors.

HEALTH INVESTMENTS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	**20**	**20**	20	20

11. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
Balance brought forward	**492,183**	302,673
Profit for the financial year	**132,225**	189,510
Balance carried forward	**624,408**	492,183