

5072647 (England and Wales)

Building Better Health - Lambeth Southwark Lewisham Limited

Financial Statements

31 March 2007

THURSDAY



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COMPANIES HOUSE

Building Better Health - Lambeth Southwark Lewisham Limited

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Building Better Health - Lambeth Southwark Lewisham Limited

Company Information

Directors	Prof P Brickell Mr K Barton Mr C Lenox-Conyngham Mr A Liddell Mrs S Pierce Mr E M Prinsloo Mr J S Thomson
Secretary	Fulcrum Infrastructure Management Limited
Company Number	5072647 (England and Wales)
Registered Office	North Suite Park Lorne 111 Park Road London NW8 7JL
Auditors	RSM Bentley Jennison Charterhouse Legge Street Birmingham B4 7EU

Building Better Health - Lambeth Southwark Lewisham Limited

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 2007

Principal activity and review of business

The company carries on the business of developing property projects and provides associated services for the NHS Local Improvement Finance Trust ("LIFT") programme in Lambeth, Southwark and Lewisham. The first tranche of schemes reached financial close on 6 December 2005.

Financial results and dividends

The profit and loss account on page 5 shows the results for the year. The directors do not recommend the payment of a dividend for the year to 31 March 2007.

Directors and their interests

The directors who held office during the year were as follows -

Prof P Brickell	(appointed 28-09-06)
Mr K Barton	
Mr C Lenox-Conyngham	
Mr A Liddell	
Mr M A Pears	(resigned 14-05-07)
Mrs S Pierce	
Mr E M Prinsloo	
Mr J S Thomson	

Statement of disclosure to auditors

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

(contd)

Building Better Health - Lambeth Southwark Lewisham Limited

Directors' Report

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

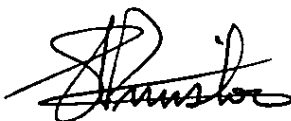
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution will be proposed at the Annual General Meeting to re-appoint RSM Bentley Jennison as auditors

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the Board



~~J-S Thomson~~ EM PRINSLOO
Director

30 JANUARY 2008

Building Better Health - Lambeth Southwark Lewisham Limited

Independent Auditors' Report

to the shareholders of Building Better Health - Lambeth Southwark Lewisham Limited

We have audited the financial statements of Building Better Health - Lambeth Southwark Lewisham Limited for the year ended 31 March 2007 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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 described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

(contd)

Building Better Health - Lambeth Southwark Lewisham Limited

Independent Auditors' Report

to the shareholders of Building Better Health - Lambeth Southwark Lewisham Limited

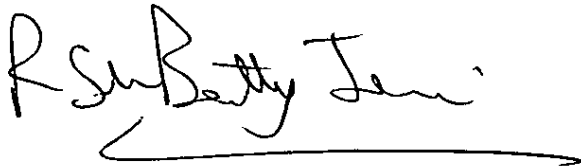
Basis of audit opinion (contd. ..)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the information given in the directors' report is consistent with the financial statements,
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its results for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985



RSM Bentley Jennison
Chartered Accountants
Registered Auditors

Charterhouse
Legge Street
Birmingham B4 7EU

30 January 2008

Building Better Health - Lambeth Southwark Lewisham Limited

Profit and Loss Account for the year ended 31 March 2007

	Notes	2007 £	2006 £
Turnover	2	463,892	4,174,161
Administrative expenses		(526,237)	(4,184,796)
Operating loss	3	<u>£(62,345)</u>	<u>£(10,635)</u>
Interest receivable and similar income		100,291	30,523
Interest payable and similar charges		(100,291)	(30,523)
Loss on ordinary activities before taxation		<u>(62,345)</u>	<u>(10,635)</u>
Taxation	5	-	-
Loss for the year		<u><u>£(62,345)</u></u>	<u><u>£(10,635)</u></u>

The company has no recognised gains or losses other than the results for the year as set out above

All turnover is derived from continuing operations performed in the United Kingdom. No operations were discontinued during the year.

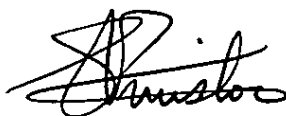
Building Better Health - Lambeth Southwark Lewisham Limited

Balance Sheet as at 31 March 2007

	Notes	2007	2006
		£	£
Fixed assets			
Investments in subsidiary undertakings	6	1,809,567	1,808,909
Tangible fixed assets	7	949	1,036
		<u>1,810,516</u>	<u>1,809,945</u>
Current assets			
Debtors	8	204,512	1,368,175
Cash at Bank		39,212	425,191
		<u>243,724</u>	<u>1,793,366</u>
Creditors: amounts falling due within one year	9	(317,654)	(1,805,038)
Net current liabilities		<u>(73,930)</u>	<u>(11,672)</u>
Creditors: amounts falling due after one year	10	(1,759,556)	(1,758,898)
		<u>£(22,970)</u>	<u>£39,375</u>
Capital and reserves			
Called up share capital	11	50,010	50,010
Profit and loss account	12	(72,980)	(10,635)
Shareholders' funds - equity	13	<u>£(22,970)</u>	<u>£39,375</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board on 30 June 2008 and signed on its behalf by -



JS Thomson EM PRINS LEO
Director

Building Better Health - Lambeth Southwark Lewisham Limited

Notes to the Financial Statements for the year ended 31 March 2007

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cashflow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company

1.3 Consolidation

The financial statements contain information about the company as an individual undertaking and do not contain consolidated financial information as the parent of the group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small company

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its estimated useful life, as follows

Computer equipment - 3 years straight line

1.5 Investments

Investments are shown at cost less provision for permanent diminution in value

2 Turnover

Turnover is based on amounts receivable for services net of value added tax

3 Operating loss	2007 £	2006 £
Operating loss is stated after charging -		
Depreciation	<u>149</u>	<u>94</u>
Auditors' remuneration - audit services	<u>8,750</u>	<u>10,000</u>
4 Director's emoluments (including benefits in kind)	<u>7,500</u>	<u>-</u>
5 Taxation		
UK corporation tax - current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(62,345)</u>	<u>(10,635)</u>
Corporation tax at standard rate of 30% (2006 30%)	(18,704)	(3,191)
Effect of -		
Capital allowances	(110)	-
Losses carried forward	18,814	3,191
Current tax charge	<u>-</u>	<u>-</u>

Building Better Health - Lambeth Southwark Lewisham Limited

Notes to the Financial Statements for the year ended 31 March 2007

6	Investment in subsidiary undertakings	2007 £	2006 £
	Equity investment at cost	50,011	50,011
	Loan notes	1,759,556	1,758,898
		<u>£1,809,567</u>	<u>£1,808,909</u>

Details of the investment in subsidiary undertakings held by the company are as follows -

Name of company	Country of Incorporation	Nature of business	Proportion of issued shares held	
BBH-LSL (FundCo HoldCo Tranche 1) Ltd	England & Wales	Holding Company	100%	
BBH-LSL (FundCo Tranche 1) Ltd	England & Wales	Property	100%	*
BBH-LSL Bid Cost HoldCo Ltd	England & Wales	Holding Company	100%	
BBH-LSL Bid Cost Ltd	England & Wales	Intellectual Property Rights	100%	*

* held indirectly

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the year ended 31 March 2007 were as follows -

Aggregate capital and reserves	2007 £	2006 £
BBH-LSL (FundCo HoldCo Tranche 1) Ltd	50,010	50,010
BBH-LSL (FundCo Tranche 1) Ltd	(4,991,216)	(4,061,831)
BBH-LSL Bid Cost Hold Co Ltd	1	1
BBH-LSL Bid Cost Ltd	<u>(670,355)</u>	<u>(628,911)</u>
Profit/(loss) for the year		
BBH-LSL (FundCo HoldCo Tranche 1) Ltd	-	-
BBH-LSL (FundCo Tranche 1) Ltd	(929,385)	(4,111,841)
BBH-LSL Bid Cost Hold Co Ltd	-	-
BBH-LSL Bid Cost Ltd	<u>(41,444)</u>	<u>(628,912)</u>

The subsidiary companies have issued various fixed and floating charges over their assets and shares as security for various loans

Building Better Health - Lambeth Southwark Lewisham Limited

Notes to the Financial Statements for the year ended 31 March 2007

7	Tangible fixed assets	Equipment	Total
	At Cost		
	At 1 April 2006	1,130	1,130
	Disposals	(1,130)	(1,130)
	Additions	1,035	1,035
	At 31 March 2007	<u>1,035</u>	<u>1,035</u>
	Accumulated depreciation		
	At 1 April 2006	94	94
	Charge for the year	149	149
	Depreciation on disposals	(157)	(157)
	At 31 March 2007	<u>86</u>	<u>86</u>
	Net Book Value		
	At 31 March 2007	<u>949</u>	<u>949</u>
	At 31 March 2006	<u>1,036</u>	<u>1,036</u>
8	Debtors	2007	2006
		£	£
	Accrued income	116,246	29,865
	Amounts due from subsidiary undertakings	-	1,041,789
	Other debtors	13,100	250,959
	Prepayments	48,332	45,562
	Trade debtors	16,450	-
	VAT	10,384	-
		<u>£204,512</u>	<u>£1,368,175</u>
9	Creditors amounts falling due within one year		
	Accruals	141,580	69,945
	Amounts due to group undertakings	1,217	1,630,266
	Deferred income	71,322	81,943
	Trade creditors	103,535	22,884
		<u>£317,654</u>	<u>£1,805,038</u>
10	Creditors amounts falling due after one year		
	Loans		
	Not wholly payable within five years		
	£1,776,000 Series A1 Fixed Rate 11 14% pa unsecured loan notes repayable in 2033	1,776,000	1,776,000
	Deferred finance acquisition costs	(16,444)	(17,102)
		<u>£1,759,556</u>	<u>£1,758,898</u>

Building Better Health - Lambeth Southwark Lewisham Limited

Notes to the Financial Statements for the year ended 31 March 2007

11	Share capital	2007	2006
		£	£
	Authorised, called up and fully paid		
	10,000 Class A ordinary shares of £1	10,002	10,002
	10,000 Class B ordinary shares of £1	10,002	10,002
	30,000 Class C ordinary shares of £1	30,006	30,006
		<u>£50,010</u>	<u>£50,010</u>
12	Reserves		
	Profit and loss account		
	At 1 April	(10,635)	-
	Loss for the year	(62,345)	(10,635)
	At 31 March	<u>£(72,980)</u>	<u>£(10,635)</u>
13.	Reconciliation of movements in shareholders' funds	2007	2006
		£	£
	Loss for the year	(62,345)	(10,635)
	Proceeds from the issue of ordinary shares	-	50,009
	Movement in shareholders' funds	<u>(62,345)</u>	<u>39,374</u>
	Opening shareholders' funds	39,375	1
	Closing shareholders' funds	<u>£(22,970)</u>	<u>£39,375</u>
14	Ultimate parent undertaking		
	At the year end the company was 60% owned by Building Better Health LIFT Partnership, an English partnership between Remin Limited, a company incorporated in England and Wales and Building Better Health Holdings Limited a company incorporated in Jersey		

Building Better Health - Lambeth Southwark Lewisham Limited

Notes to the Financial Statements for the year ended 31 March 2007

15. Related party transactions

During the year under review the company entered into the following arms length transactions with group undertakings -

	Fees receivable	Fees payable	Balance outstanding at 31 March 2007
BBH-LSL (FundCo Tranche 1) Ltd, a subsidiary	412,839	9,500	-
BBH-LSL Bid Cost Ltd, a subsidiary	-	-	(1)
Building Better Health Limited, an associate	-	139,033	(1,216)
P Brckell, a director, for services	-	7,500	-
William Pears Group of Companies, an investor at year end	973	-	-
Lambeth PCT, a shareholder	34,418	-	7,638
Southwark PCT, a shareholder	13,635	-	5,288
Lewisham PCT, a shareholder	3,000	103,510	3,525
BBH Services Limited, an associate	-	253,399	-

16. Going concern

At the balance sheet date the company had net liabilities of £22,970 (2006 - £nil). The projects being undertaken by the company are secured under long term finance and the directors are satisfied that the company will continue to operate within the agreed facilities and have therefore prepared the financial statements on a going concern basis

17. Post balance sheet date event

On 14 May 2007 the partners in the Building Better Health LIFT Partnership were sold to Fulcrum Infrastructure Group Limited, a company incorporated in England and Wales