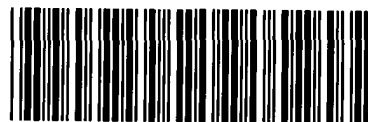

BBH-LSL (FUND CO HOLD CO TRANCHE 1) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

WEDNESDAY



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COMPANIES HOUSE

BBH-LSL (FUND CO HOLDCO TRANCHE 1) LIMITED

COMPANY INFORMATION

Directors	G Alltimes S Beaumont P Eyres J Whitehead J Andrews
Company secretary	Fulcrum Infrastructure Management Limited
Registered number	507 2649
Registered office	105 Piccadilly London W1J 7NJ
Independent auditors	BDO LLP Statutory auditor 55 Baker Street London W1U 7EU

BBH-LSL (FUND CO HOLD CO TRANCHE 1) LIMITED

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BBH-LSL (FUNDCO HOLDCO TRANCHE 1) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Directors present their report and the financial statements for the year ended 31 March 2018.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

PRINCIPAL ACTIVITY

The Company carries on the business of a holding company under the NHS Local Improvement Finance Trust ("LIFT") programme.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £Nil (2017 - £721,676).

DIRECTORS

The Directors who served during the year and up to the date of signature of the financial statements were:

G Alltimes
J Andrews (appointed 6 June 2018, resigned 7 August 2017)
S Beaumont
D Boyd (resigned 5 June 2018)
T Dobrashian (appointed 7 August 2017, resigned 6 June 2018)
P Eyres
J Whitehead (appointed 5 June 2018)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Directors of BBH-LSL (FundCo HoldCo Tranche 1) Limited have qualifying third party indemnity provisions put in place through other companies of which they are also Directors.

BBH-LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by the Companies Act 2006.

This report was approved by the board on 30 July 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'S Beaumont', with a long horizontal line extending to the right.

S Beaumont
Director

BBH-LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBH-LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

OPINION

We have audited the financial statements of BBH-LSL (FundCo HoldCo Tranche 1) Limited ("the Company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its result 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BBH-LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBH-LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

BBH-LSL (FUNDCO HOLDCO TRANCHE 1) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBH-LSL (FUNDCO HOLDCO TRANCHE 1) LIMITED

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

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 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.

BDO LLP

Paul Bailey (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
30 July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BBH-LSL (FUND CO HOLD CO TRANCHE 1) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Income from investment / profit for the year		-	721,676
Other comprehensive income			
Total comprehensive income for the year		-	721,676

The notes on pages 10 to 13 form part of these financial statements.

All amounts relate to continuing activities.

BBH-LSL (FUND CO HOLD CO TRANCHE 1) LIMITED
REGISTERED NUMBER: 507 2649

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	4	1,008,226	50,010
Total assets less current liabilities		<u>1,008,226</u>	<u>50,010</u>
Net assets		<u>1,008,226</u>	<u>50,010</u>
Capital and reserves			
Called up share capital	6	60,000	50,010
Share premium account		948,226	-
		<u>1,008,226</u>	<u>50,010</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2018.



S Beaumont
Director

The notes on pages 10 to 13 form part of these financial statements.

BBH-LSL (FUND CO HOLD CO TRANCHE 1) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Share premium account £	Total equity £
At 1 April 2017	50,010	-	50,010
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Shares issued during the year	9,990	948,226	958,216
Total transactions with owners	9,990	948,226	958,216
At 31 March 2018	60,000	948,226	1,008,226

BBH-LSL (FUND CO HOLD CO TRANCHE 1) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	50,010	-	50,010
Comprehensive income for the year			
Profit for the year	-	721,676	721,676
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	721,676	721,676
Dividends: Equity capital (See note 4)	-	(721,676)	(721,676)
Total transactions with owners	-	(721,676)	(721,676)
At 31 March 2017	50,010	-	50,010

The notes on pages 10 to 13 form part of these financial statements.

BBH-LSL (FUNDCO HOLDCO TRANCHE 1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Companies Act 2006.

The financial statements are presented in pounds sterling which is the Company's functional currency and rounded to the nearest pound. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. No significant judgements or estimates have been used in the preparation of these financial statements.

The following principal accounting policies have been applied:

1.2 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

1.3 COMPANY DISCLOSURE EXEMPTIONS

In preparing the financial statements of the Company, advantage has been taken of the following disclosure exemption available in FRS 102, as a result of the company being a small entity:

- No cash flow statement has been presented for the Company.

1.4 BASIS OF CONSOLIDATION

Consolidated financial statements have not been prepared for the company and its subsidiaries under the exemption granted by Section 398 of the Companies Act 2006. Accordingly, these financial statements present information about the company and not about its group.

1.5 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2. AUDITORS' REMUNERATION

Auditors' remuneration is borne by Building Better Health - Lambeth Southwark Lewisham Limited, the parent company.

BBH-LSL (FUND CO HOLD CO TRANCHE 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. DIVIDENDS

	2018 £	2017 £
Dividends paid £Nil - (2017 - £14.43 per share)	-	721,676
	<u>-</u>	<u>721,676</u>

BBH-LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST OR VALUATION	
At 1 April 2017	50,010
Additions	958,216
At 31 March 2018	<u>1,008,226</u>
NET BOOK VALUE	
At 31 March 2018	<u>1,008,226</u>
At 31 March 2017	<u>50,010</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
BBH-LSL (Fundco Tranche 1) Limited	England and Wales	Ordinary	100 %	Property development and management

Name	Business	Registered office
BBH-LSL (Fundco Tranche 1) Limited	Property development and management	105 Piccadilly, London, W1J 7NJ

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) after tax £
BBH-LSL (Fundco Tranche 1) Limited	(2,920,816)	740,730
	<u>(2,920,816)</u>	<u>740,730</u>

BBH-LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. FINANCIAL INSTRUMENTS

At the reporting date, the company had no financial instruments (2017: £Nil)

6. SHARE CAPITAL

	2018 £	2017 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
60,000 (2017 - 50,010) ordinary shares of £1 each	60,000	50,010

During the period 9990 ordinary share of £1 was issued at £95.92 per share for cash consideration.

7. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption provided in FRS 102 not to disclose transactions with Companies within the group of which it is a member, where these transactions occur between entities which are 100% owned members of that group.

8. CONTROLLING PARTY

The Company is a 100% subsidiary of Building Better Health - Lambeth Southwark Lewisham Limited, a Company incorporated in England and Wales. As the group qualifies as small, no consolidated financial statements are prepared for the group of which the Company is a member.

The Company is ultimately 60% owned by Meridiam Infrastructure Finance s.a.r.l., a Company based in Luxembourg. However as a result of the shareholders' agreement of Building Better Health - Lambeth Southwark Lewisham Limited there is no effective control by any individual shareholder.