

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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



BBH - LSL (FUNDCO HOLDCO TRANCHE 1) LIMITED

COMPANY INFORMATION

Directors	G Alltimes S Beaumont P Eyres A Nasir P Robinson I Willett
Company secretary	Fulcrum Infrastructure Group Services Limited
Registered number	05072649
Registered office	105 Piccadilly London W1J 7NJ
Independent auditor	Goodman Jones LLP 29-30 Fitzroy Square London W1T 6LQ

BBH - LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

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BBH - LSL (FUND CO HOLDCO TRANCHE 1) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The Directors present their report and the financial statements for the year ended 31 March 2023.

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 judgments 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 to 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 out 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 £330,000 (2022 - £364,000).

Dividends of £330,000 (2022 - £364,000) were paid during the year.

DIRECTORS

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

G Alltimes
S Beaumont
P Eyres
A Nasir (appointed 6 May 2022)
P Robinson (appointed 6 May 2022)
I Willett (appointed 16 August 2022)
J Andrews (resigned 6 May 2022)
O Hannan (resigned 6 May 2022)

BBH - LSL (FUNDSCO HOLDSCO TRANCHE 1) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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.

DISCLOSURE OF INFORMATION TO AUDITOR

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

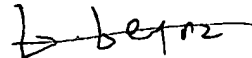
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor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

AUDITOR

Under section 487(2) of the Companies Act 2006, Goodman Jones LLP will be deemed to have been reappointed as auditor 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 28-07-23 and signed on its behalf.



A Nasir
Director

BBH - LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

INDEPENDENT AUDITOR'S 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 2023 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 2023 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

BBH - LSL (FUND CO HOLDCO TRANCHE 1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBH - LSL (FUND CO 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 (FUNDSCO HOLDCO TRANCHE 1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBH - LSL (FUNDSCO 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

BBH - LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

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

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.

Goodman Jones LLP

Paul Bailey (Senior Statutory Auditor)
For and on behalf of Goodman Jones LLP, Statutory Auditor
London

28-07-23

Goodman Jones LLP is a limited liability partnership registered in England and Wales (with registered number OC313156).

BBH - LSL (FUND CO HOLDCO TRANCHE 1) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Investment income		330,000	364,000
Profit before tax		<u>330,000</u>	<u>364,000</u>
Profit for the financial year		<u>330,000</u>	<u>364,000</u>

The notes on pages 11 to 14 form part of these financial statements.

All amounts relate to continuing activities.

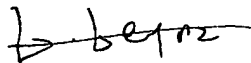
BBH - LSL (FUND CO HOLD CO TRANCHE 1) LIMITED
REGISTERED NUMBER: 05072649

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	5	1,180,226	1,180,226
Total assets less current liabilities		<u>1,180,226</u>	<u>1,180,226</u>
Net assets		<u>1,180,226</u>	<u>1,180,226</u>
Capital and reserves			
Called up share capital	7	60,000	60,000
Share premium account		1,120,226	1,120,226
		<u>1,180,226</u>	<u>1,180,226</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 28-07-23



A Nasir
Director

The notes on pages 11 to 14 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 2023**

	Called share capital	Share uppremium account	Profit loss account	and Total equity
	£	£	£	£
At 1 April 2022	60,000	1,120,226	-	1,180,226
Comprehensive income for the year				
Profit for the year	-	-	330,000	330,000
Dividends: Equity capital (see note 4)	-	-	(330,000)	(330,000)
Total transactions with owners	-	-	(330,000)	(330,000)
At 31 March 2023	60,000	1,120,226	-	1,180,226

The notes on pages 11 to 14 form part of these financial statements.

BBH - LSL (FUNDSCO HOLDCO-TRANCHE 1) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called share capital	Share uppremium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	60,000	1,120,226	-	1,180,226
Comprehensive income for the year				
Profit for the year	-	-	364,000	364,000
Dividends: Equity capital (See note 4)	-	-	(364,000)	(364,000)
Total transactions with owners	-	-	(364,000)	(364,000)
At 31 March 2022	60,000	1,120,226	-	1,180,226

The notes on pages 11 to 14 form part of these financial statements.

BBH - LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

BBH-LSL (Fundco Holdco Tranche 1) Limited is a private company, limited by shares, registered and domiciled in the UK (England and Wales). 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 GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the Company will be able to continue in operation for the foreseeable future.

1.3 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.

1.4 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.

1.5 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.

1.6 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.

2. AUDITOR'S REMUNERATION

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

BBH - LSL (FUND CO HOLDCO TRANCHE 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £NIL).

4. DIVIDENDS

	2023 £	2022 £
Dividends paid - £5.50 per share (2022 - £6.06 per share)	330,000	364,000
	<u>330,000</u>	<u>364,000</u>

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2022	1,180,226
At 31 March 2023	<u>1,180,226</u>
NET BOOK VALUE	
At 31 March 2023	<u>1,180,226</u>
At 31 March 2022	<u>1,180,226</u>

BBH - LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. FIXED ASSET INVESTMENTS (CONTINUED)

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 2023 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Insert title here

BBH-LSL (Fundco Tranche 1) Limited	3,352,549	411,736
	<u>3,352,549</u>	<u>411,736</u>

6. FINANCIAL INSTRUMENTS

At the reporting date, the company had no financial instruments (2022: £Nil)

7. SHARE CAPITAL

	2023 £	2022 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
60,000 (2022 - 60,000) ordinary shares of £1.00 each	<u>60,000</u>	<u>60,000</u>

The bank lender of the subsidiary has a registered charge over the whole share capital of the Company.

BBH - LSL (FUNDSCO HOLDCO TRANCHE 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. 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.

9. 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.