

IHI Limited

Directors' report and financial statements

Seven months ended 31 December 1999

Registered number 2451428



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Directors' report

The directors present their annual report and the audited financial statements for the seven months ended 31 December 1999.

Principal activities

The company's principal activity is that of holding investments.

The directors have considered the impact of the Year 2000 date change on the company. There can be no assurance that the change in date from 1999 to 2000 will not materially affect the company's financial position. However, at the date of signing, no adverse effects of the date change have been experienced.

Directors and directors' interests

The directors who held office during the period were as follows:

AG Heywood	(appointed 30 July 1999)
SJ Purse	(appointed 30 July 1999)
AS Wilson	(resigned 30 July 1999)

On 6 January 2000 Dr CB Patel was appointed as a director and on 7 March 2000 SJ Purse resigned as a director.

In accordance with the articles of association, no directors retire by rotation. None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

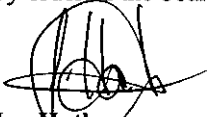
The interests of the directors in the share capital of Westminster Health Care Holdings Limited were as follows:

	Interest at end of the period		Interest at start of period or date of appointment	
	A shares	B shares	A shares	B shares
Dr CB Patel	909,278	9	909,278	9
AG Heywood	75,773	1	75,773	1

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


Jon Nather
Secretary

Kings Court
41-51 Kingston Road
Leatherhead
Surrey
KT22 7SZ

30 October 2000

Statement of directors' responsibilities

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 for that period. In preparing those 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the auditors to the members of IHI Limited

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not 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 transactions with the company is not disclosed.


Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

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 financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc
Chartered Accountants
Registered Auditor

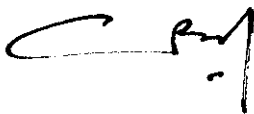
8 Salisbury Square
London
EC4Y 8BB

30 October 2000

Balance sheet
at 31 December 1999

	<i>Note</i>	31 December 1999	31 May 1999
		£	£
Fixed assets			
Investments	4	490	490
Current assets			
Debtors – amounts owed by group undertakings		2	2
Creditors: amounts falling due within one year – amounts owed to group undertakings		(490)	(490)
Net current liabilities		(488)	(488)
Net assets		2	2
Capital and reserves			
Called up share capital	5	2	2
Shareholders' funds – equity		2	2

These financial statements were approved by the board of directors on 30 October 2000 and were signed on its behalf by:



Dr CB Patel
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

As the company is a wholly owned subsidiary of Westminster Health Care Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

2 Profit and loss account

During the financial period and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those periods the company made neither a profit nor a loss.

3 Remuneration of directors

The directors received no emoluments for their services to the company (31 May 1999: £nil).

4 Fixed asset investments

During the period the Company held 4,900 10p ordinary shares in Atlantic Healthcare (General Partner) Limited, an associated undertaking, representing 49% of the share capital of that company. The investment is shown at cost.

5 Called up share capital

	31 Dec 1999	31 May 1999
	£	£
<i>Authorised</i>		
1,000 (31 May 1999: 1,000) Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
2 (31 May 1999: 2) Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

6 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Westminster Health Care Holdings Limited which is incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Westminster Health Care Holdings Limited. No other group accounts include the results of the company.