

**SHERBURNE (LEASING) COMPANY
LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2000



Company No 3297244

SHERBURNE (LEASING) COMPANY LIMITED

FINANCIAL STATEMENTS

For the period ended 31 December 2000

Company Registration Number: 3297244

Registered Office: Nuffield House
1-4 the Crescent
Surbiton
Surrey
KT6 4BN

Directors: Dr A Hayes (resigned 14 December 2000)
I Buckley (resigned 14 December 2000)
L Merrett (resigned 14 December 2000)
R Stretton (resigned 14 December 2000)
C Bath (appointed 14 December 2000)
P Benson (appointed 14 December 2000)
D Ervine (appointed 14 December 2000)
T F Hennessy (appointed 14 December 2000)
J E Jones (appointed 14 December 2000)
J D Swain (appointed 14 December 2000)

Secretary: J A Blazey

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

SHERBURNE (LEASING) COMPANY LIMITED

FINANCIAL STATEMENTS

For the period ended 31 December 2000

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SHERBURNE (LEASING) COMPANY LIMITED

REPORT OF THE DIRECTORS

For the period ended 31 December 2000

The directors present their report together with the audited financial statements for the period ended 31 December 2000.

Principal activity

The company's principal activity is as a property holding company. In March 1998, following the surrender of the lease with the fellow subsidiary, the company sold its interest in the Sherburne Hospital to Chichester Independent Hospital Limited.

Business review

There was a loss for the period after taxation amounting to £680 (year ended 31 March 2000: loss £1,605).

On 14 December 2000, 100% of the nominal share capital of the holding company was sold to Nuffield Nursing Homes Trust.

Directors

The present membership of the Board is set out below. All were appointed to the Board on 14 December 2000.

C Bath
P Benson
D Ervine
T F Hennessy
J E Jones
J D Swain

The interests of the directors who are also directors of the parent undertaking are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

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 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SHERBURNE (LEASING) COMPANY LIMITED

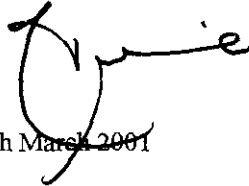
REPORT OF THE DIRECTORS

For the period ended 31 December 2000

Auditors

Grant Thornton were appointed auditors on 14 December 2000 to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General Meeting to be held on 3 May 2001.

By Order of the Board

A handwritten signature in black ink, appearing to be 'G. J. e', written over the date.

28th March 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF
SHERBURNE (LEASING) COMPANY LIMITED**

We have audited the financial statements on pages 4 to 9, which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of the directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

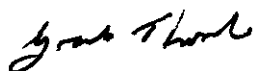
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 at 31 December 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON
28th MARCH 2001**

SHERBURNE (LEASING) COMPANY LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and comply with applicable accounting standards.

The principal accounting policies of the company remain unchanged from the previous year and are set out below.

LEASES

Operating lease rentals payable and receivable are charged and credited to the profit and loss account as incurred.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or assets will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

SHERBURNE (LEASING) COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**

For the period ended 31 December 2000

	Note	Period ended 31.12.2000 £	Year ended 31.3.2000 £
Turnover	1	0	0
Operating costs		(680)	(1,605)
Covenant		<u>0</u>	<u>(84)</u>
Operating loss		(680)	(1,689)
Interest receivable		<u>0</u>	<u>84</u>
Loss on ordinary activities before taxation	2	(680)	(1,605)
Tax on loss on ordinary activities	4	<u>0</u>	<u>0</u>
Retained loss for the period		<u>(680)</u>	<u>(1,605)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

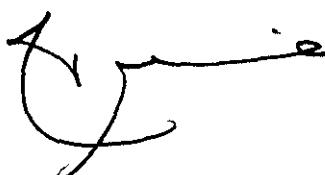
SHERBURNE (LEASING) COMPANY LIMITED

BALANCE SHEET

At 31 December 2000

	Note	31.12.2000 £	31.3.2000 £
Current assets			
Debtors	5	154,823	154,823
Cash at bank and in hand		<u>5,131</u>	<u>5,811</u>
		159,954	160,634
Creditors: amounts falling due within one year	6	<u>(1,671)</u>	<u>(1,671)</u>
Net assets		<u>158,283</u>	<u>158,963</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	<u>158,281</u>	<u>158,961</u>
Shareholders' funds		<u>158,283</u>	<u>158,963</u>

Approved by the Board of Directors
on 28th March 2001



The accompanying accounting policies and notes form an integral part of these financial statements.

SHERBURNE (LEASING) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2000

1 TURNOVER

Turnover, which is stated net of recoverable value added tax, represents amounts invoiced to the parent undertaking under finance lease and operating lease rentals.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:

	Period to 31.12.2000	Year ended 31.3.2000
	£	£
Auditors' remuneration		
- audit fees	-	1,000

3 DIRECTORS AND EMPLOYEES

The company had no employees during the period (year ended 31 March 2000: nil).

No director received any emoluments during the period (year ended 31 March 2000: £nil).

4 TAXATION

No liability to corporation tax arises as taxable profits are paid by gift aid to the parent, Nuffield Nursing Homes Trust, a registered charity.

5 DEBTORS

	31.12.2000	31.3.2000
	£	£
Amounts falling due within on year:		
Amounts due from fellow subsidiary undertaking	51,377	51,377
Amount due from immediate parent undertaking	103,446	103,446
	<u>154,823</u>	<u>154,823</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2000	31.3.2000
	£	£
Other creditor	84	84
Accruals	1,587	1,587
	<u>1,671</u>	<u>1,671</u>

SHERBURNE (LEASING) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2000

7 SHARE CAPITAL

	31.12.2000 £	31.3.2000 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8 PROFIT AND LOSS ACCOUNT

	£
At 1 April 2000	158,961
Loss for the period	(680)
At 31 December 2000	<u>158,281</u>

9 CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

There were no contingent liabilities at 31 December 2000. At 31 March 2000 the company together with its parent and fellow subsidiary undertakings had provided a guarantee on bank loans of £9,750,000 made to its ultimate parent undertaking, King Edward VII Hospital, Midhurst.

10 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Nuffield Nursing Homes Trust, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Nuffield Nursing Homes Trust.

11 CONTROLLING RELATED PARTIES

The directors consider that the ultimate parent undertaking of this company is Nuffield Nursing Homes Trust.

The immediate parent undertaking into which the financial statements of this company are consolidated is Chichester Independent Hospital Limited, whose financial statements are available from Companies House.

The company is controlled by its immediate parent undertaking, Chichester Independent Hospital Limited. The ultimate controlling party is its ultimate parent, Nuffield Nursing Homes Trust.

The largest group of undertakings for which group accounts are drawn up is that headed by Nuffield Nursing Homes Trust.

The smallest group of undertakings for which group accounts are drawn up is that headed by Chichester Independent Hospital Limited.