

Libra Health Limited
Directors report and financial statements
for the year ended 31 May 1999

Registration Number: 1355923



Libra Health Limited
Annual report for the year ended 31 May 1999

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Libra Health Limited

Year ended 31 May 1999

Report of the Directors

The directors have pleasure in submitting their report and financial statements for the year ended 31 May 1999.

Principal activities and business review

The Company runs hospitals and a day care centre. Both the level of business and the period end financial position remain satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future. The results for the year are set out in the profit and loss account on page 6. The directors paid dividends of £ nil (1998: £nil) and do not propose a final dividend for the year.

This Company's holding company, Libra Health Group Ltd., was acquired by Westminster Health Care Group Limited (formerly Westminster Health Care Holdings PLC) on 20th September 1997.

Directors

The names of the directors who held office during the year are as follows:

| | |
|------------------------|----------------------------|
| J Priestley (Chairman) | (resigned 5 February 1999) |
| S K Beaumont | (resigned 12 October 1998) |
| M Cudmore | |
| D Torbett | |
| R Vaughan | (resigned 5 February 1999) |
| K Payne | |
| K Scott | (resigned 31 May 1999) |
| A Wilson | (resigned 30 July 1999) |
| A Heywood | (appointed 26 April 1999) |
| Dr C Patel | (appointed 26 April 1999) |

On 3 November 1999 S Purse was appointed as a director and he resigned on 7 March 2000.

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 Dr C Patel and A Heywood in the share capital and share options of Westminster Health Care Holdings Limited, the ultimate parent company, will be disclosed in the accounts of that company.

Employees

Policies

The directors recognise that the continued position of the Company in the health care industry depends on the quality and motivation of its employees and as such the Company is committed to pursue employment policies which will continue to attract, retain and motivate its employees.

Communication

Good and effective employee communications are particularly important and throughout the business it is the directors' policy to promote the understanding by all employees of the Company's business aims and performance. This is achieved through internal publications at Group and local levels, presentations on Group performance and a variety of other approaches appropriate for the particular location.

Equal Opportunities

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the Company's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of, and to arrange appropriate training for, employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

Statement on payment of suppliers

Legislation introduced requires companies to state their policies on payments to suppliers including any code or standard which is followed in respect thereof. Whilst the Company does not follow any specified code or standard on payment practice it does endeavour to ensure all payments are made within mutually agreed credit terms. In cases where disputes arise we seek to resolve those promptly and amicably to minimise delays in payment. As of 31 May 1999 the number of billing days outstanding to suppliers was 31 days (1998: 38 days).

Year 2000

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 affect the Company's operations or results, however, at the date of signing, no adverse effects of the date change have been experienced.

Auditors

A resolution is to be proposed at the Annual General Meeting for the reappointment of KPMG Audit Plc as auditors of the company.

By order of the Board

**Kings Court
Kingston Road
Leatherhead
Surrey
KT22 7SZ**

A handwritten signature in black ink, appearing to read 'AG Heywood', with a large, stylized flourish at the end.

AG Heywood
Director

30 March 2000

Libra Health Limited

Statement of Directors' responsibilities in respect of the preparation of financial statements

Company law requires the directors to prepare financial statements for each financial period 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; 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 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, KPMG Audit Plc, to the members of Libra Health Limited

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of Directors and Auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

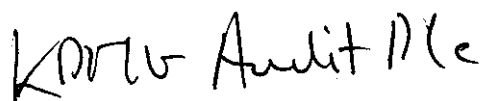
Basis of opinion

We conducted our audit in accordance with 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 affairs of the Company at 31 May 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

30 March 2000

Libra Health Limited

Profit and Loss Account for the year ended 31 May 1999

| | Note | 12 months to 31 May 1999 | 17 months to 31 May 1998 |
|---|------|-----------------------------|-----------------------------|
| | | £ | £ |
| Turnover | 1 | 14,900,436 | 22,690,249 |
| Cost of sales | | <u>(13,068,308)</u> | <u>(19,819,845)</u> |
| Gross profit | | 1,832,128 | 2,870,404 |
| Administrative expenses | | <u>(1,439,223)</u> | <u>(1,211,679)</u> |
| Operating profit | | 392,905 | 1,658,725 |
| Profit on the sale of an operation | 2 | - | 3,146,313 |
| Profit on ordinary activities before interest and taxation | | 392,905 | 4,805,038 |
| Interest payable and similar charges | 5 | - | (290,000) |
| Interest receivable and similar income | 6 | <u>7,940</u> | - |
| Profit on ordinary activities before taxation | 7 | 400,845 | 4,515,038 |
| Taxation | 8 | <u>85,654</u> | <u>(1,368,604)</u> |
| Profit on ordinary activities after taxation | | 486,499 | 3,146,434 |
| Retained profit for the financial period | 16 | <u>486,499</u> | <u>3,146,434</u> |

All income and expenditure is derived from continuing activities.

The notes on pages 9 to 17 form part of these financial statements.

Libra Health Limited

Historical cost profits and losses for the year ended 31 May 1999

| | Year to 31 May 1999 £ | 17 months to 31 May 1998 £ |
|---|--------------------------------------|---|
| Reported profit on ordinary activities before tax | 400,845 | 4,515,038 |
| Difference between historical cost depreciation charge and actual depreciation charge calculated on the revalued amount | 77,160 | 23,654 |
| Realisation of property revaluation gains/(losses) of previous years (note 16) | <u>(3,109,853)</u> | <u>1,335,021</u> |
| Historical cost (loss)/profit on ordinary activity before tax | <u>(2,631,848)</u> | <u>5,873,713</u> |
| Historical cost (loss)/profit for the year/period retained after taxation and dividends | <u>(2,717,502)</u> | <u>4,505,109</u> |

Statement of total recognised gains and losses for year ended 31 May 1999

| | Year to 31 May 1999 £ | 17 months to 31 May 1998 £ |
|---|--------------------------------------|---|
| Profit for the financial period | 486,499 | 3,146,434 |
| Unrealised amounts on revaluation of properties | 11,879,558 | 1,782,448 |
| Total gains recognised in the financial period | <u>12,366,057</u> | <u>4,928,882</u> |

Libra Health Limited **Balance Sheet at 31 May 1999**

| | Note | 31 May 1999 | 31 May 1998 £ |
|--|------|----------------------------|---------------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 26,399,460 | 12,083,734 |
| Investments | 10 | <u>539,719</u> | <u>539,719</u> |
| | | <u>26,939,179</u> | <u>12,623,453</u> |
| Current assets | | | |
| Stocks | 11 | 65,098 | 66,727 |
| Debtors | 12 | 2,624,834 | 2,453,822 |
| Cash at bank and in hand | | <u>842,087</u> | <u>64,006</u> |
| | | 3,532,019 | 2,584,555 |
| Creditors: | | | |
| Amounts falling due within one year | 13 | <u>(11,464,345)</u> | <u>(7,874,110)</u> |
| Net current liabilities | | <u>(7,932,326)</u> | <u>(5,289,555)</u> |
| Total assets less current liabilities | | 19,006,853 | 7,333,898 |
| Provisions for liabilities and charges | 14 | <u>(125,000)</u> | <u>(818,102)</u> |
| Net assets | | <u>18,881,853</u> | <u>6,515,796</u> |
| Capital and reserves | | | |
| Called-up share capital | 15 | 200 | 200 |
| Revaluation reserve | 16 | 17,023,552 | 2,034,141 |
| Profit and loss account | 16 | <u>1,858,101</u> | <u>4,481,455</u> |
| Equity shareholders' funds | 17 | <u>18,881,853</u> | <u>6,515,796</u> |

The accounts were approved by the board of directors on 30 March 2000 and were signed on its behalf by:



AG Heywood
Director

Libra Health Limited

Notes to the Financial Statements for the year ended 31 May 1999

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom under the Historical Cost Convention as modified by the revaluation of land and buildings.

In accordance with Section 228 of the Companies Act 1985, no consolidated financial statements have been prepared in respect of the Company's investments in subsidiary undertakings since the Company is itself a wholly owned subsidiary undertaking. Consequently, these financial statements reflect the results of the Company as an individual undertaking. The Company is included within the consolidated financial statements of Westminster Health Care Group Limited (formerly Westminster Health Care Holdings PLC).

The Company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Westminster Health Care Group Limited, and this undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Westminster Health Care Group Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the Group.

Fixed assets and depreciation

Freehold and short leasehold land and buildings are carried in the financial statements at cost or valuation. Valuations are carried out at regular intervals.

Depreciation is provided by the Company to write off the cost or valuation less the estimated residual value of tangible fixed assets (with the exception of freehold land which is not depreciated) by equal instalments over their estimated economic lives as follows:

- Short leasehold - over period of the lease
- Plant, fixtures and fittings - 3 to 16 years
- Motor vehicles - 4 years
- Freehold buildings - 50 years

Libra Health Ltd

Notes forming part of the financial statements for the year ended 31 May 1999

Stocks

Stocks for re-sale are valued at the lower of cost and net realisable value and stocks held for use in the business are valued at cost.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Contributions to Pension Funds

Contributions to the defined benefits pension fund are determined on the basis of recommendations made by independent qualified actuaries, and are charged to the Profit and Loss Account in such a way as to provide for the liabilities evenly over the remaining working lives of employees. The assets of the fund are held separately from those of the Company.

Contributions to the money purchase scheme are charged to the Profit and Loss Account as incurred. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Turnover

Turnover arises from nursing home and hospital management and is stated exclusive of VAT.

Operating leases

Rentals paid under operating leases are charged to the Profit and Loss Account as incurred over the term of the lease.

2 Exceptional item

This relates to the profit on sale of a hospital. Taxation arising of £866,000 was provided for in the accounts.

Libra Health Limited

Notes to the financial statements for the year ended 31 May 1999

3 Directors' emoluments

The remuneration paid to the directors of Libra Health Limited was:

| | 12 mths to 31 May 1999 | 17 mths to 31 May 1998 |
|---|---------------------------|---------------------------|
| | £ | £ |
| Directors emoluments | 525,734 | 651,091 |
| Company contribution to money purchase scheme | 136,198 | 34,692 |
| Salary compensation for loss of office | 138,952 | - |
| Contribution to pension scheme as compensation for loss of office | 109,700 | - |
| | <u>910,584</u> | <u>685,783</u> |

The directors' emoluments disclosed above include amounts paid to the highest paid director as follows:

| | 12 mths to 31 May 1999 | 17 mths to 31 May 1998 |
|---|---------------------------|---------------------------|
| | £ | £ |
| Salary and benefits | 127,154 | 144,764 |
| Company contribution to money purchase scheme | 4,635 | 8,787 |
| Salary compensation for loss of office | 30,000 | - |
| Contribution to pension scheme as compensation for loss of office | 89,344 | - |
| | <u>251,133</u> | <u>153,551</u> |

Number of directors

1999 1998

Retirement benefits are accruing to the following number of directors at the year end under:

| | | |
|-------------------------|----------|-----------|
| Money purchase schemes | 3 | 6 |
| Defined benefit schemes | 2 | 4 |
| | <u>5</u> | <u>10</u> |

4 Employee information

| | 1999 Number | 1998 Number |
|--|----------------|----------------|
| The average weekly number of persons, including executive directors, employed by the Company during the year/period was: | <u>561</u> | <u>519</u> |

Libra Health Limited

Notes to the financial statements for the year ended 31 May 1999

| | 12 mths to 31 May 1999 £ | 17 mths to 31 May 1998 £ |
|---|--------------------------------|--------------------------------|
| Staff costs (for the above persons): | | |
| Wages and salaries | 7,054,284 | 11,159,082 |
| Social security costs | 649,398 | 962,706 |
| Other pension costs (see Note 20) | <u>151,943</u> | <u>242,032</u> |
| | <u>7,855,625</u> | <u>12,363,820</u> |

The figures for the number of employees is based on the full time equivalent number of staff.

5 Interest payable and similar charges

| | 17 mths to 31 May 1998 £ | 17 mths to 31 May 1998 £ |
|---------------------------|--------------------------------|--------------------------------|
| Payable to parent company | <u>-</u> | <u>290,000</u> |

6 Interest receivable and similar income

| | 12 mths to 31 May 1999 £ | 17 mths to 31 May 1998 £ |
|--------------------|--------------------------------|--------------------------------|
| Amounts receivable | <u>7,940</u> | <u>-</u> |

7 Profit on ordinary activities before taxation

| | 12 mths to 31 May 1999 £ | 17 mths to 31 May 1998 £ |
|--|--------------------------------|--------------------------------|
| Profit on ordinary activities before taxation is stated after crediting: | | |
| Profit on disposal of other fixed assets | - | 21,768 |
| Rent receivable | <u>58,423</u> | <u>95,762</u> |
| And after charging: | | |
| Depreciation of : | | |
| Tangible fixed assets | 462,660 | 567,502 |
| Assets held under finance lease | 39,797 | 71,492 |
| Auditors' remuneration for: | | |
| Audit services | 23,523 | 26,000 |
| Non audit services | 4,935 | 4,000 |
| Operating leases: | | |
| Hire of plant and machinery | 200,456 | 331,329 |
| Land and building | 158,141 | 212,027 |
| Closure and reorganisation costs | <u>509,422</u> | <u>675,102</u> |

Libra Health Limited

Notes to the financial statements for the year ended 31 May 1999

8 Taxation

| | 12 mths to 31 May 1999 £ | 17 mths to 31 May 1998 £ |
|--|--------------------------------|--------------------------------|
| UK corporation tax on profit for the period at 31% (1998: 31%) | 342,000 | 1,379,568 |
| Deferred tax | - | (153,964) |
| Deferred tax over provision in respect of prior years | (18,000) | 143,000 |
| Adjustment in respect of prior years | <u>(409,654)</u> | <u>-</u> |
| | <u>(85,654)</u> | <u>1,368,604</u> |

9 Tangible fixed assets

| | Land and buildings Freehold £ | Short Leasehold £ | Plant and machinery £ | Fixtures and Fittings £ | Motor Vehicles £ | Total £ |
|--------------------------|-------------------------------------|-------------------------|-----------------------------|-------------------------------|------------------------|-------------------|
| Cost or valuation | | | | | | |
| At 1 June 1998 | 10,897,362 | 422,404 | 777,705 | 2,036,507 | 94,174 | 14,228,152 |
| Additions | 2,456,526 | - | 176,867 | 419,289 | 101,858 | 3,154,540 |
| Disposals | - | (242,695) | (104,126) | (817,249) | (59,232) | (1,223,302) |
| Surplus on revaluation | <u>11,629,242</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,629,242</u> |
| At 31 May 1999 | <u>24,983,130</u> | <u>179,709</u> | <u>850,446</u> | <u>1,638,547</u> | <u>136,800</u> | <u>27,788,632</u> |
| Depreciation | | | | | | |
| At 1 June 1998 | 100,197 | 193,626 | 362,000 | 1,411,881 | 76,714 | 2,144,418 |
| Charge for year | 150,119 | 39,797 | 54,323 | 237,248 | 20,970 | 502,457 |
| Disposals | - | (92,461) | (75,778) | (779,916) | (59,232) | (1,007,387) |
| Transfer on revaluation | <u>(250,316)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(250,316)</u> |
| At 31 May 1999 | <u>-</u> | <u>140,962</u> | <u>340,545</u> | <u>869,213</u> | <u>38,452</u> | <u>1,389,172</u> |
| Net Book Value | | | | | | |
| At 31 May 1999 | <u>24,983,130</u> | <u>38,747</u> | <u>509,901</u> | <u>769,334</u> | <u>98,348</u> | <u>26,399,460</u> |
| At 31 May 1998 | <u>10,797,165</u> | <u>228,778</u> | <u>415,705</u> | <u>624,626</u> | <u>17,460</u> | <u>12,083,734</u> |

The Company's freehold land and buildings were valued externally at 31 May 1999 on an open market value for existing use by Conrad Ritblat, an independent firm employing qualified surveyors specialising in nursing and rest home surveys and valuations. The valuations were carried out in accordance with the Royal Institution of Chartered Surveyors Statements of Asset Valuation Practice and Guidance Notes. The historical cost of freehold land and buildings was £11,819,746 (1998: £11,319,746).

The gross book value of land and buildings includes £19,055,065 (1998: £8,303,000) of depreciable assets.

Libra Health Limited

Notes to the financial statements for the year ended 31 May 1999

10 Fixed asset investments

£

At 31 May 1999 and 31 May 1998

539,719

Libra Health Limited is the beneficial owner of the entire issued ordinary share capital of the following companies which are registered in England and Wales and do not trade:

Libra Nursing Homes Limited
Ticehurst House Private Clinic Limited

The above companies are dormant.

11 Stocks

1999

1998

£

£

Raw materials and consumables

65,098

66,727

12 Debtors

1999

1998

£

£

Amounts falling due within one year

Trade debtors

2,453,562

2,201,654

Other debtors

28,787

31,366

Prepayments and accrued income

142,485

220,802

2,624,834

2,453,822

Libra Health Limited

Notes to the financial statements for the year ended 31 May 1999

13 Creditors: amounts falling due within one year

| | 1999 £ | 1998 £ |
|---|-------------------|------------------|
| Payments received on account | 105,214 | 154,306 |
| Trade creditors | 328,961 | 363,111 |
| Amounts owed to subsidiary undertakings | 3,948,951 | 3,948,951 |
| Amounts owed to parent undertaking | 5,460,546 | 774,357 |
| Other creditors including taxation and social security: | | |
| Corporation tax | 638,200 | 1,520,640 |
| Other taxation and social security payable | 179,436 | 225,752 |
| Other creditors | 98,856 | 53,553 |
| Accruals and deferred income | 704,181 | 833,440 |
| | <u>11,464,345</u> | <u>7,874,110</u> |

14 Provisions for liabilities and charges

| | Deferred taxation £ | Other provisions (closure and reorganisation costs) £ | Total £ |
|--|------------------------|---|----------------|
| As at 1 June 1998 | 143,000 | 675,102 | 818,102 |
| Transferred to profit and loss account | (18,000) | (675,102) | (693,102) |
| At 31 May 1999 | <u>125,000</u> | <u>-</u> | <u>125,000</u> |

Analysed as follows:

| | |
|---|----------------|
| Tax effect of timing differences of: | |
| Excess of tax allowance over depreciation | 128,000 |
| Other short term timing differences | (3,000) |
| | <u>125,000</u> |

The unprovided potential liability is £nil (1998: £nil)

In addition to the potential liability shown above, a taxation charge of approximately £5.1 million (1998: £1.4 million) would arise on chargeable gains in the event of the Company's properties being realised at valuations at which they are included in the balance sheet at 31 May 1999. No deferred tax provision has been made on the excess of valuation over cost of the Company's properties, as it is not the Company's intention to dispose of any of these properties.

Libra Health Limited

15 Called-up share capital

| | 1999 | 1998 |
|--|------------|------------|
| | £ | £ |
| Authorised 200 ordinary shares of £1 each | <u>200</u> | <u>200</u> |
| Allotted, called up and fully paid 200 ordinary shares of £1 each | <u>200</u> | <u>200</u> |

16 Reserves

| | Revaluation reserve £ | Profit and loss account £ |
|-----------------------------------|-----------------------------|---------------------------------|
| As at 31 May 1998 | 2,034,141 | 4,481,455 |
| Revaluation of land and buildings | 11,879,558 | - |
| Revaluation transfer | 3,109,853 | (3,109,853) |
| Retained profit for year | - | 486,499 |
| As at 31 May 1999 | <u>17,023,552</u> | <u>1,858,101</u> |

17 Reconciliation of movements in Shareholders' Funds

| | 1999 | 1998 |
|-------------------------------------|-------------------|------------------|
| | £ | £ |
| Profit for the year/period | 486,499 | 3,146,434 |
| Revaluation of land and buildings | <u>11,879,558</u> | <u>1,782,448</u> |
| Net increase in shareholders' funds | 12,366,057 | 4,928,882 |
| Opening shareholders' funds | <u>6,515,796</u> | <u>1,586,914</u> |
| Closing shareholders' funds | <u>18,881,853</u> | <u>6,515,796</u> |

18 Commitments

Capital commitments at the end of the year for which no provision has been made are as follows:

| | 1999 | 1998 |
|------------|----------------|------------|
| | £ | £ |
| Contracted | <u>380,244</u> | <u>Nil</u> |

Libra Health Limited

19 Other Financial Commitments

At 31 May 1999 the Company had annual commitments under non-cancellable operating leases as follows:

| | 1999 | | 1998 | |
|--|-----------------------|----------------|-----------------------|----------------|
| | Land and buildings | Other | Land and buildings | Other |
| | £ | £ | £ | £ |
| Expiring within one year | 12,500 | 24,578 | - | 26,516 |
| Expiring between two and five years inclusive | - | 174,792 | 12,500 | 180,969 |
| Expiring in over five years | - | - | - | - |
| | <u>12,500</u> | <u>199,370</u> | <u>12,500</u> | <u>207,485</u> |
| | | = | | |

20 Pension Costs

The Company runs two pension schemes, a Final Salary Scheme and a Money Purchase Scheme.

The Final Salary Scheme was closed to new members on 23 February 1996. Contributions to the fund are charged to the Profit and Loss account so as to spread the cost of pensions over the employees working lives with the Company. The pension cost is assessed with the advice of an independent qualified actuary using the attained age method. At the date of the latest actuarial valuation, 1st May 1997, the scheme was in surplus. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments, rate of increase in dividends and the rates of increase in salaries and pensions. It was assumed that the investment return would be 9% per annum, dividend increases would be 6% per annum, that salary increases would average 8% per annum and that present and future pensions would increase at the rate of 5% per annum. The most recent actuarial valuation showed that the market value of the scheme's assets was £1,019,749 at 1 May 1997 and that the actuarial value of those assets represented 101% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees have been nil from the 23 February 1996 when the accrual of benefits ceased.

21 Ultimate parent company

The Company is a subsidiary undertaking of and is controlled by Westminster Health Care Holdings Limited which is incorporated in England and registered in England and Wales. Westminster Health Care Holdings Limited heads the largest higher group of undertakings for which group financial statements are prepared and of which the company is a member. Westminster Health Care Holdings Limited's first accounting period ended on 31 December 1999.