

Westminster Beaumont Limited

Directors' report and financial statements

Year ended 31 December 2003

Registered number 1671730



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Officers and professional advisers

DIRECTORS

A G Heywood
N J Mitchell
J G Scott
T Street

SECRETARY

J Hather

REGISTERED OFFICE

Westminster House
Randalls Way
Leatherhead
Surrey
KT22 7TZ

BANKERS

Barclays Bank PLC
31 High Row
Darlington
DL3 7QS

SOLICITORS

Lovells
65 Holburn Viaduct
London
EC1A 2DY

AUDITORS

Deloitte & Touche LLP
Edinburgh

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2003.

Principal activities

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

Business review

The company did not trade during the year or prior year. The only transactions recorded in the current year related to the exceptional write-off of intercompany balances.

Dividends

No dividends were paid during the year (2002: £nil).

Directors and directors' interests

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

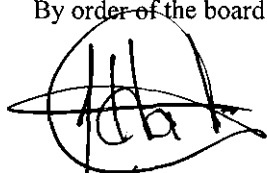
A G Heywood
N J Mitchell (appointed 15 September 2003)
J G Scott
T Street

There are no directors' interests requiring disclosure under the Companies Act 1985. Details of directors' interests in the ultimate parent undertaking, Westminster Health Care Holdings Limited, are disclosed in that company's financial statements.

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office and a resolution to formally re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'J Hather', is written over a circular stamp or seal.

J Hather
Secretary

June 2004

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss for that year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Westminster Beaumont Limited

We have audited the financial statements of Westminster Beaumont Limited which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' (deficit)/funds and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 1985. 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

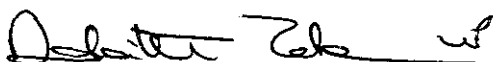
Basis of opinion

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 affairs of the company as at 31 December 2003 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Edinburgh

27 June 2004

Profit and loss account*Year ended 31 December 2003*

	<i>Note</i>	2003 £'000	2002 £'000
Administrative expenses		-	-
Exceptional item – intercompany debtors written off		(13,552)	(3)
		<hr/>	<hr/>
Operating loss on ordinary activities before taxation	<i>2</i>	(13,552)	(3)
Tax on loss on ordinary activities	<i>4</i>	-	-
		<hr/>	<hr/>
Retained loss for the financial year	<i>9</i>	(13,552)	(3)
		<hr/>	<hr/>

All results are attributable to continuing activities.

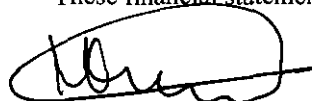
There is no difference between the results as stated above and the results on a historical cost basis.

There were no recognised gains and losses other than those shown in the profit and loss account of the current and preceding financial years and, accordingly, no Statement of Total Recognised Gains and Losses is shown.

Balance sheet**31 December 2003**

	<i>Note</i>	2003 £'000	2002 £'000
Fixed assets			
Investments	5	-	-
Current assets			
Debtors	6	2,062	35,218
Creditors: amounts falling due within one year	7	(10,314)	(29,918)
Net current (liabilities)/assets		(8,252)	5,300
Net (liabilities)/assets		(8,252)	5,300
Capital and reserves			
Called up share capital	8	4,283	4,283
Share premium	9	7,325	7,325
Profit and loss account	9	(19,860)	(6,308)
Equity shareholders' (deficit)/funds		(8,252)	5,300

These financial statements were approved by the board of directors on June 2004 and were signed on its behalf by:



N J Mitchell
Director

Reconciliation of movements in shareholders' (deficit)/funds*Year ended 31 December 2003*

	2003 £'000	2002 £'000
Loss for the financial year	(13,552)	(3)
Shareholders' funds at beginning of year	5,300	5,303
	<hr/>	<hr/>
Shareholders' (deficit)/funds at end of year	(8,252)	5,300
	<hr/>	<hr/>

Notes to the accounts

1 Accounting policies

The financial statements are prepared in accordance with applicable accounting standards and the historical cost convention. The principal accounting policies adopted by the directors are described below:

Consolidation

The financial statements contain information about Westminster Beaumont Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements. The parent for the smallest and largest group for which group financial statements are drawn up and of which the company is a member is Westminster Health Care Holdings Limited.

Cash flow statement

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to produce a cash flow statement as the ultimate parent undertaking, Westminster Health Care Holdings Limited, includes the company in its own published consolidated financial statements.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Group relief

Payment is generally made for group relief at a rate of 30% at the time of first estimating the tax provision. To the extent that amendments are subsequently made to the group relief plan, there is generally no payment or receipt in respect of the change.

2 Operating loss on ordinary activities before taxation

The remuneration of the auditors in respect of services provided to the company in the current and prior financial years was borne by another group company.

3 Remuneration of directors

The company had no employees other than directors. The directors received no emoluments for services to the company during the year (2002: £nil).

Notes to the accounts (continued)**4 Tax on loss on ordinary activities**

There was no tax charge in the current or prior year.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2002:30%). The actual tax charge for the current and the previous years differs from the standard rate for the reasons set out in the following reconciliations:

	2003 £'000	2002 £'000
Loss on ordinary activities before tax	(13,552)	(3)
Tax on loss on ordinary activities at standard rate	4,066	1
<i>Factors affecting charge for the year:</i>		
Disallowable items	(4,066)	(1)
Total actual amount of current tax	-	-

5 Fixed asset investments

	Shares in group undertakings £'000
<i>Cost</i>	
At beginning and end of year	198
<i>Provisions</i>	
At beginning and end of the year	198
<i>Net book value</i>	
At beginning and end of the year	-

Westminster Beaumont Limited is the beneficial owner of the entire issued ordinary share capital of Westminster Beaumont Developments Limited and Westminster Beaumont (Peterborough) Limited which are registered in England and Wales. Westminster Beaumont Developments Limited did not trade during the year and the principal activity of Westminster Beaumont (Peterborough) Limited is the sale of close care apartments for the elderly.

Notes to the accounts (continued)**6 Debtors**

	2003 £'000	2002 £'000
Amounts owed by group undertakings	2,062	35,218

Amounts due from group undertakings stated above are legally due on demand and are thus recoverable within one year although it is not expected that the demand would be made or that these amounts will be received within the next year.

7 Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Bank overdrafts	9,415	9,415
Amounts owed to group undertakings	899	20,494
Accruals and deferred income	-	9
	10,314	29,918

The bank overdraft is secured by cross guarantees (see note 10).

8 Called up share capital

	2003 £'000	2002 £'000
<i>Authorised</i>		
17,132,232 (2002: 17,132,232) Ordinary shares of 25p	4,283	4,283
<i>Allotted, called up and fully paid</i>		
17,132,232 (2002: 17,132,232) Ordinary shares of 25p	4,283	4,283

9 Reserves

	Share premium £'000	Profit and loss account £'000	Total £'000
At the beginning of year	7,325	(6,308)	1,017
Loss for the financial year	-	(13,552)	(13,552)
At end of the year	7,325	(19,860)	(12,535)

Notes to the accounts *(continued)*

10 Guarantees

The company, together with certain other group undertakings, has entered into a banking facility set-off agreement, in respect of which guarantees have been given. The aggregate amount outstanding under the agreement was £nil (2002: £nil).

11 Immediate and ultimate parent undertaking

The immediate parent undertaking is Westminster Health Care Group Limited.

The ultimate parent undertaking is Westminster Health Care Holdings Limited. Copies of Westminster Health Care Holdings Limited consolidated financial statements can be obtained from the Company Secretary at Westminster House, Randalls Way, Leatherhead, Surrey KT22 7TZ.

12 Related party transactions

The company has taken advantage of the exemptions available under FRS8 in not disclosing transactions with fellow group companies.