

Westminster Health Care Limited

Directors' report and financial statements

31 May 1998

Registered number 1946682



Westminster Health Care Limited

Directors' report and financial statements

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Westminster Health Care Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 1998.

Principal activity

The company's principal activity continues to be the ownership, operation and development of nursing homes providing long term care for the elderly.

Business review

The results for the year are set out on page 5 and are in accordance with the directors' expectations.

Proposed dividend

An interim dividend of £44,384 (1997: £15,000,000) was paid during the year. The directors propose the payment of a final dividend of £10,000,000 (1997: £Nil).

Directors and directors' interests

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

P R Carter
M M Bradford
P H Easterman (resigned 13th May 1998)
I Matthews
K C K Scott
M Tiplady
A S Wilson
S J Purse (appointed 18th May 1998)

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 PR Carter, MM Bradford and SJ Purse in the share capital and share options of Westminster Health Care Holdings PLC, the parent company, are disclosed in the accounts of that company. The interests of the other directors in the share capital and share options of Westminster Health Care Holdings PLC are set out below:

	31 May 1998 No. of shares held	31 May 1997 No. of shares held
I Matthews	26,753	16,353
KCK Scott	16,161	6,161
M Tiplady	20,000	10,000
AS Wilson	25,000	15,000

Westminster Health Care Limited

Directors' report (continued)

Directors and directors' interests (continued)

	Number of Options					Market price on date of exercise	Date from which exercisable	Expiry date
	At start of year	Granted during year	Exercised during year	At end of year	Exercise price			
I Matthews	10,631	-	-	10,631	20p	-	24/3/96	23/3/2000
	15,483	-	-	15,483	252p	-	15/4/96	14/4/2003
	5,161	-	-	5,161	330p	-	18/8/97	17/8/2004
	3,000	-	-	3,000	329p	-	4/9/98	3/9/2005
	51,000	-	-	51,000	305p	-	21/3/99	20/3/2006
	-	50,000	-	50,000	275p	-	13/8/00	12/8/2007
KCK Scott	20,645	-	-	20,645	252p	-	15/4/96	14/4/2003
	5,161	-	-	5,161	330p	-	15/8/97	17/8/2004
	3,000	-	-	3,000	329p	-	4/9/98	3/9/2005
	75,000	-	-	75,000	305p	-	21/3/99	20/3/2006
	-	44,000	-	44,000	275p	-	13/8/00	12/8/2007
M Tiplady	75,000	-	-	75,000	305p	-	21/3/99	20/3/2006
	-	47,000	-	47,000	275p	-	13/8/00	12/8/2007
A Wilson	-	75,000	-	75,000	275p	-	13/8/00	12/8/2007

The closing market price of Westminster Health Care Holdings PLC ordinary shares on 31 May 1998 was 303.5p and the range during the year to that date was 238.5p to 411.5p.

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. Believing that employee share ownership makes an important contribution to employee involvement in the business, the Directors have continued to operate the Sharesave Scheme and the 1993 Employee Share Ownership Plan in addition to the No.1 and No.2 Executive Share Option Schemes.

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.

Charitable and political contributions

It is the company's policy to promote a number of local charities within the communities in which it operates and donations of £8,000 were made during the year. No political donations were made.

Westminster Health Care Limited

Directors' report (continued)

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 these promptly and amicably to minimise delays in payment. As at 31 May 1998 the number of billing days outstanding to suppliers was 58 days.

Year 2000

Westminster Health Care Limited is committed to resolving the year 2000 issue at an early stage. Work is in hand on internal systems and all Group companies are currently being reviewed for their compliance.

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.

48 Leicester Square
London WC2H 7WH
8 March 1999



By order of the board
K D O'Connell
Secretary

Westminster Health Care Limited

Directors' responsibilities in respect of the preparation of 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 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 Westminster Health Care Limited

We have audited the financial statements on pages 5 to 17.

Respective responsibilities of directors and auditors

As described above, 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 the company's affairs as at 31 May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

8 March 1999

Westminster Health Care Limited

Profit and loss account for the year ended 31 May 1998

	Note	1998 £'000	1997 £'000
Turnover		96,679	87,340
Cost of sales		(77,852)	(66,057)
Gross profit		<u>18,827</u>	<u>21,283</u>
Administrative expenses		(9,103)	(9,388)
Operating profit - continuing operations		<u>9,724</u>	<u>11,895</u>
Profit on disposal of fixed assets - exceptional item	4	2,921	-
Income from participating interest		219	194
Interest receivable	7	1,454	339
Interest payable and similar charges	8	(3,463)	(2,544)
Profit on ordinary activities before taxation		<u>10,855</u>	<u>9,884</u>
Tax on profit on ordinary activities	9	(1,321)	1,143
Profit for the financial year		<u>9,534</u>	<u>11,027</u>
Dividends	10	(10,044)	(15,000)
Retained loss for the financial year	20	<u>(510)</u>	<u>(3,973)</u>

Movements in shareholders' funds are shown in note 20.

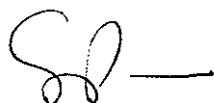
The notes on pages 8 to 17 form part of these financial statements.

Westminster Health Care Limited

Balance sheet at 31 May 1998

	Note	1998 £'000	1997 £'000
Fixed assets			
Tangible assets	11	137,619	150,641
Investments	12	16,027	12,071
		<u>153,646</u>	<u>162,712</u>
Current assets			
Stocks	13	441	428
Debtors: due within one year	14	47,038	47,608
Debtors: due after one year	14	-	1,222
		<u>47,038</u>	<u>48,830</u>
Cash at bank and in hand		28	2,301
		<u>47,507</u>	<u>51,559</u>
Creditors: amounts falling due within one year	15	(36,894)	(17,359)
Net current assets		<u>10,613</u>	<u>34,200</u>
Total assets less current liabilities		<u>164,259</u>	<u>196,912</u>
Creditors: amounts falling due after more than one year	16	(131,652)	(163,398)
Provisions for liabilities and charges	17	(432)	(454)
Net assets		<u>32,175</u>	<u>33,060</u>
Capital and reserves			
Called up share capital	19	1,000	1,000
Revaluation reserve	20	9,673	11,062
Profit and loss account	20	21,502	20,998
Equity shareholders' funds		<u>32,175</u>	<u>33,060</u>

Approved by the board of directors on 8 March 1999 and signed on its behalf by:



Stephen Purse
Director

The notes on pages 8 to 17 form part of these financial statements

Westminster Health Care Limited

Statement of total recognised gains and losses for the year ended 31 May 1998

	1998 £'000	1997 £'000
Profit for the financial year	9,534	11,027
Unrealised (deficit)/surplus on revaluation of properties	(375)	1,667
Total gains recognised in the year	9,159	12,694

Note of historical cost profits and losses for the year ended 31 May 1998

	1998 £'000	1997 £'000
Reported profit on ordinary activities before taxation	10,855	9,884
Realisation of property revaluation gains of previous years	1,014	1,977
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	173	171
Historical cost profit on ordinary activities before taxation	12,042	12,032
Historical cost retained profit /(loss) for the year	677	(1,825)

Westminster Health Care Limited

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, modified to include the revaluation of certain 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 exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Westminster Health Care Holdings PLC, and its cash flows are included within the consolidated cash flow statement of that company.

The related party transactions note included in the consolidated financial statements of the ultimate parent undertaking complies with the conditions of Financial Reporting Standard No.8 (FRS8) 'Related Party Transactions'. The company is therefore exempt under FRS8 from the requirement to prepare a separate note.

Turnover

Turnover comprises charges to patients and residents of the company's nursing homes.

Fixed assets and depreciation

Freehold and long leasehold land and buildings are carried in the financial statements at cost or valuation. Valuations are carried out at regular intervals. Assets in the course of construction are carried in the financial statements at cost.

The cost of land and buildings includes interest on the capital employed in developments and development costs associated with initiating and monitoring the construction. Such interest is capitalised only until the day of opening of the relevant facility. The rate of interest used is the average cost of funds during the period.

Depreciation is provided by the company to write off the cost 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 useful economic lives as follows:

Freehold buildings and long leasehold properties	- 50 years
Short leasehold property	- over period of lease
Plant, fixtures and fittings	- 3 to 10 years
Motor vehicles	- 4 years

Depreciation charges relating to plant, fixtures and fittings in new homes are pro-rated in line with occupancy until the earlier of the first anniversary of opening or achievement of 75 per cent. occupancy.

Fixed asset investments

Fixed asset investments are stated at cost less any permanent diminution in value.

Westminster Health Care Limited

Notes (continued)

1. Accounting policies (continued)

Operating leases

Rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated as follows:

Consumable supplies	- cost of purchase
Assets for resale	- cost of production

Net realisable value is based on estimated selling price less further costs to completion and disposal.

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.

2. Segmental information

The company's turnover, profit before taxation and net assets arise primarily from its principal activity of owning and operating nursing homes in the United Kingdom.

3. Profit on ordinary activities before taxation	1998 £'000	1997 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration: Audit services	13	54
Non audit services	680	327
Depreciation on tangible fixed assets	8,040	5,313
Operating lease rentals: Plant and machinery	92	199
Other assets	4,582	1,707
	<u>4,582</u>	<u>1,707</u>

All auditors' remuneration is disclosed exclusive of VAT.

4. Profit on sale of nursing homes - exceptional item	1998 £'000	1997 £'000
Profit realised on sale of homes	2,870	-
Profit on disposal of other fixed assets	51	-
	<u>2,921</u>	<u>-</u>

Westminster Health Care Limited

Notes (continued)

5. Remuneration of directors	1998	1997
	£'000	£'000
Directors' emoluments:		
As directors	766	1,136
Company contributions to money purchase pension schemes	97	86
Provision for compensation for loss of office	131	-
	<u>994</u>	<u>1,222</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £239,667 (1997: £234,058) and company pension contributions of £42,000 (1997: £30,974) were made to a money purchase scheme on his behalf.

Directors share options in the company's ultimate parent undertaking, Westminster Health Care Holdings PLC, are as shown in the directors' report.

All directors are members of the group's share option schemes and the group's Restricted Share Scheme.

All directors accrued retirement benefits under money purchase schemes during the year.

6. Staff numbers and costs	1998	1997
	Number of employees	Number of employees
The average number of persons employed by the company (including directors) during the year was as follows:-	3,004	2,720
	<u>3,004</u>	<u>2,720</u>
	1998	1997
	£'000	£'000
Wages and salaries	44,053	40,778
Social security costs	3,175	2,639
Other pension costs	280	205
	<u>47,508</u>	<u>43,622</u>

7. Interest receivable	1998	1997
	£'000	£'000
Receivable from group undertakings	1,259	202
Interest on bank deposits	195	137
	<u>1,454</u>	<u>339</u>

8. Interest payable and similar charges	1998	1997
	£'000	£'000
On bank loans and overdrafts	3,792	3,153
Interest capitalised	(682)	(907)
Amounts payable to group undertakings	353	298
	<u>3,463</u>	<u>2,544</u>

Westminster Health Care Limited

Notes (continued)

9. Taxation	1998	1997
	£'000	£'000
UK Corporation tax at 31% (1997: 32.67%)	1,310	1,521
Tax credit on franked investment income	11	-
Transfer from deferred taxation	-	(2,664)
	<u>1,321</u>	<u>(1,143)</u>

The UK corporation tax charge is net of £nil tax relief in respect of exceptional operating charges (1997: £1,326,000). The 1997 net deferred tax credit included an exceptional release of the deferred tax provision of £2,759,000 due to the reassessment of the likelihood of crystallisation of the deferred tax liability in light of the company's capital expenditure programme.

10. Dividends	1998	1997
	£'000	£'000
Ordinary dividends:		
Interim paid	44	15,000
Final proposed	10,000	-
	<u>10,044</u>	<u>15,000</u>

11. Tangible fixed assets	Land and buildings	Assets in course of construction	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 June 1997	119,596	11,011	31,373	1,277	163,257
Additions	14,370	10,039	3,133	445	27,987
Disposals	(29,690)	-	(7,165)	(201)	(37,056)
Transfers	9,723	(11,525)	1,802	-	-
Revaluation	(375)	-	-	-	(375)
At 31 May 1998	<u>113,624</u>	<u>9,525</u>	<u>29,143</u>	<u>1,521</u>	<u>153,813</u>
Depreciation					
At 1 June 1997	157	-	11,862	597	12,616
Charge for the year	3,738	-	4,009	293	8,040
Disposals	(770)	-	(3,503)	(189)	(4,462)
Revaluation	-	-	-	-	-
At 31 May 1998	<u>3,125</u>	<u>-</u>	<u>12,368</u>	<u>701</u>	<u>16,194</u>
Net book value					
At 31 May 1998	<u>110,499</u>	<u>9,525</u>	<u>16,775</u>	<u>820</u>	<u>137,619</u>
At 31 May 1997	<u>119,439</u>	<u>11,011</u>	<u>19,511</u>	<u>680</u>	<u>150,641</u>

Westminster Health Care Limited

Notes (continued)

11. Fixed tangible assets (continued)

The net book value of land and buildings comprises:

	1998 £'000	1997 £'000
Freehold	105,268	114,141
Long leasehold	4,998	5,240
Short leasehold	233	58
	<u>110,499</u>	<u>119,439</u>

The company's land and buildings were valued at open market value for existing use at 31 May 1997 by the directors having taken advice from David & Company, a firm specialising in nursing and rest home surveys and valuations. The directors have performed an internal review of the carrying value of land and buildings as at 31 May 1998.

Additions to land and buildings have been recorded at cost to the company.

Particulars relating to the net book value of land and buildings are given below:

	1998 £'000	1997 £'000
Historical cost of assets	101,247	108,534
Aggregate depreciation based on historical cost	(3,377)	(2,262)
Historical cost net book value	<u>97,870</u>	<u>106,272</u>

The gross book value of land and buildings includes £89,426,000 (1997: £92,544,000) of depreciable assets.

Interest capitalised in fixed assets is £ 6,851,000 (1997: £7,509,000).

Westminster Health Care Limited

Notes (continued)

12. Fixed asset investments

	Listed UK investments £'000	Shares in subsidiary undertakings £'000	Participating interest Share £'000	Participating interest Loans £'000	Other investments £ '000	Total £'000
Cost						
At 1 June 1997	3	3,963	3,992	3,250	863	12,071
Additions	-	-	359	-	4,500	4,859
Disposals	-	-	(40)	-	(863)	(903)
At 31 May 1998	3	3,963	4,311	3,250	4,500	16,027
Net book value						
At 31 May 1998	3	3,963	4,311	3,250	4,500	16,027
At 31 May 1997	3	3,963	3,992	3,250	863	12,071

The listed UK investments had a market value of £3,000 at 31 May 1998 (1997: £3,000). Unlisted 9% cumulative convertible preference shares issued by Tamaris plc with a book value of £4,500,000 were acquired in the year.

Subsidiary undertakings

	Principal activity	Class and percentage of shares held
Northminster Limited	Leasing, carpet and fuel distribution and home development	100% ordinary
Holjor Limited	Nursing home ownership and operation (all activities ceased)	100% ordinary
Westminster Health Care (Acute Care) Limited	Provision of medical services	100% ordinary
Independent Healthcare Initiative Limited	Nursing home management and consultancy services	100% ordinary
Westminster Health Care (Services) Limited	Employment services	100% ordinary
Blenheim House Limited	Non-trading	85% ordinary
IHI Limited	Intermediate holding company	100% ordinary
IHI Agency Limited	Intermediate holding company	100% ordinary
Red Tower Day Care Centres Limited	Dormant	100% ordinary
Burleigh House Properties Limited	Dormant	100% ordinary
WHC (Projects) Limited (Limited by Guarantee)	Dormant	100%

Participating interests

Peverel Holdings Limited	Estate management	49.375% ordinary 50% 12% preference redeemable 2002
Atlantic Healthcare Limited Partnership	Property investment	49%

All of the above undertakings are registered in England and Wales with the exception of Holjor Limited which is registered in Northern Ireland and Atlantic Healthcare Limited Partnership

Westminster Health Care Limited

Notes (continued)

12. Fixed asset investments (continued)

("Atlantic") which is registered at Grenville Street, St Helier, Jersey. The company's interest in Atlantic is held by intermediate subsidiary undertakings.

13. Stocks	1998 £'000	1997 £'000
Consumable supplies	249	236
Assets for resale	192	192
	<u>441</u>	<u>428</u>

14. Debtors

Amounts falling due within one year	1998 £'000	1997 £'000
Trade debtors	3,031	5,521
Amounts owed by subsidiary undertakings	15,860	20,301
Amounts owed by fellow subsidiary undertakings	21,627	20,836
Amounts owed by participating interests	-	-
Other debtors	2,652	21
Prepayments and accrued income	3,868	929
	<u>47,038</u>	<u>47,608</u>
Amounts falling due after more than one year		
Amounts owed by subsidiary undertaking	-	1,222
	<u>47,038</u>	<u>48,830</u>

15. Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Bank loan	-	265
Bank overdraft	53	1,000
Trade creditors	2,690	1,507
Amounts owed to parent company	-	2,000
Amounts owed to subsidiary undertaking	7,781	3,526
Amount owed to fellow subsidiary	7,263	118
Other creditors including taxation and social security:		
Corporation tax	1,185	625
Other taxes and social security	878	871
Other creditors	3,725	3,375
Accruals	3,319	4,072
Dividend payable	10,000	-
	<u>36,894</u>	<u>17,359</u>

Westminster Health Care Limited

Notes (continued)

16. Creditors: amounts falling due after more than one year	1998	1997
	£'000	£'000
Bank loans	31,804	26,710
Amounts owed to parent company	99,848	135,429
Amounts owed to subsidiary undertaking	-	1,259
	<u>131,652</u>	<u>163,398</u>

All the above bank loans are repayable within two to five years.

17. Provisions for liabilities and charges

Deferred tax	£'000
At 1 June 1997	454
Release in year	-
Advance corporation tax	(22)
At 31 May 1998	<u>432</u>

Amounts provided for deferred taxation are set out below:

	1998		1997	
	Provided	Full potential liability	Provided	Full potential liability
	£'000	£'000	£'000	£'000
Accelerated capital allowances	1,095	9,800	454	12,500
ACT recoverable	(663)	-	-	-
	<u>432</u>	<u>9,800</u>	<u>454</u>	<u>12,500</u>

No provision has been made for deferred tax on the excess of valuation over cost of nursing home properties as it is not the intention to dispose of any of the properties on which a revaluation surplus has arisen. The potential liability which could arise in the event of the disposal of properties at their revalued amounts is approximately £2.6 million (1997: £3.6 million).

Westminster Health Care Limited

Notes (continued)

18. Guarantees

- i) The company and certain group undertakings have executed a guarantee in respect of a £100m committed revolving credit facility provided to the company and certain group undertakings. An amount of £44.0 million was drawn down at 31 May 1998 (1997 - £27.0 million) in respect of this facility.
- ii) The company has executed a guarantee in respect of 7.37% Senior Notes Due December 23, 2006, totalling US \$85m issued by its ultimate parent company, Westminster Health Care Holdings PLC on 30 December 1996.
- iii) The company, together with certain group undertakings, is party to a banking facilities set-off agreement with Barclays Bank PLC. It has given a guarantee in respect of this facility under which an amount of £Nil was drawn down at 31 May 1998 (1997 - £154,000).
- iv) The company has also given a guarantee in respect of a bank facility Brain Injury Rehabilitation Care Centres Limited, a company in which a fellow subsidiary undertaking holds a participating interest. The maximum liability in respect of this guarantee at 31 May 1998 amounted to £375,000 (1997: £375,000), and this was increased to £625,000 on 23 July 1998.

19. Called up share capital

	1998 £'000	1997 £'000
Authorised, allotted and fully paid		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

20. Reconciliation of movements in shareholders' funds

	Share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	1998 Total £'000	1997 Total £'000
At start of year	1,000	11,062	20,998	33,060	35,366
Profit for the financial year	-	-	9,534	9,534	11,027
Dividends	-	-	(10,044)	(10,044)	(15,000)
Transfer on disposal of revalued asset	-	(1,014)	1,014	-	-
Revaluation of land and buildings	-	(375)	-	(375)	1,667
At end of year	<u>1,000</u>	<u>9,673</u>	<u>21,502</u>	<u>32,175</u>	<u>33,060</u>

Westminster Health Care Limited

Notes (continued)

21. Commitments

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

	1998 £'000	1997 £'000
Contracted	<u>202</u>	<u>2,148</u>

(ii) Annual commitments under non-cancellable operating leases are as follows:

	1998		1997	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within one year	-	-	-	4
In the second to fifth years inclusive	3,094	-	3,094	188
Over five years	1,580	-	815	1
	<u>4,674</u>	<u>-</u>	<u>4,719</u>	<u>193</u>

22. Control and ultimate parent company

The company is a subsidiary undertaking of and is controlled by Westminster Health Care Holdings PLC, which is incorporated in England and registered in England and Wales. Westminster Health Care Holdings PLC heads the largest and the smallest higher group of undertakings for which group financial statements are prepared and of which the company is a member. Copies of these financial statements are available to the public and may be obtained from its company secretary at 48 Leicester Square London WC2H 7WH.