

Healthcall Medical (Holdings) Limited

Directors' report and financial statements

Year ended 31 December 2002

Registered number 2058177



Directors' report and financial statements

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Directors' report

The directors have pleasure in submitting the annual report and the audited financial statements for the year ended 31 December 2002.

Principal activity and review of business

The company is an intermediate parent undertaking for Healthcall Group Limited's investment in its healthcare businesses. The directors are confident about the company's future prospects.

Results and dividends

The profit for the financial year is £106,080 (2001: £7,524,800)

The directors do not recommend the payment of a dividend (2001: £7,524,000).

Directors and directors interests

The directors who served during the year, and subsequently, were as follows:

RI Burns	(resigned 31 October 2002)
JAS Jewitt	
DO Lyon	(resigned 1 May 2003)
S Page	
CER Thomas	
MA Ellis	(appointed 1 May 2003)

The directors had no interests in the share capital of the company.

The interests of JAS Jewitt, DO Lyon and SR Page in the share capital of Nestor Healthcare Group plc, the ultimate holding company, are disclosed in the financial statements of that company.

The interests of those directors who were not also directors of the ultimate holding company, Nestor Healthcare Group plc, in the share capital of Nestor Healthcare Group plc, were as follows:

	Ordinary shares		SAYE Scheme			
	2002	2001	2002	Granted	Exercised	2001
CER Thomas	5,865	1,426	2,088	2,088	(3,176)	3,176

	Employee Share Option Scheme 1996				Share Option Plan 200			
	2002	Granted	Exercised	2001	2002	Granted	Exercised	2001
CER Thomas	29,760	-	(7,522)	37,282	41,121	41,121	-	-

Directors' report (*continued*)

Statement of directors' responsibilities

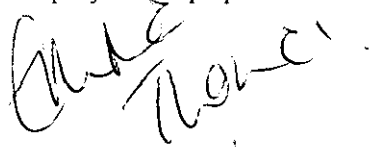
Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Following the conversion of the company's auditors, PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, a resolution to appoint their successor, PricewaterhouseCoopers LLP, as auditors to the company will be proposed at the next board meeting.



CER Thomas
Company Secretary

31 December 2003

The Colonnades
Beaconsfield Close
Hatfield
AL10 8YD

Independent auditors' report to the members of Healthcall Medical (Holdings) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit 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 at 31 December 2002 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

31 December 2003

*Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH*

Profit and loss account

for the year ended 31 December 2002

	<i>Notes</i>	2002 £	2001 £
Income from shares in group undertakings		106,080	7,524,800
Profit on ordinary activities before taxation for the financial year		106,080	7,524,800
Taxation		-	-
Profit on ordinary activities after taxation for the financial year		106,080	7,524,800
Dividends	4	-	(7,524,000)
Retained profit for the financial year		106,080	800

All of the above results relate to continuing operations.

A reconciliation of the movement in equity shareholders' funds is disclosed in note 10 to the financial statements.

There is no difference between the results as disclosed in the profit and loss account and those on an unmodified historical cost basis.

There were no recognised gains or losses during the year or the preceding year other than those disclosed in the profit and loss account.

Balance sheet
at 31 December 2002

	Note	2002	2001
		£	£
Fixed assets			
Investments	5	2,129,834	2,129,834
Current assets			
Debtors: Amounts falling due within one year	6	13,278,994	12,787,884
Cash at bank and in hand		-	385,030
		<u>13,278,994</u>	<u>13,172,914</u>
Current liabilities: Amount falling due within one year	7	(13,586,887)	(13,586,887)
Net current liabilities		<u>(307,893)</u>	<u>(413,973)</u>
Net assets		<u>1,821,941</u>	<u>1,715,861</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	106,880	800
Capital reserve		<u>1,715,059</u>	<u>1,715,059</u>
Equity shareholders' funds	10	<u>1,821,941</u>	<u>1,715,861</u>

These financial statements were approved by the board of directors on 31 December 2003 and were signed on its behalf by:

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 under in accordance with applicable Accounting Standards and under the historical cost accounting rules.

Cashflow statement

In accordance with the provisions of Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking.

Consolidated financial statements

In accordance with Section 228 of the Companies Act 1985, group financial statements have not been prepared as the company is a wholly owned subsidiary undertaking of Nestor Healthcare Group Plc, a company registered in England and Wales.

Related party transactions

The company is exempt from the disclosure of transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of Nestor Healthcare Group Plc and its results are included in that company's consolidated financial statements.

2 Staff numbers and costs

The company had no employees. (2001: nil)

3 Amounts paid for the services of directors

No director received any emoluments during the year (2001: £Nil).

4 Dividends

	2002	2001
	£	£
Final dividend proposed	-	7,524,000
	<u> </u>	<u> </u>

Notes (continued)

5 Investments held as fixed assets

	Shares in group undertakings £
<i>Cost and net book value</i>	
At beginning and end of year	2,129,834

The directors consider that the market value of investments is not materially different from their book values.

The principal investments in subsidiary undertakings held at 31 December 2002 were as follows:

Subsidiary	Principal activity	Percentage of issued ordinary share capital held %
Healthcall Services Limited	Healthcare services	100
Cleveland Healthcall Services Limited	Healthcare services	51

The above undertakings are incorporated in Great Britain, and are registered and operate principally in England and Wales.

6 Debtors

	2002 £	2001 £
Amounts owed by group undertaking (including dividends receivable)	13,278,994	12,787,884

7 Creditors: Amounts falling due within one year

	2002 £	2001 £
Amounts owed to group undertakings (including dividends payable)	13,586,887	13,586,887

Notes (continued)

8 Share capital

	2002 £	2001 £
<i>Authorised:</i>		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

9 Profit and loss account

	2002 £	2001 £
At 1 January	800	-
Result for the financial year	106,080	800
	<u> </u>	<u> </u>
At 31 December	106,880	800
	<u> </u>	<u> </u>

10 Reconciliation of movements in equity shareholders' funds

	2002 £	2001 £
Profit for the financial year	106,880	7,524,800
Dividends	-	(7,524,000)
	<u> </u>	<u> </u>
	106,080	800
Equity shareholders' funds at 1 January	1,715,861	1,715,061
	<u> </u>	<u> </u>
Equity shareholders' funds at 31 December	1,821,941	1,715,861
	<u> </u>	<u> </u>

11 Ultimate parent undertaking

The immediate parent undertaking is Healthcall Limited which is incorporated in Great Britain and registered in England and Wales.

The parent undertaking of the smallest and largest group for which group accounts are prepared and in which the results of the company are consolidated, is Nestor Healthcare Group Plc, which is incorporated in Great Britain and registered in England and Wales.

Copies of the financial statements of Nestor Healthcare Group Plc can be obtained from its registered office at The Colonnades, Beaconsfield Close, Hatfield, AL10 8YD.