

# **IHI Limited**

**Directors' report and financial statements**

**31 May 1998**

**Registered number 2451428**



# IHI Limited

## Directors' report and financial statements

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# IHI Limited

## Directors' report

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

## Principal activity

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

## Directors and directors' interests

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

M M Bradford	(resigned 6 February 1998)
P Easterman	(resigned 6 February 1998)
A S Wilson	(resigned 6 February 1998, re-appointed 1 April 1998)
K C K Scott	(appointed 6 February 1998)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company at the beginning or end of the financial year. The interests of KCK Scott and AS Wilson in the share capital and share options of Westminster Health Care Holdings PLC are set out below:

Shares	Number of shares		
	At start of year or date of appointment	Acquired in year	At end of year
K C K Scott	6,161	10,000	16,161
A S Wilson	15,000	10,000	25,000

Options	Number of options					
	At start of year or date of appointment	Granted in year	At end of year	Exercise price	Date from which exercisable	Expiry date
K C K 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
A S Wilson	-	44,000	44,000	275p	15/8/2000	14/8/2001
	-	75,000	75,000	275p	15/8/2000	14/8/2001

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 411.5p to 238.5p

# IHI Limited

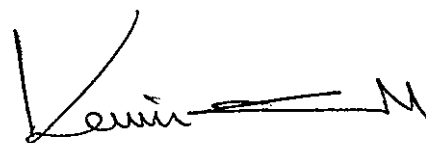
## Directors' report (continued)

### Auditors

During the year the directors appointed KPMG Audit Plc as the company's auditors. 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.

By order of the Board

48 Leicester Square  
London  
WC2H 7WH

A handwritten signature in black ink, appearing to read 'KD O'Connell', with a stylized flourish at the end.

KD O'Connell  
Secretary  
10 December 1998

# **IHI 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 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.

# IHI Limited

## Report of the auditors, KPMG Audit Plc, to the members of IHI Limited

We have audited the financial statements on pages 5 to 8.

### 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 result 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

*/s/* December 1998

# **IHI Limited**

## **Profit and loss account for the year ended 31 May 1998**

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit or a loss.

# IHI Limited

## Balance sheet at 31 May 1998

	Note	£	1998	£	£	1997	£
<b>Fixed assets</b>							
Investment	3			490			-
<b>Current assets</b>							
Debtors: amount owed by parent undertaking		2			2		
<b>Current liabilities</b>							
Creditors: amounts falling due within one year - owed to parent undertaking		(490)			-		
		-----			-----		
<b>Net current (liabilities)/assets</b>				(488)			2
				-----			-----
<b>Net assets</b>				2			2
				=====			=====
<b>Shareholders' funds</b>							
Called up share capital	4			2			2
				=====			=====

Approved by the board of directors on 10 December 1998 and signed on its behalf by:

A S Wilson  
Director



# IHI Limited

## Notes forming part of the financial statements

### 1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards consistently applied.

The company is exempt from the requirements of Financial Reporting Standard No. 1 to present a cash flow statement as it is wholly owned subsidiary of Westminster Health Care Holdings PLC and its cash flows are included within the consolidated cash flow statement of that company.

The company is exempt from the requirements of Financial Reporting Standard No. 9 to present information in relation to its associated undertaking because, as a wholly owned subsidiary of Westminster Health Care Holdings PLC, it would be exempt from preparing consolidated financial statements if it had subsidiaries.

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.

### 2. Directors' emoluments

The directors received no emoluments for services to the company during the year (1997: £ nil).

### 3. Fixed asset investment

During the year the company acquired 4,900 10p ordinary shares in Atlantic Healthcare (General Partner) Limited, an associated undertaking, representing 49% of the share capital of that company. The investment is shown at cost.

### 4. Called up share capital

	1998	1997
	£	£
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	=====	=====
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2
	=====	=====

# IHI Limited

## Notes forming part of the financial statements (continued)

### 5. 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 the company secretary at 48 Leicester Square London WC2H 7WH.