

Libra Health Group Limited
Director's report and financial statements
for the year ended 31 May 1999

Registration Number: 2915765



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

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Libra Health Group Limited

Report of the Directors for the year ended 31 May 1999

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

Principal activities and business review

The Company is a holding company.

Financial results

The Company did not trade during the year. Interest was received on inter-company balances. The results for the year are set out in the profit and loss account on page 5. The directors paid a dividend of £nil (1998: £623,690, comprising £602,803 in respect of Cumulative Redeemable Preference shares and £20,887 in respect of Cumulative Convertible Participating Redeemable Preferred 'A' Ordinary shares) and do not propose a final dividend for the period. A retained profit of £1,911 has been transferred to reserves (1998: retained loss of £640,698).

Directors

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

A Heywood	(appointed 26 April 1999)
Dr C Patel	(appointed 26 April 1999)
J Priestley	(resigned 5 February 1999)
R Vaughan	(resigned 5 February 1999)
D Torbett	
K Scott	(resigned 31 May 999)
A Wilson	(resigned 30 July 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 during the financial period 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 the Westminster Health Care Holdings Limited, the ultimate parent company, will be disclosed in the accounts of that company.

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 re-appointment of KPMG Audit Plc as auditors of the Company.

By order of the Board

A handwritten signature in black ink, appearing to be 'AG Heywood', written over a large, stylized 'D' shape.

AG Heywood
Director

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

30 March 2000

Libra Health Group Limited

Director's 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.

Libra Health Group Limited
Report of the Auditors, KPMG Audit Plc, to the members of Libra
Health Group Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of Directors and Auditors

As described on page 3 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 judgments 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 mis-statement, 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 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

30 March 2000

Libra Health Group Limited

Profit and Loss Account for the year ended 31 May 1999

	Note	12mths to 31 May 1999 £	17mths to 31 May 1998 £
Turnover	2	-	-
Administrative expenses		<u>-</u>	<u>(87,492)</u>
Operating loss		-	(87,492)
Profit on the disposal of fixed assets		-	56,992
Interest receivable and similar income		1,911	311,934
Interest payable and similar charges	6	<u>-</u>	<u>(298,442)</u>
Profit/(loss) on ordinary activities before tax	3	1,911	(17,008)
Taxation on profit/(loss) on ordinary activities		<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		1,911	(17,008)
Dividends and appropriations		<u>-</u>	<u>(623,690)</u>
Retained profit/(loss) for the financial period	10	<u>1,911</u>	<u>(640,698)</u>

All income and expenditure is derived from continuing activities.

A statement of total recognised gains and losses has not been prepared as there are no recognised gains or losses other than the result for the period.

Movements in shareholders' funds are shown below.

Reconciliation of movements in shareholders' funds	1999 £	1998 £
Profit/(loss) for year/period	1,911	(17,008)
Dividends and appropriations	<u>-</u>	<u>(623,690)</u>
	1,911	(640,698)
New share capital subscribed	-	6,700,000
Redemption of preference shares	-	(6,700,000)
Reversal of non-equity appropriations:		
- changes in appropriations for non-equity dividends	<u>-</u>	<u>(149,565)</u>
	1,911	(790,263)
Opening shareholders' funds	7,012,647	7,802,910
Closing shareholders' funds	<u>7,014,558</u>	<u>7,012,647</u>

The notes on pages 7 to 11 form part of these financial statements.

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

	Note	31 May 1999 £	31 May 1998 £
Fixed assets			
Investments	7	<u>5,252,492</u>	<u>5,252,528</u>
Current assets			
Debtors	8	1,762,066	1,760,119
Creditors: amounts falling due within one year		<u>-</u>	<u>-</u>
Net current assets		<u>1,762,066</u>	<u>1,760,119</u>
Total assets less current liabilities		7,014,558	7,012,647
Net assets		<u>7,014,558</u>	<u>7,012,647</u>
Capital and reserves			
Called-up share capital	9	73,000	73,000
Share premium account	10	6,899,965	6,899,965
Profit and loss account	10	<u>41,593</u>	<u>39,682</u>
		7,014,558	7,012,647
Equity shareholders' funds	11	6,905,421	6,903,510
Non-equity shareholders' funds	11	109,137	109,137
Shareholders' funds		<u>7,014,558</u>	<u>7,012,647</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 Group Limited

Notes to the Financial Statements for the period to 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.

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 its cash flows are included within the consolidated cash flow statement of that Company.

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.

Accounting for capital instruments

The direct costs incurred in connection with the issue of capital instruments have been deducted from the proceeds of the issue and the finance costs associated with debt and non-equity shares have been allocated to periods at a constant rate based on the carrying amount.

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 Turnover

Turnover arises from fees charged for management services.

Libra Health Group Limited

3 Profit/(loss) on ordinary activities before taxation

	12 mths to 31 May 1999 £	17mth period to 31 May 1998 £
Profit/(loss) on ordinary activities before taxation is stated after changing:		
Amortisation of deferred costs	-	26,326
Auditors' remuneration:		
Audit services	-	1,815
Non audit services	-	-
	<u>-</u>	<u>-</u>

4 Directors' emoluments

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

	12 mths to 31 May 1999 £	17 mth period to 31 May 1998 £
Salaries and benefits in kind	-	3,558
Fees	-	24,724
	<u>-</u>	<u>28,282</u>

5 Employee information

The Company had no employees in the year to 31 May 1999 (1998: 7 directors).

6 Interest payable and similar charges

	12 mths to 31 May 1999 £	17 mth period to 31 May 1998 £
Term loan, payable to banks	-	383,459
Profit on reversal of non-equity appropriations	-	(85,017)
	<u>-</u>	<u>298,442</u>

Libra Health Group Limited

7 Fixed asset investments

	Shares in subsidiary undertakings £
At 1 June 1998	5,252,528
Disposal	(36)
At 31 May 1999	<u>5,252,492</u>

Libra Health Group Limited is the beneficial owner of the entire issued ordinary share capital of Libra Health Limited which is incorporated and registered in England and Wales. Libra Health Limited operates acute hospitals, a day care centre and nursing homes.

8 Debtors

	1999 £	1998 £
Amounts owed by group undertakings	1,761,640	1,461,690
Prepayments	<u>426</u>	<u>298,429</u>
	<u>1,762,066</u>	<u>1,760,119</u>

Libra Health Group Limited

9 Called up Share Capital

	1999 £	1998 £
Authorised		
6,700,000 Cumulative Redeemable 10p Preference Shares	670,000	670,000
Cumulative Convertible Participating Redeemable Preferred:		
435,000 'A' 1p shares	4,350	4,350
30,000 'B' 1p shares	300	300
6,850,000 1p ordinary shares	<u>68,500</u>	<u>68,500</u>
	<u>743,150</u>	<u>743,150</u>
 Allotted, called up and fully paid		
Cumulative Convertible Participating Redeemable Preferred:		
435,000 'A' 1p shares	4,350	4,350
15,000 'B' 1p shares	150	150
6,850,000 1p ordinary shares	<u>68,500</u>	<u>68,500</u>
	<u>73,000</u>	<u>73,000</u>

Cumulative Convertible Participating Redeemable Preferred 'A' 1p shares are entitled to a fixed cumulative preferential net cash dividend of 3.1034p per share payable half yearly on 1 July and 31 December. The shares may be redeemed, or converted to ordinary shares on certain dates as set out by the Articles at the Company's option or, if still outstanding on 30 June 1999, must then be redeemed at £1. The shares have voting rights of 1 vote per share and have a preferential right to return of capital on a winding up. These shares are classified as non-equity.

The 'B' 1p shares have voting rights of 1 vote per share and are entitled to dividends equal to the 'A' shareholders dividends (provided there are sufficient distributable reserves). The shares have a right to capital payments equal to that paid to 'A' shareholders on a winding up. These shares are classified as equity.

The 1p ordinary shares have voting rights of 1 vote per share and are entitled to a share of any remaining profits (after all above dividends have been paid). The shares have a right to any remaining assets (after capital payments to above shareholders) on a winding up. These shares are classified as equity.

10 Share premium and reserves

	Share premium £	Profit and Loss £
At 1 June 1998	6,899,965	39,682
Retained profit for the year	-	<u>1,911</u>
 At 31 May 1999	<u>6,899,965</u>	<u>41,593</u>

Libra Health Group Limited

11 Capital and Reserves

		1999 £
<u>Equity</u>		
Share capital	- B	150
	- Ordinary	<u>68,500</u>
		68,650
Share premium	- B	14,175
	- Ordinary	<u>6,781,003</u>
		6,795,178
Profit and loss account		41,593
Accrued preference dividends non equity		<u>-</u>
		41,593
At 31 May 1999		<u>6,905,421</u>
<u>Non-equity</u>		
Share capital	- Preference	-
	- A	<u>4,350</u>
		4,350
Share premium	- Preference	-
	- A	<u>104,787</u>
		104,787
Accrued preference dividends non equity		<u>-</u>
At 31 May 1999		<u>109,137</u>

12 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 and smallest 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.