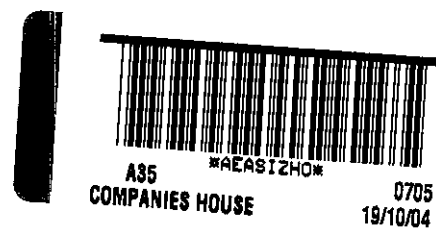


**Westminster Beaumont Properties  
(Southgate) Limited**

Directors' report and financial statements

Year ended 31 December 2003

Registered number 3425314



## Contents

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors report	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movements in shareholders' funds	7
Notes to the accounts	8

## **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 annual report and the audited financial statements for the year ended 31 December 2003.

### Principal activities

The company's principal activity is the sale of highly sheltered housing to the frail and elderly on long leases. Care and property services are provided by other group companies.

### Business review

The results for the year are set out in the profit and loss account on page 5.

### Dividends

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

### Future prospects

The directors expect the general level of activity in the healthcare sector, and hence the demand for highly sheltered housing, to increase.

### 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 in 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 Properties (Southgate) Limited**

We have audited the financial statements of the Westminster Beaumont Properties (Southgate) Limited which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 14. 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 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 profit 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

17 June 2004

**Profit and loss account***Year ended 31 December 2003*

	<i>Note</i>	<b>2003</b> <b>£000</b>	<b>2002</b> <b>£000</b>
<b>Turnover: continuing operations</b>		<b>679</b>	<b>187</b>
Cost of sales		<b>(636)</b>	<b>(176)</b>
		<hr/>	<hr/>
<b>Operating profit: continuing operations</b>		<b>43</b>	<b>11</b>
Interest receivable – bank interest		<b>-</b>	<b>1</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>43</b>	<b>12</b>
Tax on profit on ordinary activities	<b>5</b>	<b>(13)</b>	<b>(4)</b>
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	<b>11</b>	<b>30</b>	<b>8</b>
		<hr/>	<hr/>

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 for 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>	<b>2003</b> <b>£000</b>	<b>2002</b> <b>£000</b>
<b>Fixed assets</b>			
Tangible assets	6	10	10
<b>Current assets</b>			
Stocks	7	493	159
Debtors	8	1,589	1,830
Cash at bank and in hand		7	15
		<b>2,089</b>	<b>2,004</b>
<b>Creditors:</b> amounts falling due within one year	9	<b>(1,368)</b>	<b>(1,313)</b>
<b>Net current assets</b>		<b>721</b>	<b>691</b>
<b>Net assets</b>		<b>731</b>	<b>701</b>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	731	701
<b>Equity shareholders' funds</b>		<b>731</b>	<b>701</b>

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 movement in shareholders' funds***Year ended 31 December 2003*

	<b>2003</b>	2002
	<b>£000</b>	£000
<b>Profit for the financial year</b>	<b>30</b>	8
Shareholders' funds at beginning of year	<b>701</b>	693
	<hr/>	<hr/>
<b>Shareholders' funds at end of year</b>	<b>731</b>	701
	<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:

#### *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.

#### *Turnover*

Turnover represents sales of highly sheltered property. Sales are recognised on completion.

#### *Depreciation*

Depreciation is not provided on freehold land.

#### *Stocks*

Stocks and work in progress represents close care units that have been acquired or constructed by the company and are held for resale.

Stocks of these units are stated at the lower of cost or estimated net realisable value. The cost of units acquired is their purchase price. The cost of units constructed is the cost of land, direct expenditure and proposal fees.

#### *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 Segmental information

The turnover, profit before taxation and net assets are attributable to the principal activity of construction and selling highly sheltered housing to the frail and elderly on long leases in the United Kingdom.

**Notes to the accounts (continued)****3 Profit 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.

**4 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).

**5 Tax on profit on ordinary activities**

	2003 £'000	2002 £'000
<i>Current taxation</i>		
Group relief payable	(13)	(4)
	<hr/>	<hr/>
Tax on profit on ordinary activities	(13)	(4)
	<hr/>	<hr/>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2002: 30%). The actual tax charges for the current and the previous years do not differ from the standard rate.

**6 Tangible fixed assets**

	Freehold land £'000
<i>Cost and net book value</i>	
At beginning and end of the year	10
	<hr/>

**7 Stocks**

	2003 £'000	2002 £'000
Assets for resale	493	159
	<hr/>	<hr/>

Stock comprises close care units which have been developed by the company and are held for resale.

**Notes to the accounts (continued)****8 Debtors**

	2003 £'000	2002 £'000
Amounts due from group undertakings	1,589	1,830

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.

**9 Creditors: amounts falling due within one year**

	2003 £'000	2002 £'000
Amounts owed to group undertakings	1,334	1,294
Group relief payable	13	4
Corporation tax	14	14
Other creditors	7	1
	<u>1,368</u>	<u>1,313</u>

**10 Called up share capital**

	2003 £	2002 £
<i>Authorised</i>		
1,000 (2002: 1,000) Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
2 (2002: 2) Ordinary shares of £1 each	2	2

**11 Reserves**

	Profit and loss account £'000
At beginning of the year	701
Profit for the financial year	30
<b>At end of the year</b>	<u><b>731</b></u>

## **Notes to the accounts (*continued*)**

### **12      Contingent liabilities**

The company has sold retirement apartments under arrangements which entitle the purchaser to require repurchase of the apartments, in certain circumstances, at the higher of a discount to the cost or a discount to the market value. As at 31 December 2003 the total repurchase commitment notified to the company is £0.2 million (*2002: £0.2 million*) and the total potential obligation is estimated at £2.3 million (*2002: £2.2m*). The directors do not estimate any impairment of the recoverable value of the underlying properties and consequently are of the opinion that no loss should accrue to the company in the event that the re-purchase commitment crystallises.

### **13      Immediate and ultimate parent undertaking**

The immediate parent undertaking is Westminster Securitisation 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.

### **14      Related party transactions**

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