

Investors in Health (Chichester No 5) Limited

(previously Splinterdew Limited)

Registered number: 3649269

Report and Financial Statements

For the period from 14 October 1998 to 31 March 2000



Investors in Health (Chichester No 5) Limited
(previously Splinterdew Limited)

Period ended 31 March 2000

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Investors in Health (Chichester No 5) Limited

(previously Splinterdew Limited)

Period ended 31 March 2000

Directors' report for the period from 14 October 1998 to 31 March 2000

Change of company name

The company was incorporated on 14 October 1998 as Splinterdew Limited. On 12 February 1999 the company changed its name to Investors in Health (Chichester No 5) Limited.

Principal activity

The company's principal activity is to build a mental health unit in Chichester and on completion provide facilities management services to that unit.

Results and business review

The company is in the construction phase of the project to build the mental health unit.

The directors are satisfied with the period end financial position and expect the level of activity to increase in the foreseeable future.

Dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The director of the company who served throughout and subsequent to the period were:

SPV Management Limited (appointed 24 June 1999)

Robin Baker (appointed 24 June 1999)

James Brent (appointed 3 June 1999)

Thomas See (appointed 3 June 1999)

Philippa Roe (appointed 28 June 2000)

Philippa Roe acts as alternate director to James Brent.

The directors did not hold any disclosable beneficial interests in the company at 31 March 2000, or at any time during the period.

Investors in Health (Chichester No 5) Limited

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Year 2000

The company has experienced no disruptions or malfunctions since the beginning of the period arising from its own computer system or equipment with embedded date-reliant computer chips in relation to the Year 2000 problem.

Statement of directors' responsibilities

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 of the company for that period.

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 period ended 31 March 2000 and that applicable accounting standards have been followed.

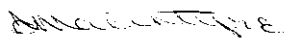
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding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

Auditors

PricewaterhouseCoopers have been appointed as auditors to the company. They have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

For and on behalf of
CLIFFORD CHANCE SECRETARIES LTD


Authorised Signatory

For and on behalf of Clifford Chance Secretaries Limited
Secretary

Investors in Health (Chichester No 5) Limited

(previously Splinterdew Limited)

Period ended 31 March 2000

Auditors' report to the members of Investors in Health (Chichester No 5) Limited

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Report and Financial Statements. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 required 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 Report and Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

Investors in Health (Chichester No 5) Limited

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Period ended 31 March 2000

Uncertainty – going concern

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation. The financial statements have been prepared on a going concern basis and the validity of this depends on the ability of the company to arrange long term finance to replace the current overdraft. The financial statements do not include any adjustments that would result from a failure to obtain such continued support. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

21 August 2000

Investors in Health (Chichester No 5) Limited
(previously Splinterdew Limited)

Period ended 31 March 2000

Profit and loss account
for the period from 14 October 1998 to 31 March 2000

	Notes	Period to 31 March 2000 £
Operating expenses	2	<u>(74,679)</u>
Operating loss		(74,679)
Interest payable and similar charges	5	<u>(27,752)</u>
Loss on ordinary activities before taxation	3	(102,431)
Tax on loss on ordinary activities	6	<u>-</u>
Loss for the period	12	<u>(102,431)</u>

The loss on ordinary activities before taxation relates to continuing activities.

The company has no recognised gains or losses other than those included in the profit and loss account above and, therefore, no separate statement of total recognised gains and losses has been presented.

Investors in Health (Chichester No 5) Limited


(previously Splinterdew Limited)

Period ended 31 March 2000

Balance sheet at 31 March 2000

	Notes	2000 £
Tangible fixed assets	7	<u>458,117</u>
Current assets		
Debtors	8	33,626
Current liabilities		
Creditors: amounts falling due within one year	9	<u>(53,488)</u>
Net current liabilities		<u>(19,862)</u>
Total assets less current liabilities		438,255
Long term liabilities		
Creditors: amounts falling due after more than one year	10	(540,685)
Net liabilities		<u>102,430</u>
Capital and reserves		
Called up share capital	11	1
Profit and loss account	12	(102,431)
Equity shareholder's funds	13	<u>102,430</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 17th August 2000 and signed on its behalf by:


Director



Investors in Health (Chichester No 5) Limited

(previously Splinterdew Limited)

Period ended 31 March 2000

Notes to the financial statements

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

Going Concern

At 31 March 2000 the company had net liabilities. The company is funded by a loan facility that is repayable on the earliest of 24 May 2001 or upon completion of construction. Upon completion of construction an issue of loan notes will be arranged to repay the loan facility. The directors, therefore, consider it is appropriate for the financial statements to be prepared on a going concern basis.

Cash flow statement

The company is a wholly owned subsidiary of The Investors Group Limited and is included in the consolidated financial statements of The Investors Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption of preparing a cash flow statement under the terms of Financial Reporting Standard 1.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Assets under construction are not depreciated.

Deferred tax

Taxation deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Finance costs

Finance costs incurred in relation to the raising of loan finance is amortised to profit and loss over the period of the loan facility.

Investors in Health (Chichester No 5) Limited

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Period ended 31 March 2000

Notes to the financial statements

2 Operating Expenses

	Period to 31 March 2000 £
Administrative expenses	<u>74,679</u>

3 Loss on ordinary activities before taxation

Loss on ordinary activities is stated after charging:

	Period to 31 March 2000 £
Auditors' remuneration	
Audit services	<u>3,600</u>

No staff were directly employed by the company.

4 Directors' emoluments

Directors' fees amounted to £7,549 in respect of services to this company and the five other Investors in Health (Chichester) Limited companies. These fees are borne in full by Investors in Health (Chichester No 1) Limited.

5 Interest payable and similar charges

	Period to 31 March 2000 £
Interest payable on bank loan	12,911
Amortisation of issue costs of bank loan	14,841
	<u>27,752</u>

6 Taxation on loss on ordinary activities

There is no tax charge for the period due to the losses incurred.

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Period ended 31 March 2000

Notes to the financial statements

7 Tangible fixed assets

	Assets under construction 2000 £
Cost	
Additions during the period	458,117
At 31 March 2000	<u>458,117</u>

8 Debtors

	2000 £
Amounts owed by parent undertaking	1
Other debtors	26,931
Prepayments	6,694
	<u>33,626</u>

9 Creditors: amounts falling due within one year

	2000 £
Trade creditors	6,022
Accruals	47,466
	<u>53,488</u>

10 Creditors: amounts falling due after more than one year

	2000 £
Bank loan	<u>540,685</u>

The bank loan is secured by way of a fixed and floating charge over the property, undertakings and assets of the company. It is repayable on the earlier of 24 May 2001 or upon completion of construction.

Investors in Health (Chichester No 5) Limited

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Period ended 31 March 2000

Notes to the financial statements

11 Called up share capital

	2000 £
Ordinary shares of £1 each	
Authorised – 100 shares	<u>100</u>
Alloted and fully paid – 1 share	<u>1</u>

The share was issued on incorporation at par.

12 Profit and loss account

	2000 £
Loss for the period	(102,431)
Retained loss at 31 March 2000	<u>(102,431)</u>

13 Reconciliation of movements in shareholder's funds

	2000 £
Loss for the period	(102,431)
Proceeds of issue of ordinary shares	1
Shareholder's funds at 31 March 2000	<u>(102,430)</u>

14 Immediate parent undertaking

The directors regard The Investors Group Limited as the immediate parent undertaking. This company is a joint venture vehicle owned equally by Rotch Property Group Limited and Schroder Investment Company Limited.

The results of the company are consolidated in the financial statements of The Investors Group Limited, copies of which may be obtained from 200 Aldersgate, London, EC1A 4JJ.

Investors in Health (Chichester No 5) Limited
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Period ended 31 March 2000

Notes to the financial statements

15 Ultimate controlling parties

The directors regard Schroder Plc and Rotch Property Group Limited, as the ultimate controlling parties.