

ANS 2000 plc

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2005**



Horwath Clark Whitehill

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DIRECTORS' REPORT
For the year ended 31 March 2005

The directors present their report and the financial statements for the year ended 31 March 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 of the company 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;
- 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 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company is principally the owner of companies that are engaged in ownership, management, contracting and commissioning of nursing centres and related facilities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £8,008,325 (2004 - £4,061,676) .

The directors recommend a dividend of £8,000,000 (2004 - £2,050,000) .

DIRECTORS

The directors who served during the year were:

F J Sinclair-Brown
G W S Daly
S S Dhandra
A K N Patel

ADDITIONAL INFORMATION RE DIRECTORS

No directors held any interest in shares of the company at 31 March 2005, or at any time during the year.

The beneficial interests of the directors in the issued share capital of the ultimate parent company, ANS 2003 plc, are disclosed in the accounts of ANS 2003 plc. Copies of the accounts of ANS 2003 plc can be obtained from the Company Secretary, ANS 2003 plc, Regent House, 16 Lombard Road, Battersea, London SW11 3PZ.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The Company's policy is to settle the terms of payment with suppliers and abide by those terms. At the year end the period of credit taken from suppliers amounted to 20 days.

DIRECTORS' REPORT
For the year ended 31 March 2005

AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 11 July 2005 and signed on its behalf.


GWS Daly
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ANS 2000 PLC

We have audited the financial statements of ANS 2000 plc for the year ended 31 March 2005 set out on pages 5 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 auditor's 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 law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 within it.

BASIS OF AUDIT 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ANS 2000 PLC

UNQUALIFIED OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP
Horwath Clark Whitehill LLP

Chartered Accountants
and Registered Auditors
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

11 July 2005

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2005

	Note	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Administrative expenses		(9,526)	(75,401)
OPERATING LOSS	2	(9,526)	(75,401)
EXCEPTIONAL ITEMS	6		
Exceptional administrative expenses		-	(3,494,047)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(9,526)	(3,569,448)
Income from investments in group undertakings		9,200,000	8,500,000
Interest receivable	4	3,664,270	3,450,117
Interest payable	5	(4,846,419)	(4,318,993)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,008,325	4,061,676
TAX ON PROFIT ON ORDINARY ACTIVITIES		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		8,008,325	4,061,676
DIVIDENDS - On equity shares		(8,000,000)	(2,050,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	£ 8,325	£ 2,011,676

All amounts relate to continuing operations.

There were no recognised gains and losses for 2005 or 2004 other than those included in the profit and loss account.

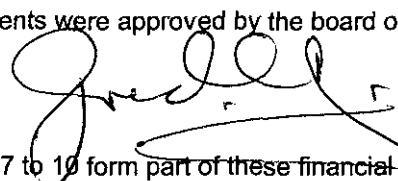
The notes on pages 7 to 10 form part of these financial statements.

BALANCE SHEET
As at 31 March 2005

	Note	2005	2004
		£	£
FIXED ASSETS			
Investments	7	28,644,797	28,644,797
DEBTORS: due after more than one year	8	75,851,417	72,987,147
CURRENT ASSETS			
Cash at bank		80,458	295,379
CREDITORS: amounts falling due within one year	9	(196,319)	(233,194)
NET CURRENT (LIABILITIES)/ASSETS		(115,861)	62,185
TOTAL ASSETS LESS CURRENT LIABILITIES		104,380,353	101,694,129
CREDITORS: amounts falling due after more than one year	10	(82,931,200)	(80,253,301)
NET ASSETS		21,449,153	21,440,828
CAPITAL AND RESERVES			
Called up share capital	11	77,644	77,644
Share premium account		13,359,643	13,359,643
Capital redemption reserve		50,000	50,000
Profit and loss account	12	7,961,866	7,953,541
SHAREHOLDERS' FUNDS - All Equity	13	21,449,153	21,440,828

The financial statements were approved by the board on 11 July 2005 and signed on its behalf.

F J Sinclair-Brown
Director



The notes on pages 7 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2005

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

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

2. OPERATING LOSS

The operating loss is stated after charging:

	Year ended 31 March 2005	Year ended 31 March 2004
	£	£
Auditors' remuneration	2,800	2,453
Auditors' remuneration - non-audit	2,000	3,126
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2004 - £nil).

3. STAFF COSTS

The average monthly number of employees, including directors, during the year was as follows:

	Year ended 31 March 2005	Year ended 31 March 2004
Directors	4	4
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE

	Year ended 31 March 2005	Year ended 31 March 2004
	£	£
Interest receivable from group companies	3,664,270	3,265,547
Other interest receivable	-	184,570
	<u> </u>	<u> </u>
	<u>3,664,270</u>	<u>3,450,117</u>

5. INTEREST PAYABLE

	Year ended 31 March 2005	Year ended 31 March 2004
	£	£
On bank loans and overdrafts	-	3,343,820
On loans from group undertakings	4,846,419	975,173
	<u> </u>	<u> </u>
	<u>4,846,419</u>	<u>4,318,993</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2005

6. EXCEPTIONAL ITEMS

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Redemption of preference shares	-	50,000
Financing costs	-	987,174
Costs incurred in relation to value realisation	-	2,456,873
	<u>£ -</u>	<u>£ 3,494,047</u>

Exceptional financing costs relate to costs associated with the refinancing in June 2003, which was subsequently superseded by a facility negotiated by ANS 2003 plc, the ultimate parent company.

Exceptional costs of £2,456,873 relates to costs incurred in respect of the review and exploration of potential value realisation options available.

7. FIXED ASSET INVESTMENTS

Cost	Shares in group under- takings £	Total £
Shares in ANS plc at 1 April 2004 and 31 March 2005	<u>28,644,797</u>	<u>28,644,797</u>

Subsidiary undertakings of ANS plc, the subsidiary of the Company, are as follows:

Name of company	Nature of business
ANS Contract Healthcare Limited	Nursing Centres
ANS Homes Limited	Nursing Centres
Stephigh Limited	Nursing Centres
Beckerworld Limited	Nursing Centres
Calverguild Limited	Nursing Centres
ANS Contracting & Commissioning Limited	Commissioning of Nursing Centres
Ebbgate Nursing Homes Limited	Nursing Centres
Ebbgate Nursing Homes (London) Limited	Nursing Centres
Camomile Homes Limited	Nursing Centres
Sutton Court Homes Limited	Nursing Centres
Sutton Court Homes (No 2) Limited	Nursing Centres
Hornchurch VCT Limited	Nursing Centres
West London Clinic Limited (75.6% owned)	Operating Theatre Facilities

All the above subsidiaries are 100% owned except where stated, and all operate within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2005

8. DEBTORS

	2005 £	2004 £
Due after more than one year		
Amounts owed by group undertakings	<u>£75,851,417</u>	<u>£72,987,147</u>

9. CREDITORS:
Amounts falling due within one year

	2005 £	2004 £
Trade creditors	1,155	-
Accruals and deferred income	<u>195,164</u>	<u>233,194</u>
	<u>196,319</u>	<u>233,194</u>

10. CREDITORS:
Amounts falling due after more than one year

	2005 £	2004 £
Amounts owed to group undertakings	<u>82,931,200</u>	<u>80,253,301</u>
Creditors include amounts not wholly repayable within 5 years as follows:		
	2005 £	2004 £
Repayable by instalments	<u>38,424,805</u>	<u>73,000,000</u>

11. SHARE CAPITAL

	2005 £	2004 £
Authorised		
25,000,000 Ordinary shares shares of 1p each	250,000	250,000
50,000 Redeemable preference shares shares of £1 each	50,000	50,000
	<u>£ 300,000</u>	<u>£ 300,000</u>
Allotted, called up and fully paid		
7,764,376 Ordinary shares shares of 1p each	<u>£ 77,644</u>	<u>£ 77,644</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2005

12. RESERVES

Profit and loss account	£
At 1 April 2004	7,953,541
Profit retained for the year	8,325
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At 31 March 2005	7,961,866
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13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the year	8,008,325	4,061,676
Dividends	(8,000,000)	(2,050,000)
	<hr/>	<hr/>
	8,325	2,011,676
Shares issued during the year	-	300
Share premium on shares issued (net of expenses)	-	480,000
	<hr/>	<hr/>
	8,325	2,491,976
Opening shareholders' funds	21,440,828	18,948,852
	<hr/>	<hr/>
Closing shareholders' funds	21,449,153	21,440,828
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14. RELATED PARTY TRANSACTIONS

The company transacts with other group companies in the normal course of business. The transactions are not disclosed as they are eliminated in the group accounts of ANS 2003 plc, which are publicly available.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is ANS 2003 plc. The group accounts of ANS 2003 plc are available from Companies House.