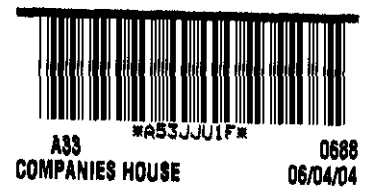


NHP SECURITIES NO. 4 LIMITED

Report and Financial Statements

30 September 2003



**Deloitte & Touche LLP
London**

REPORT AND FINANCIAL STATEMENTS 2003

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REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W Colvin, CA Chief Executive
R N Midmer, CENG MICE Executive Director

SECRETARY

S Kaul

REGISTERED OFFICE

Block A, Upper Ground Floor,
Dukes Court,
Duke Street,
Woking GU21 5BH

BANKERS

Bank of Scotland
Commercial Banking Services
Teviot House
41 South Gyle Crescent
Edinburgh EH12 9BF

SOLICITORS

Eversheds
Holland Court
The Close
Norwich NR1 4DX

AUDITORS

Deloitte & Touche LLP
Hill House
1 Little Street
London EC4A 4TR

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited financial statements for the year ended 30 September 2003.

PRINCIPAL ACTIVITY

The principal activity of the Company is the holding of a 50.01 per cent interest in the LLNHP Partnership. The Company is one of the two partners in the LLNHP Partnership.

The principal activity of the LLNHP Partnership was the holding of freehold interests in modern purpose-built care homes which were leased back to care home operators. The LLNHP Partnership is currently dormant and no further trading is proposed.

BUSINESS REVIEW

No profit and loss account has been presented as the Company has not traded in the current and previous years.

The Directors do not expect the Company to trade in the foreseeable future.

DIVIDENDS

No dividends in respect of the year are proposed (2002: £nil).

POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

GOING CONCERN

The Directors, having made appropriate enquiries, are satisfied that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The following Directors served throughout the year except as noted:

		<u>Date of Appointment</u>	<u>Date of Resignation</u>
W Colvin	Chief Executive	7 September 2000	-
D F Francis	Executive Director	13 October 1997	30 September 2003
R N Midmer	Executive Director	13 February 2001	-

The current Directors of the Company are detailed on page 1.

No Director has, or had, any interests in the shares of the Company. No Director holds a service contract with the Company and there is no share option scheme in existence.

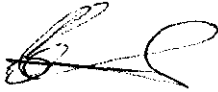
The Directors' interests in the shares of the parent company are disclosed in that company's financial statements. There are no other disclosable interests in the shares of any other group company.

DIRECTORS' REPORT (continued)

AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S Kaul
Secretary

5 December 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 Group as at the end of the financial period and of the profit or loss of the Group 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NHP SECURITIES NO. 4 LIMITED

We have audited the financial statements of NHP Securities No.4 Limited for the year ended 30 September 2003 which comprise the balance sheets and the related notes 1 to 7. 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's and the Group's affairs as at 30 September 2003 and of the result 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

London

10 December 2003

CONSOLIDATED BALANCE SHEET
30 September 2003

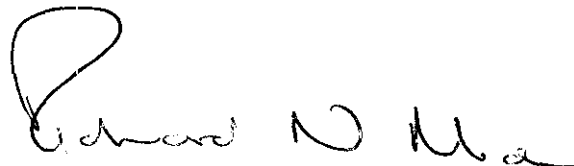
	Note	2003 £	2002 £
CURRENT ASSETS			
Cash at bank and in hand		1,002	1,002
NET CURRENT ASSETS			
		1,002	1,002
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,002	1,002
Equity minority interest	3	(499)	(499)
NET ASSETS			
		503	503
CAPITAL AND RESERVES			
Called up share capital	4	2	2
Profit and loss account	5	501	501
EQUITY SHAREHOLDERS' FUNDS			
		503	503

These financial statements were approved by the Board of Directors on 5 December 2003.

Signed on behalf of the Board of Directors



W Colvin
 Director



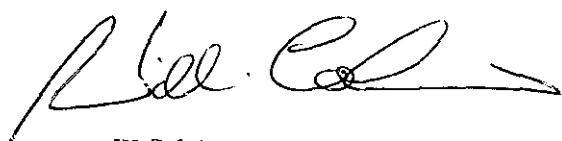
R N Midmer
 Director

COMPANY BALANCE SHEET
30 September 2003

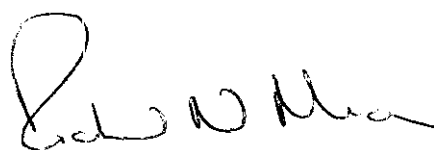
	Note	2003 £	2002 £
CURRENT ASSETS			
Cash at bank and in hand		2	2
NET CURRENT ASSETS		<u>2</u>	<u>2</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	2	2
Profit and loss account	5	-	-
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

These financial statements were approved by the Board of Directors on ●.

Signed on behalf of the Board of Directors



W Colvin
 Director



R N Midmer
 Director

NOTES TO THE ACCOUNTS

Year ended 30 September 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with all applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. The financial statements are in compliance with the Companies Act 1985.

The Company did not trade during the current year and prior year and incurred no expenses and accordingly no profit and loss account is submitted. The Company and the Group had no employees during the year or preceeding year. The audit fee of the Company and the Group has been paid by another Group company in the current and preceeding year.

The accounting policies have been followed consistently during the current and previous years.

Basis of consolidation

The financial statements consolidate the financial statements of the Company and those of the LLNHP Partnership (the "Partnership"). The LLHNP Partnership has taken advantage of the qualifying partnerships exemption under regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993.

2. INVESTMENTS

The Company has a 50.01% holding in the LLNHP Partnership, which is dormant. The original investment, representing a capital contribution, has been fully repaid and hence is carried at £nil (2002: £nil). Any future profits of the Partnership will continue to be shared between the partners in accordance with the provisions of the Partnership Deed dated 27 October 1997.

3. EQUITY MINORITY INTEREST

Equity minority interest represents LLNH Limited's 49.99% holding in the LLNHP Partnership.

4. CALLED UP SHARE CAPITAL

Group and Company	2003	2002
	£	£
Authorised:		
100 ordinary shares at £1 each	100	100
	<u> </u>	<u> </u>
Called up, allotted and fully paid:		
2 ordinary shares at £1 each	2	2
	<u> </u>	<u> </u>

5. RESERVES

	Profit and loss account
	£
Group	
At 1 October 2002 and 30 September 2003	501
	<u> </u>
Company	
At 1 October 2002 and 30 September 2003	-
	<u> </u>

6. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other undertakings within the NHP Plc Group have not been disclosed in these financial statements.

NOTES TO THE ACCOUNTS
Year ended 30 September 2003

7. ULTIMATE PARENT COMPANY

The immediate parent and ultimate controlling company is NHP Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group consolidated financial statements, which include the results of the Company, are available from the Company Secretary, Block A, Upper Ground Floor, Dukes Court, Duke Street, Woking GU21 5BH.