

**Deloitte &  
Touche**

Deloitte Touche  
Tohmatsu  
International



Company Registration No. 522970

**SELLES MEDICAL LIMITED**

**Report and Financial Statements**

**31 December 1995**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**





**REPORT AND FINANCIAL STATEMENTS 1995**

<b>CONTENTS</b>	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Auditors' report</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Note of historical cost profit and losses</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the accounts</b>	<b>7</b>



## **DIRECTORS' REPORT**

The directors present their report and the financial statements for the fourteen month period ended 31 December 1995.

### **ACTIVITIES**

The principal activity of the company is the supply of medical equipment to commercial, industrial and public customers.

On 16 January 1995 the customers and stock of the Occupational Health business of UniChem PLC were transferred to the company.

### **REVIEW OF AFFAIRS AND RESULTS**

The results for the fourteen month period ended 31 December 1995 and the state of affairs of the company are set out in the profit and loss account and balance sheet.

The directors recommend the payment of a final ordinary dividend of £200,000 (1994 - £nil), making a total dividend for the period of £350,000, which leaves a retained profit of £926 (1994 - £24,868) to be transferred to reserves.

### **DIRECTORS DURING THE PERIOD**

The directors at 31 December 1995 were J F Harris, K S S Hide, G I Cooper and D S Hoskins. D S Hoskins served on the Board throughout the period. J F Harris, G I Cooper and K S S Hide were appointed on 1 December 1994.

M F Howe and J M Timperley resigned as directors on the acquisition of the company by UniChem PLC on 1 December 1994.

None of the directors has any interest in the ordinary share capital of the company.

J F Harris, K S S Hide and G I Cooper are also directors of the parent company, UniChem PLC, and their interests in that company are detailed in the annual report of that company. Mr D S Hoskins has the following options over shares in the parent company:

Number	Price	Exercisable between
1,619	213p	1 July 2000 and 30 December 2000
10,000	269p	18 October 1998 and 17 October 2005

### **AUDITORS**

Touche Ross & Co. were appointed as auditors on 6 January 1995. On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed the audit report in that name.

Approved by the Board of Directors  
and signed on their behalf

*A J Goodenough*

Company Secretary

23 May 1996

**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 as at the end of the financial year 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;
- prepare the financial statements on a 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. 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.



## Chartered Accountants

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## AUDITORS' REPORT TO THE MEMBERS OF SELLES MEDICAL LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 2 the company 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 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 affairs at 31 December 1995 and of its profit for the fourteen months then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte + Touche*

Deloitte & Touche  
Chartered Accountants  
and Registered Auditors  
Hill House  
1 Little New Street  
London EC4A 3TR

23 May 1996


**PROFIT AND LOSS ACCOUNT**  
**Fourteen months ended 31 December 1995**

	Note	Fourteen months ended 31 December 1995 £	Year ended 31 October 1994 £
<b>TURNOVER</b>	2	3,143,885	2,050,130
Cost of sales		(1,942,685)	(1,313,713)
Gross profit		1,201,200	736,417
Administrative expenses		(664,726)	(704,768)
<b>OPERATING PROFIT</b>	3	536,474	31,649
Profit on sale of fixed assets		-	2,336
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		536,474	33,985
Interest payable	4	(1,790)	(1,614)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		534,684	32,371
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	5	(183,758)	(7,503)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		350,926	24,868
Dividends	6	(350,000)	-
Retained profit for the financial period		926	24,868
Retained profits brought forward		403,344	378,476
Retained profits carried forward		404,270	403,344

All activities derive from continuing operations. The results for the fourteen months ended 31 December 1995 include the trade previously carried out by the Occupational Health division of the ultimate parent undertaking, UniChem PLC, which was transferred to the company on 16 January 1995.

**RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses for the current period or preceding year other than those included in the profit and loss account.



**NOTE OF HISTORICAL COST PROFIT AND LOSSES**  
**Fourteen months ended 31 December 1995**

	<b>Fourteen months ended 31 December 1995 £</b>	<b>Year ended 31 October 1994 £</b>
Reported profit on ordinary activities before taxation	534,684	32,371
Realisation of property revaluation gains of previous years	<u>36,500</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u>571,184</u>	<u>32,371</u>
Historical cost profit for the period retained after taxation and dividends	<u>37,426</u>	<u>32,371</u>


**BALANCE SHEET**  
**31 December 1995**

	Note	31 December 1995 £	31 October 1994 £
<b>FIXED ASSETS</b>			
Tangible assets	7	726,160	84,652
Investments - Trade		-	50
		<u>726,160</u>	<u>84,702</u>
<b>CURRENT ASSETS</b>			
Stocks	8	565,605	412,676
Debtors	9	543,532	382,493
Cash at bank and in hand		109,174	700
		<u>1,218,311</u>	<u>795,869</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>1,499,701</u>	<u>423,948</u>
<b>NET CURRENT(LIABILITIES)/ASSETS</b>		<u>(281,390)</u>	<u>371,921</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		444,770	456,623
<b>CREDITORS: amounts falling due after more than one year</b>	11	<u>-</u>	<u>12,779</u>
<b>NET ASSETS</b>		<u>444,770</u>	<u>443,844</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	4,000	4,000
Revaluation reserve	13	-	36,500
Profit and loss account	13	440,770	403,344
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>444,770</u>	<u>443,844</u>

These financial statements were approved by the Board of Directors on *23 May* 1996.

Signed on behalf of the Board of Directors

D S Hoskins

Director




**NOTES TO THE ACCOUNTS**
**Fourteen months ended 31 December 1995**
**1. ACCOUNTING POLICIES**

The financial statements are prepared on the historical cost basis as modified for the revaluation of certain fixed assets and in accordance with applicable accounting standards.

**Turnover**

Turnover is the amount derived from the provision of goods and services excluding value added tax.

**Depreciation**

Depreciation is calculated to write down the cost of the following categories of fixed assets by equal annual instalments over the period of their estimated useful economic lives at the following rates:

Furniture, fixtures, equipment and motor vehicles - at rates ranging from 10% to 33% according to their nature

It is the policy of management to maintain the condition of freehold land and buildings in a constant state of repair and, accordingly, no depreciation is charged.

**Stocks**

Stocks have been valued at the lower of cost and net realisable value.

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on timing differences arising 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 to the extent that it is probable that a liability or asset will crystallise in the future.

**Cash flow statement**

The company has taken advantage of the exemption from the requirement to prepare a cash flow statement, permitted by Financial Reporting Standard No. 1, as it is the wholly-owned subsidiary of an EC parent undertaking which prepares a consolidated cash flow statement.

**2. TURNOVER**

During the year 2.288% of turnover was attributable to exports (1994 - 0.156%).

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	Fourteen months ended 31 December 1995 £	Year ended 31 October 1994 £
Directors' remuneration	64,542	70,014
Depreciation		
owned assets	20,670	11,341
leased assets	-	8,638
Auditors' remuneration	3,500	3,200
Management charge	124,500	330,000
Pension costs	15,000	16,500


**NOTES TO THE ACCOUNTS**
**Fourteen months ended 31 December 1995**
**4. INTEREST PAYABLE**

	Fourteen months ended 31 December 1995 £	Year ended 31 October 1994 £
Included in this category are:		
Finance leases and hire purchase contracts	1,790	1,614

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Fourteen months ended 31 December 1995 £	Year ended 31 October 1994 £
Corporation tax at 33% (1994 - 25%)	183,758	7,504
Adjustment in respect of prior years	-	(1)
	183,758	7,503

**6. DIVIDENDS**

	Fourteen months ended 31 December 1995 £	Year ended 31 October 1994 £
Ordinary paid - £37.50 per share (1994 - £nil per share)	150,000	-
Ordinary proposed - £50.00 per share (1994 - £nil per share)	200,000	-
	350,000	-


**NOTES TO THE ACCOUNTS**
**Fourteen months ended 31 December 1995**
**7. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 November 1994	40,000	19,215	79,173	138,388
Additions	-	2,178	-	2,178
Inter-company transfers	700,000	-	(6,968)	693,032
Disposals	(40,000)	-	-	(40,000)
At 31 December 1995	<u>700,000</u>	<u>21,393</u>	<u>72,205</u>	<u>793,598</u>
<b>Depreciation</b>				
At 1 November 1994	-	18,174	35,562	53,736
Charge for Year	-	1,214	19,456	20,670
Inter-company transfers	-	-	(6,968)	(6,968)
At 31 December 1995	<u>-</u>	<u>19,388</u>	<u>48,050</u>	<u>67,438</u>
<b>Net book value</b>				
At 31 December 1995	<u>700,000</u>	<u>2,005</u>	<u>24,155</u>	<u>726,160</u>
At 31 October 1994	<u>40,000</u>	<u>1,041</u>	<u>43,611</u>	<u>84,652</u>

**8. STOCKS**

	31 December 1995 £	31 October 1994 £
Goods for resale	<u>565,605</u>	<u>412,676</u>

**9. DEBTORS**

	31 December 1995 £	31 October 1994 £
Trade debtors	527,787	381,613
Other debtors	<u>15,745</u>	<u>880</u>
	<u>543,532</u>	<u>382,493</u>



**NOTES TO THE ACCOUNTS**

**Fourteen months ended 31 December 1995**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 December 1995 £	31 October 1994 £
Bank overdraft	-	1,410
Trade creditors	293,860	66,985
Amounts owed to group undertakings	764,993	276,252
Other creditors	20,200	25,258
Corporation tax	183,763	7,504
Other tax and social security	36,885	37,841
Obligations under finance leases and hire purchase contracts	-	8,698
Dividends payable	200,000	-
	<u>1,499,701</u>	<u>423,948</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 December 1995 £	31 October 1994 £
Obligations under finance leases and hire purchase contracts	-	12,779
	<u>-</u>	<u>12,779</u>

**12. SHARE CAPITAL**

	31 December 1995 £	31 October 1994 £
Authorised, called up, allotted and fully paid: 4,000 ordinary shares of £1 each	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

**13. COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUND AND STATEMENT OF MOVEMENTS ON RESERVES**

	Issued share capital £	Revaluation reserve £	Profit and loss reserve £	Total 31 December 1995 £	Total 31 October 1994 £
At the beginning of the year	4,000	36,500	403,344	443,844	404,976
Profit retained for the period/year	-	-	926	926	24,868
Arising on revaluation during the period/year	-	-	-	-	14,000
Disposal of revalued assets	-	(36,500)	36,500	-	-
	<u>4,000</u>	<u>-</u>	<u>440,770</u>	<u>444,770</u>	<u>443,844</u>



**NOTES TO THE ACCOUNTS**

**Fourteen months ended 31 December 1995**

**14. ULTIMATE PARENT COMPANY**

The ultimate parent undertaking is UniChem PLC, a company incorporated in Great Britain and registered in England and Wales.

A copy of the UniChem PLC group accounts may be obtained from the Company Secretary, UniChem PLC, UniChem House, Cox Lane, Chessington, Surrey KT9 1SN.