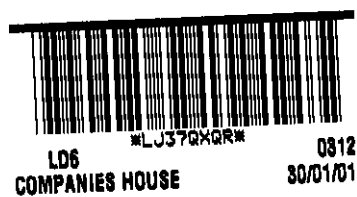
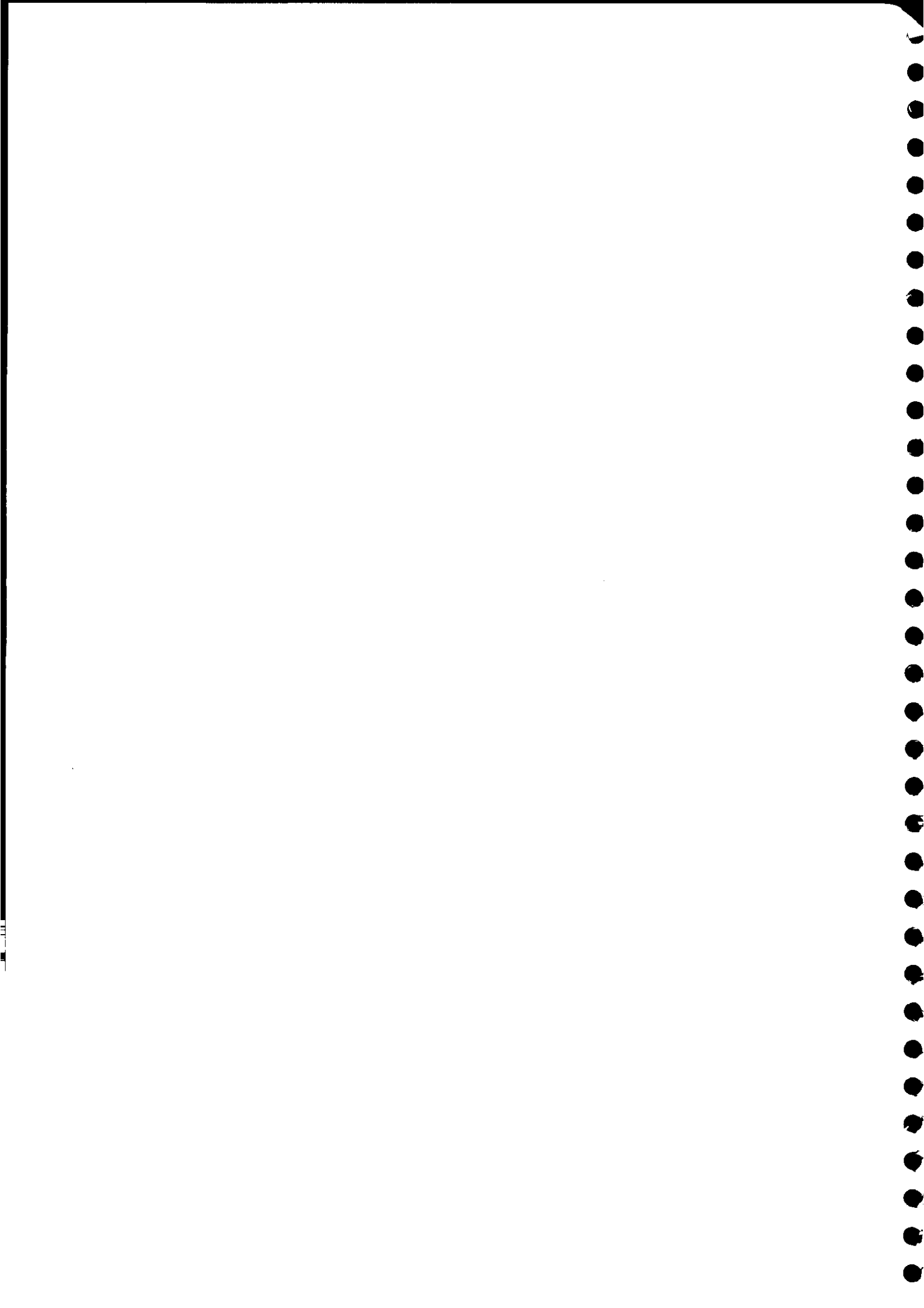


**Toshiba Medical Systems Limited**  
(Registered Number: 983579)

**Directors' Report and Financial Statements**

**31 March 2000**





# **Toshiba Medical Systems Limited**

## **Company Information**

### **Directors**

K P Weinand  
M Kakegawa  
M J Naylor

### **Registered office**

Unit C  
Manor Court  
Manor Royal  
Crawley  
West Sussex RH10 2PY

### **Auditors**

PricewaterhouseCoopers

### **Bankers**

Barclays Bank Plc

### **Solicitors**

Burstows

# **Toshiba Medical Systems Limited**

## **Director's Report for the Year Ended 31 March 2000**

The directors present their report and the audited financial statements for the year ended 31 March 2000.

### **Principal activity**

The company supplies electrical, electronic and mechanical products in the medical field.

### **Review of results and future prospects**

The results for the year are set out in the profit and loss account which shows an increase in turnover from £11,612,000 as at 31 March 1999 to £15,008,000 this year. The net profit before tax amounted to £237,000 compared to a loss of £9,000 in the previous year.

The Directors consider that the state of affairs of the company to be satisfactory and that the level of activity will be maintained.

### **Dividends and reserves**

The directors do not recommend the payment of a dividend (1999 - £nil). The retained profit for the year of £159,000 (1999: loss of £9,000) has been transferred to the profit and loss reserve.

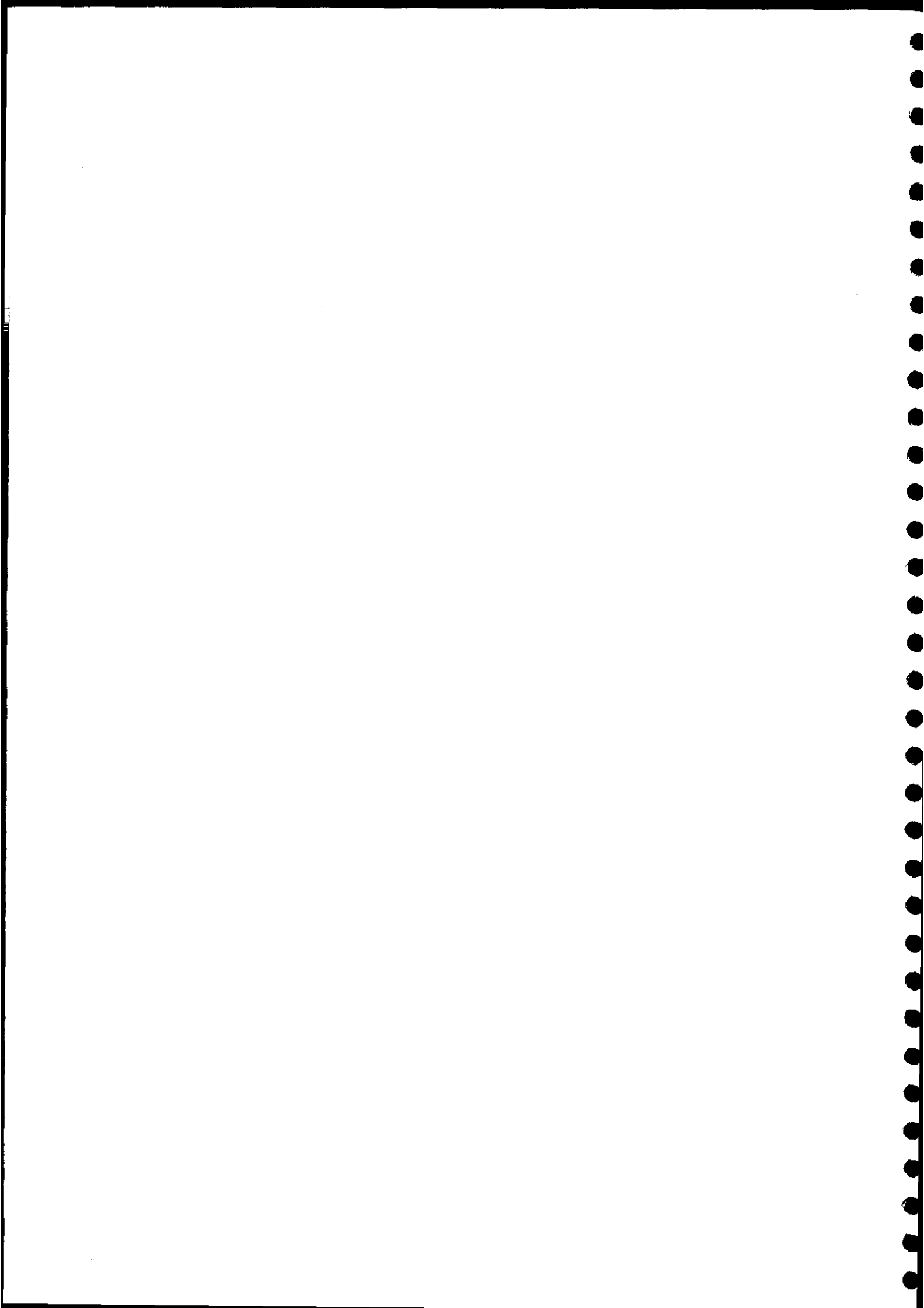
### **Directors and their interests**

The directors who held office during the year are given on page 1.

No directors had any interest in the shares of the company during the year, nor of any other group company.

### **Fixed assets**

Movements in tangible fixed assets during the year are included in Note 8 to the financial statements.



# **Toshiba Medical Systems Limited**

## **Director's Report for the Year Ended 31 March 2000 (Continued)**

### **Year 2000 and EMU Compliance**

A comprehensive programme was established to address all Year 2000 systems and compliance issues which faced the business. There were no incidents associated with the year 2000. A similar project is also in place to address those issues associated with the introduction of Economic and Monetary Union. The costs associated with these projects are not expected to be material.

### **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:

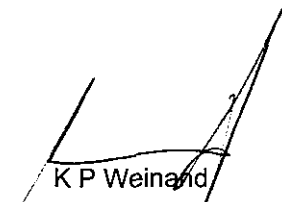
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 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 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.

### **Auditors**

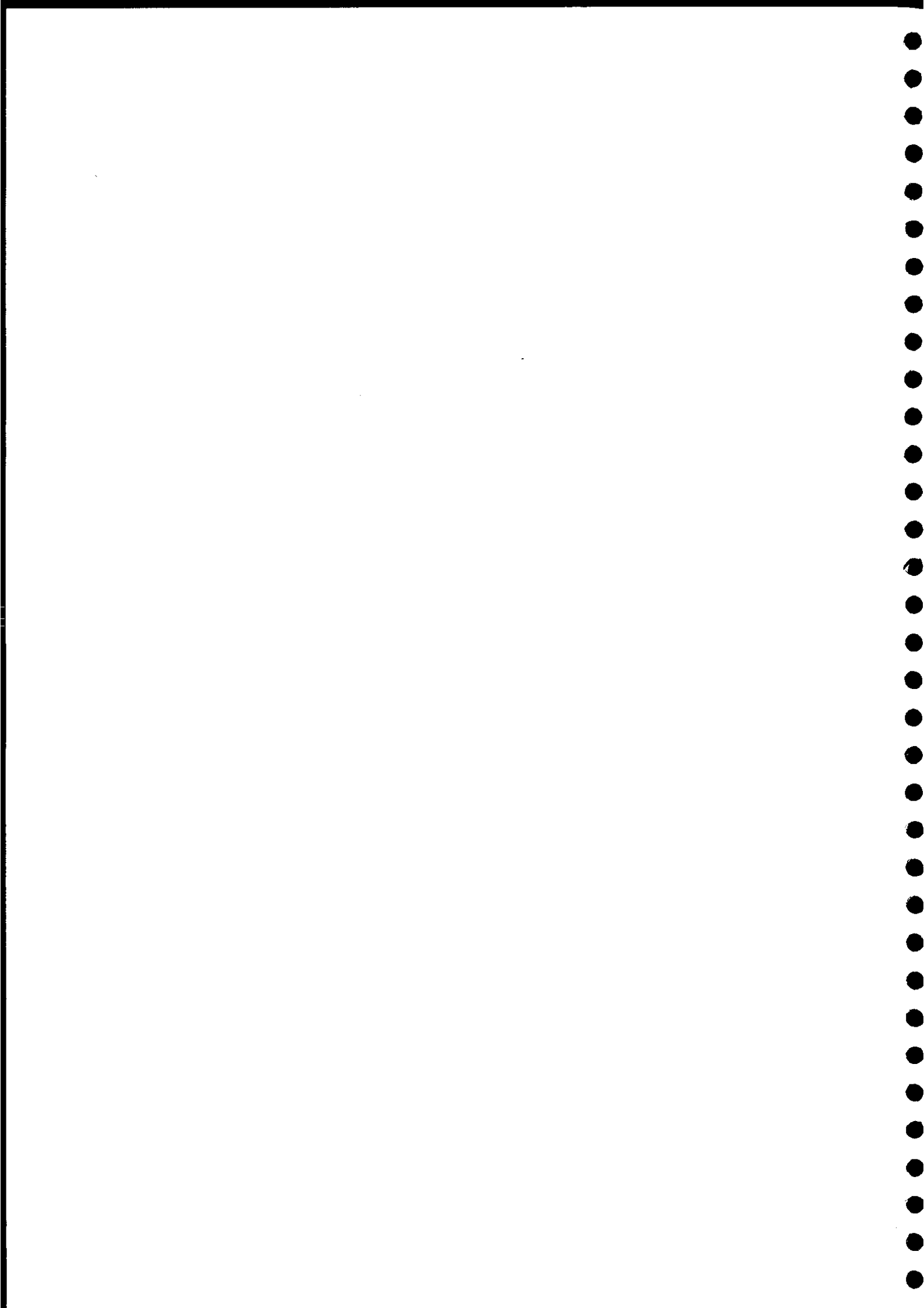
The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### **On Behalf Of The Board**



K P Weinand  
Secretary

17 January 2001



## **Auditors' Report to the Members of Toshiba Medical Systems Limited**

We have audited the financial statements on pages 5 to 13.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3, 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 require 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 Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

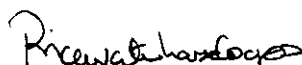
### **Basis of audit opinion**

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**

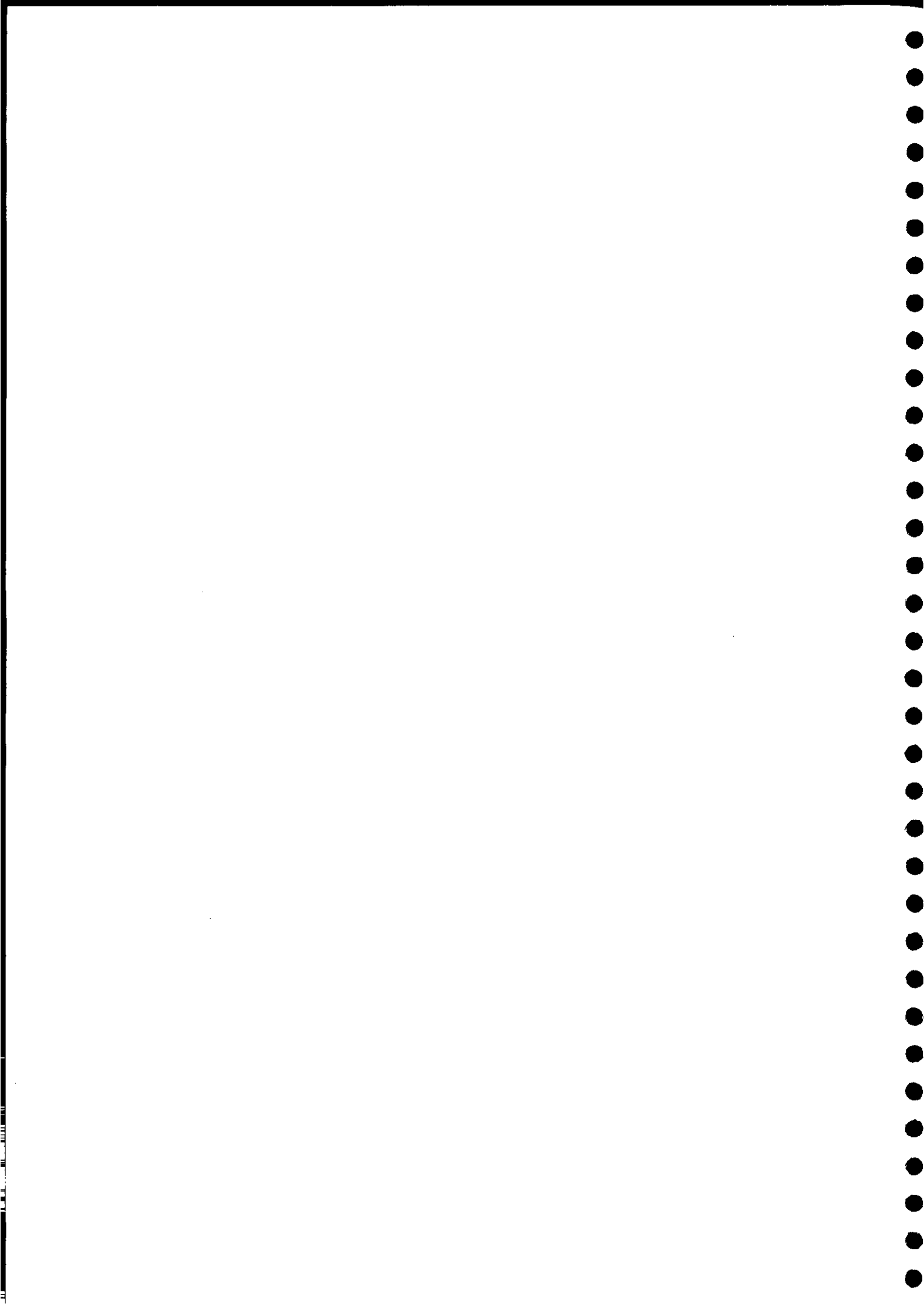
In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London  
WC2N 6RH

17 January 2001





# Toshiba Medical Systems Limited

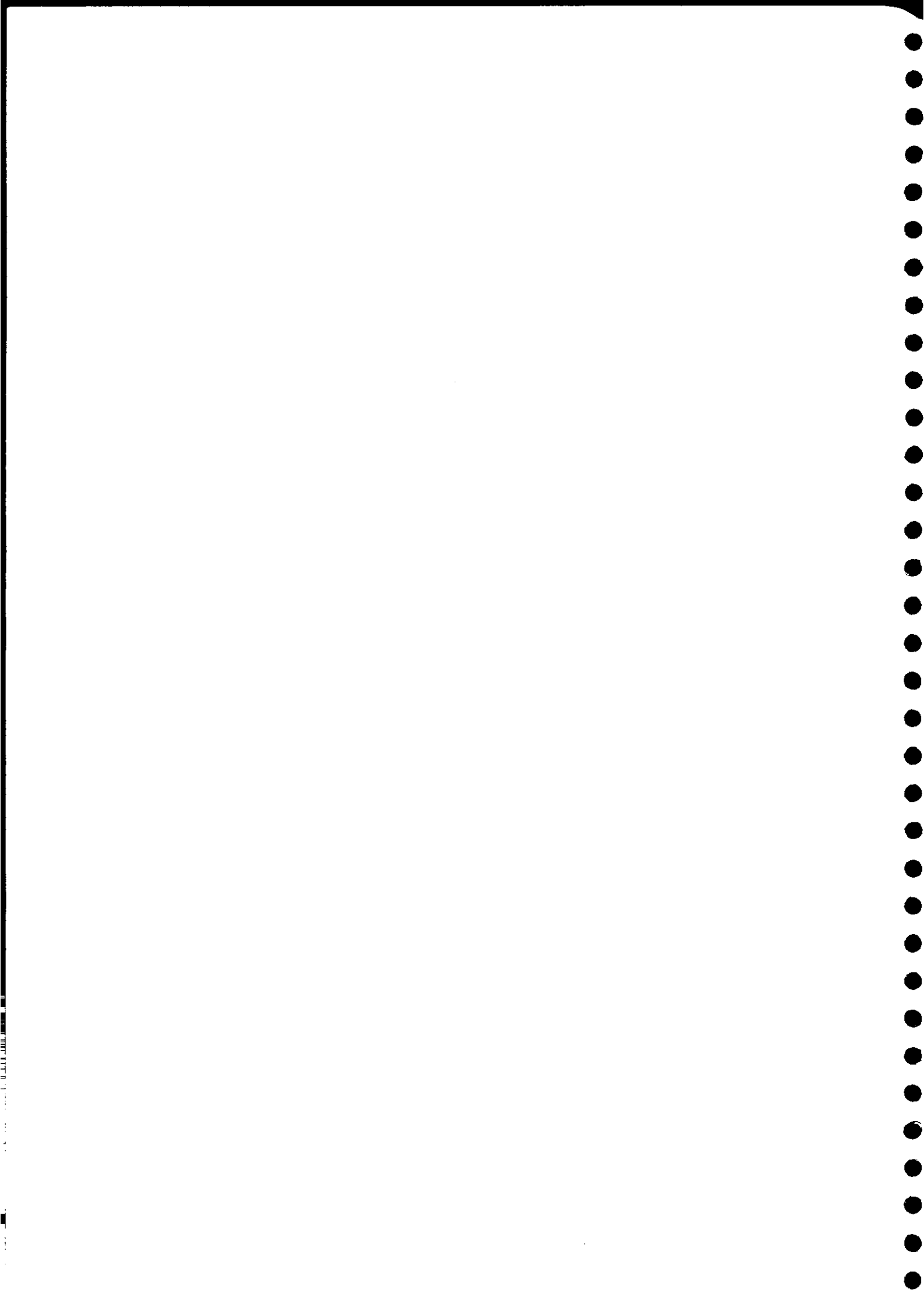
## Profit and Loss Account for the Year Ended 31 March 2000

	<i>Note</i>	<b>2000 £'000</b>	<b>1999 £'000</b>
<b>Turnover</b>	<i>1,2</i>	<b>15,008</b>	<b>11,612</b>
Cost of sales		<b>(10,149)</b>	<b>(7,528)</b>
<b>Gross profit</b>		<b>4,859</b>	<b>4,084</b>
Distribution costs		<b>(2,909)</b>	<b>(2,653)</b>
Administrative expenses		<b>(1,807)</b>	<b>(1,532)</b>
<b>Operating profit/(loss)</b>	<i>3</i>	<b>143</b>	<b>(101)</b>
Interest receivable and similar income	<i>6</i>	<b>94</b>	<b>92</b>
<b>Profit/(loss) on ordinary activities before taxation</b>	<i>2</i>	<b>237</b>	<b>(9)</b>
<b>Taxation on ordinary activities</b>	<i>7</i>	<b>(78)</b>	<b>-</b>
<b>Retained profit/(loss) for the financial year transferred to reserves</b>	<i>14</i>	<b>159</b>	<b>(9)</b>

The profit for the year is wholly attributable to the continuing operations of the company.

The company had no recognised gains or losses during the year other than those reflected in the profit and loss account above.

The notes on pages 7 to 13 form an integral part of these financial statements.



# Toshiba Medical Systems Limited

## Balance Sheet - 31 March 2000

	Note	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Tangible assets	8	189	218
<b>Current assets</b>			
Stocks	9	1,587	1,484
Debtors	10	3,708	3,838
Cash at bank and in hand		3,850	2,895
		9,145	8,217
<b>Creditors: amounts falling due within one year</b>	11	(7,054)	(6,383)
<b>Net current assets</b>		2,091	1,834
<b>Total assets less current liabilities</b>		2,280	2,052
<b>Creditors: amounts falling due after more than one year</b>	12	(186)	(117)
<b>Net assets</b>		2,094	1,935
<b>Capital and reserves</b>			
Called up share capital	13	2,130	2,130
Profit and loss account	14	(36)	(195)
<b>Total shareholders' funds – equity interests</b>	15	2,094	1,935

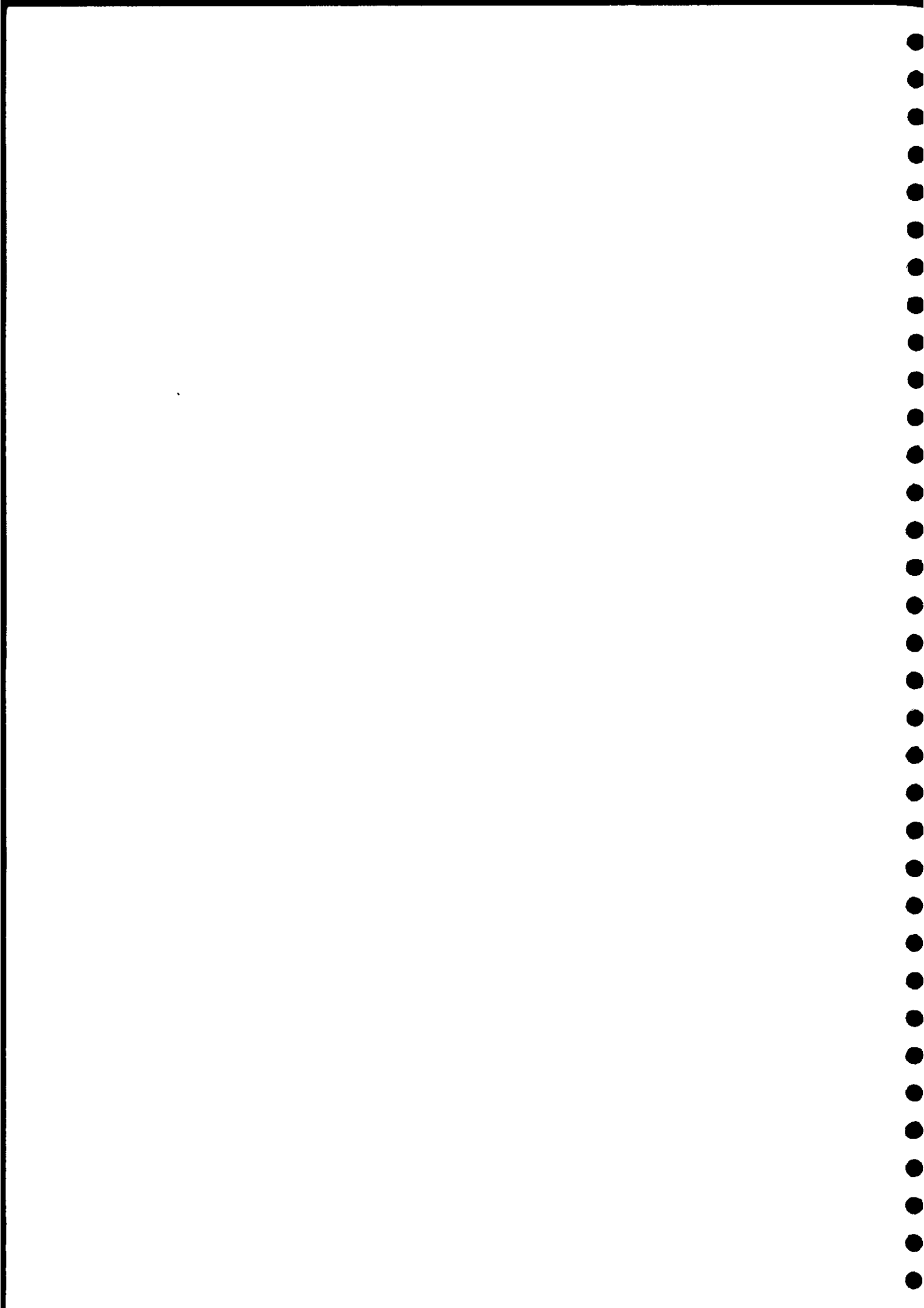
Approved by the board on

M J Naylor  
Director



17 January 2001

The notes on pages 7 to 13 form an integral part of these financial statements.



# **Toshiba Medical Systems Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2000**

### **1 Accounting policies**

#### **(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) Turnover**

Turnover represents the invoiced value of sales of goods accepted by the customer and excludes VAT.

#### **(3) Stocks**

Stocks are stated at the lower of cost and net realisable value.

#### **(4) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets in equal annual instalments over their estimated useful lives as follows:

Motor vehicles	3 years
Plant	5 years
Furniture, fixtures, fittings and office machines	5 years
Computer equipment	3 years

#### **(5) Foreign currencies**

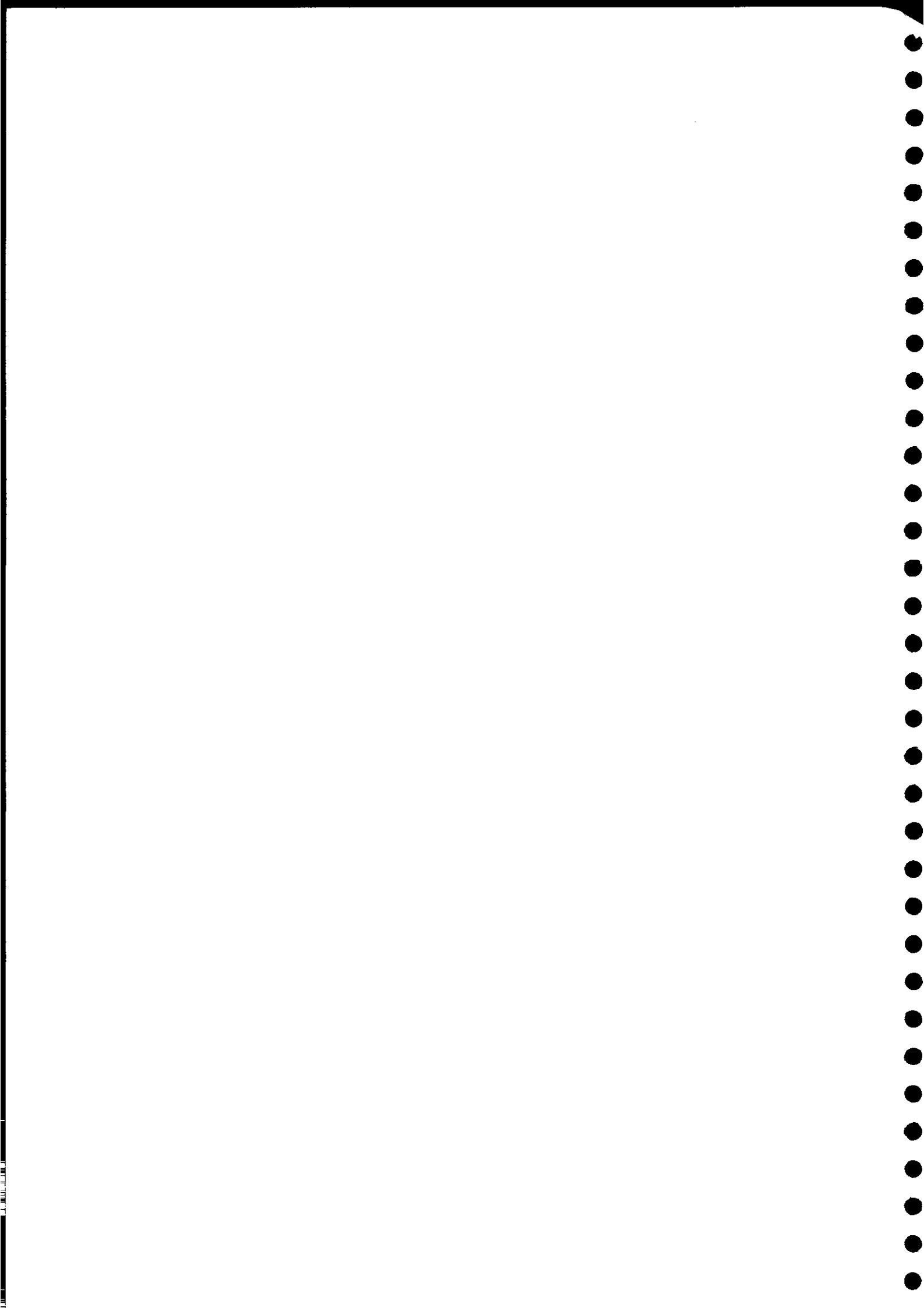
Monetary assets and liabilities denominated in foreign currencies have been expressed in sterling at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies have been translated into sterling at the average rate ruling during the year. All exchange gains and losses are dealt with in the profit and loss account.

#### **(6) Operating leases**

The rentals payable under operating lease agreements are charged to the profit and loss account on a straight line basis, over the lease term.

#### **(7) Pension contributions**

The pension costs charged against profits are based on an actuarial method and actuarial assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme in a way that seeks to ensure that the regular pension cost represents a level percentage of the current and expected future pensionable payroll in the light of current actuarial assumptions.



# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 2000

### 1 Accounting policies (Continued)

#### (8) Deferred taxation

Deferred taxation is provided on all timing differences to the extent that it is probable that an asset or liability will crystallise in the foreseeable future.

### 2 Turnover and profit before taxation

The turnover and profit before taxation is wholly attributable to the one principal activity of the company: the sale of electrical, electronic and mechanical products in the medical field. Turnover and the profit before taxation arose wholly in the United Kingdom.

### 3 Operating profit

	2000 £'000	1999 £'000
Operating profit is stated after charging/(crediting):		
Depreciation	109	99
Auditors' remuneration		
– Audit fees	25	20
– Non-audit fees	34	43
Operating lease rentals		
– Plant and machinery	272	181
– Other	160	160
Foreign exchange gain	(6)	-

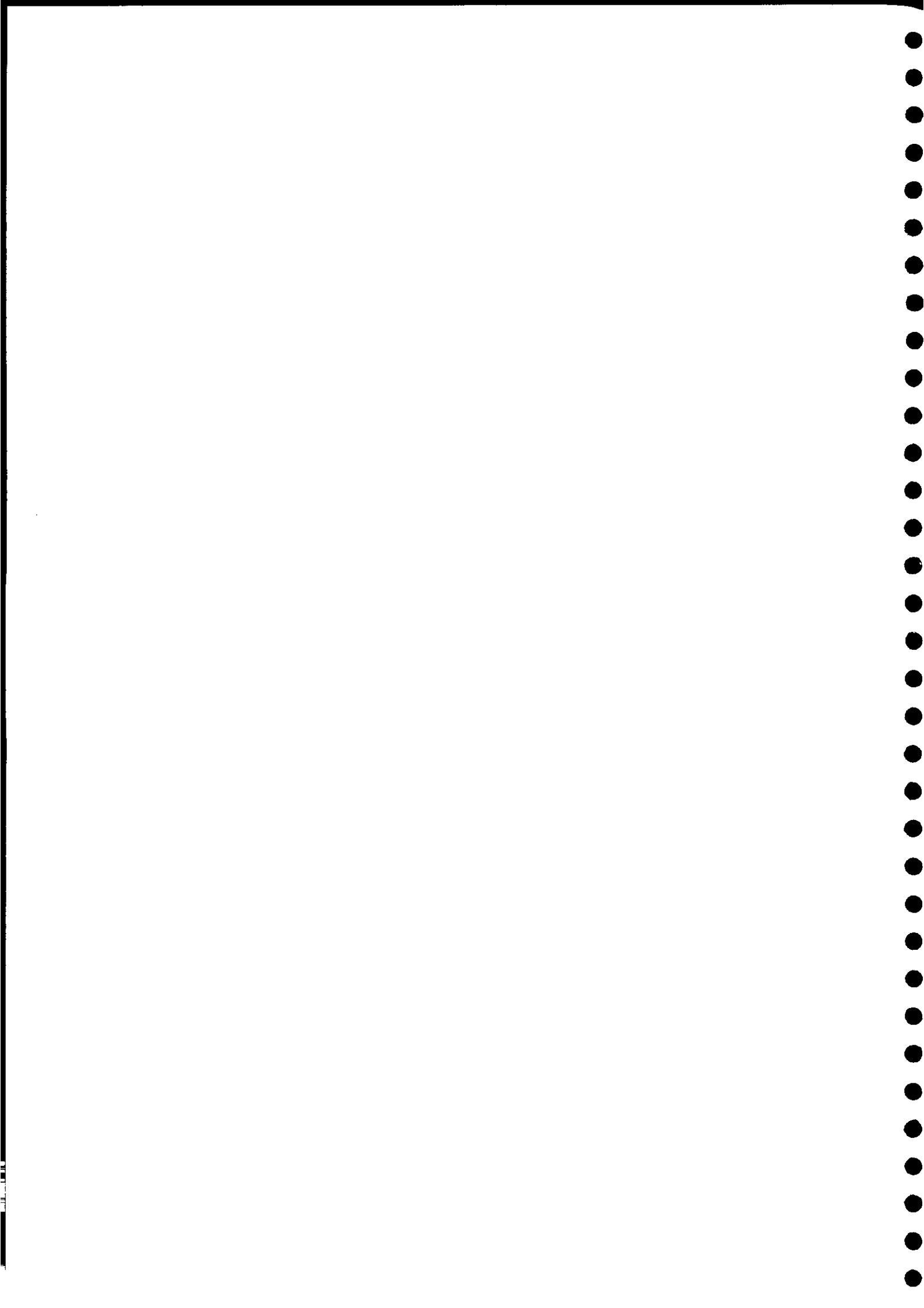
### 4 Staff costs

	2000 £'000	1999 £'000
Wages and salaries	2,126	1,898
Social security costs	252	206
Other pension costs	141	117
	<b>2,519</b>	<b>2,221</b>

The average number of employees during the year was as follows:

	Number	Number
Sales, distribution and service	52	51
Administration	13	13
	<b>65</b>	<b>64</b>





# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 2000

### 5 Directors and emoluments

	2000 £'000	1999 £'000
Directors' emoluments (excluding pension contributions)	96	85

Retirement benefits are accruing to one Director (1999: one) under a defined benefit pension scheme.

### 6 Interest receivable and similar income

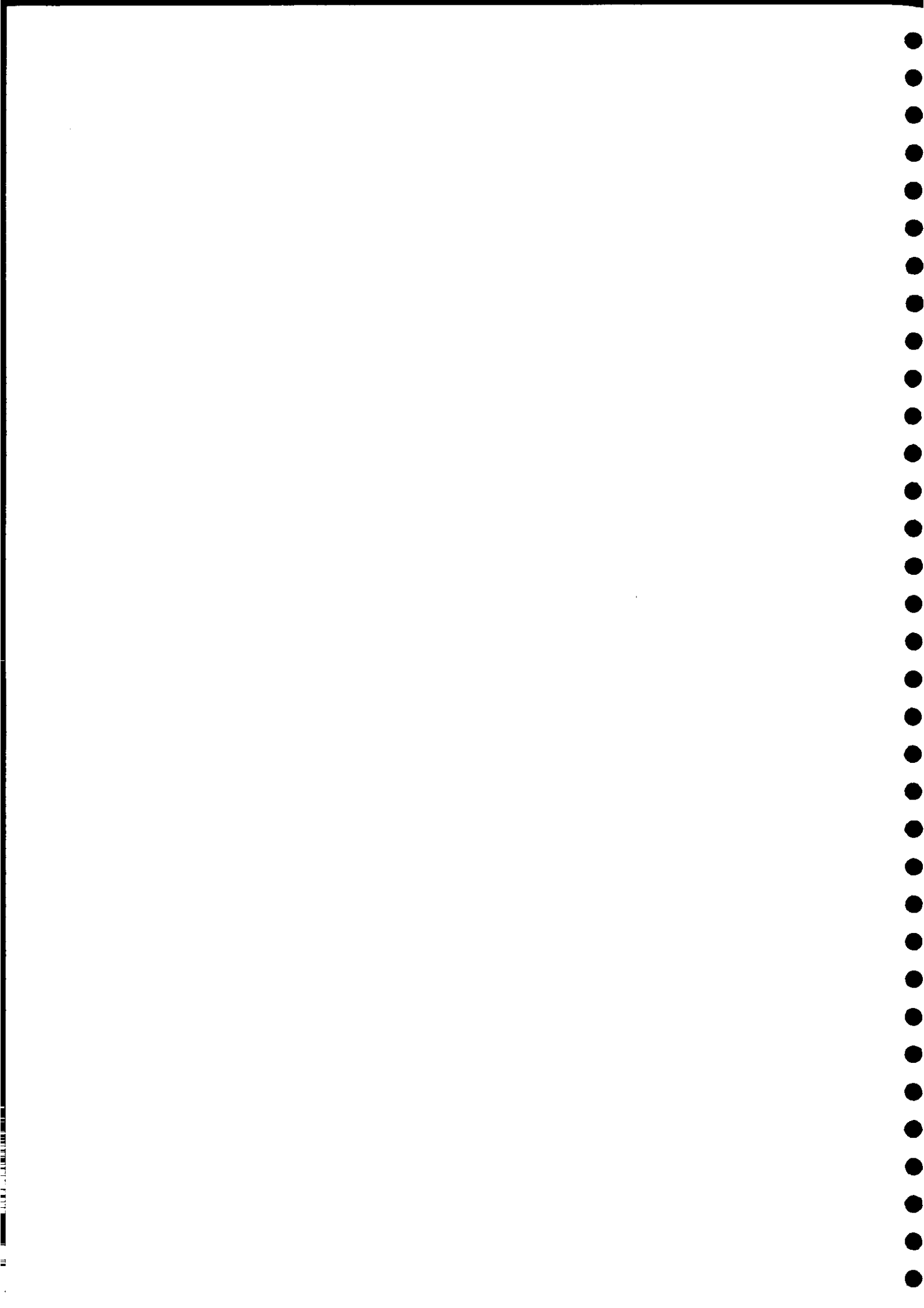
	2000 £'000	1999 £'000
From group undertakings	56	51
From third parties	38	41
	94	92

### 7 Taxation on ordinary activities

	2000 £'000	1999 £'000
UK corporation tax at 30% (1999: 31%)	78	-

The potential deferred taxation asset and the amounts recognised are as follows:

	Potential £'000	2000 Recognised £'000	Potential £'000	1999 Recognised £'000
Depreciation in excess of capital allowances	24	-	18	-
Other	-	-	10	-
	24	-	28	-



# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 2000

### 8 Tangible fixed assets

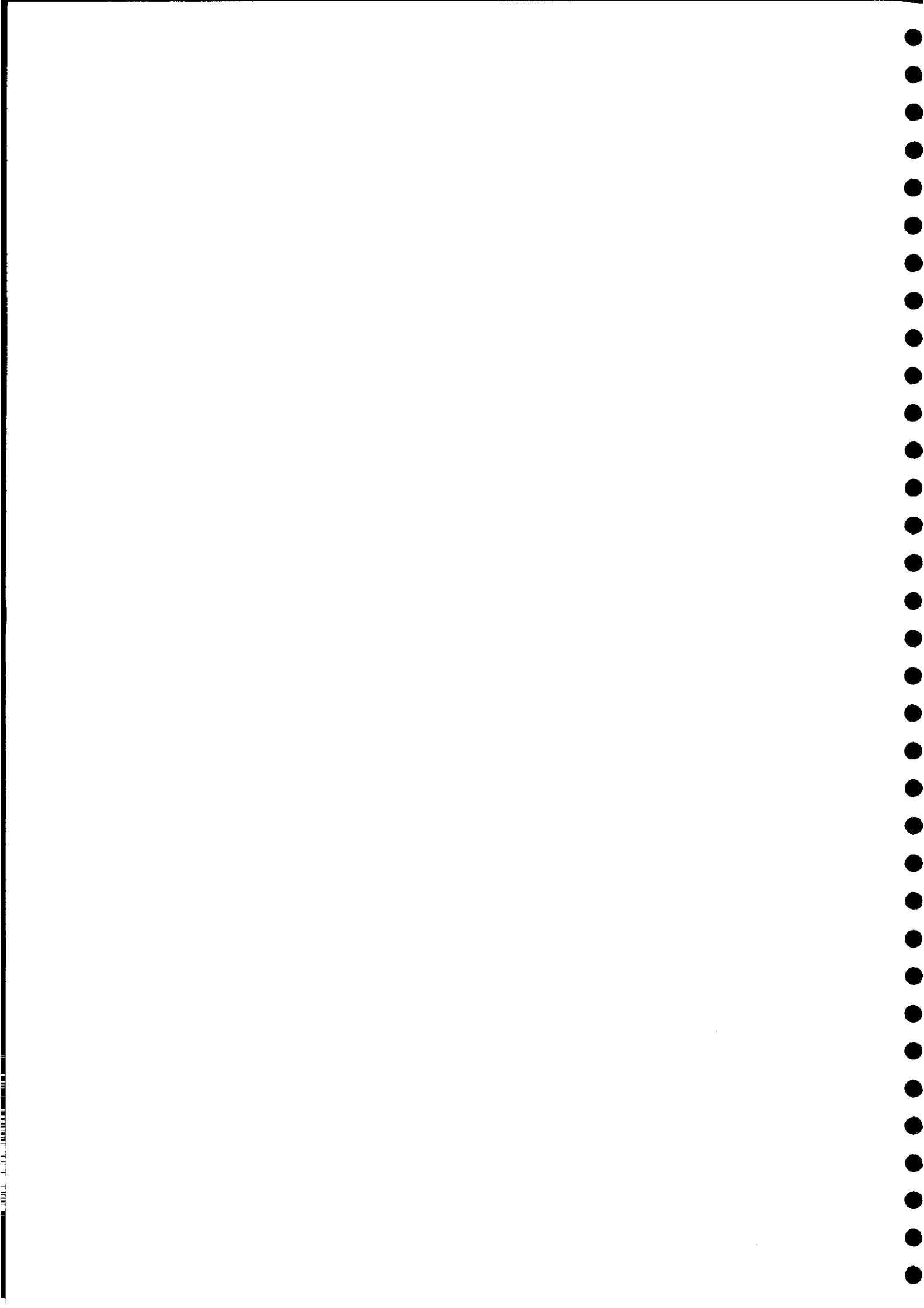
Cost	Plant and motor vehicles £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
At 1 April 1999	215	165	331	711
Additions	20	-	60	80
Disposals	-	-	-	-
At 31 March 2000	235	165	391	791
<b>Depreciation</b>				
At 1 April 1999	151	112	230	493
Charge for the year	24	21	64	109
Release on disposal	-	-	-	-
At 31 March 2000	175	133	294	602
<b>Net book amount</b>				
At 31 March 2000	60	32	97	189
At 1 April 1999	64	53	101	218

### 9 Stocks

Stocks represent finished goods held for resale.

### 10 Debtors

	2000 £'000	1999 £'000
Trade debtors	3,205	3,571
Amounts owed by group undertakings	81	57
Prepayments and accrued income	422	210
	3,708	3,838



# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 2000

### 11 Creditors : amounts falling due within one year

	2000 £'000	1999 £'000
Trade creditors	129	296
Amounts owed to group undertaking	4,298	3,450
Other creditors	188	115
Taxation and social security	859	912
Accruals and deferred income	1,580	1,610
	<u>7,054</u>	<u>6,383</u>

### 12 Creditors: amounts falling due after more than one year

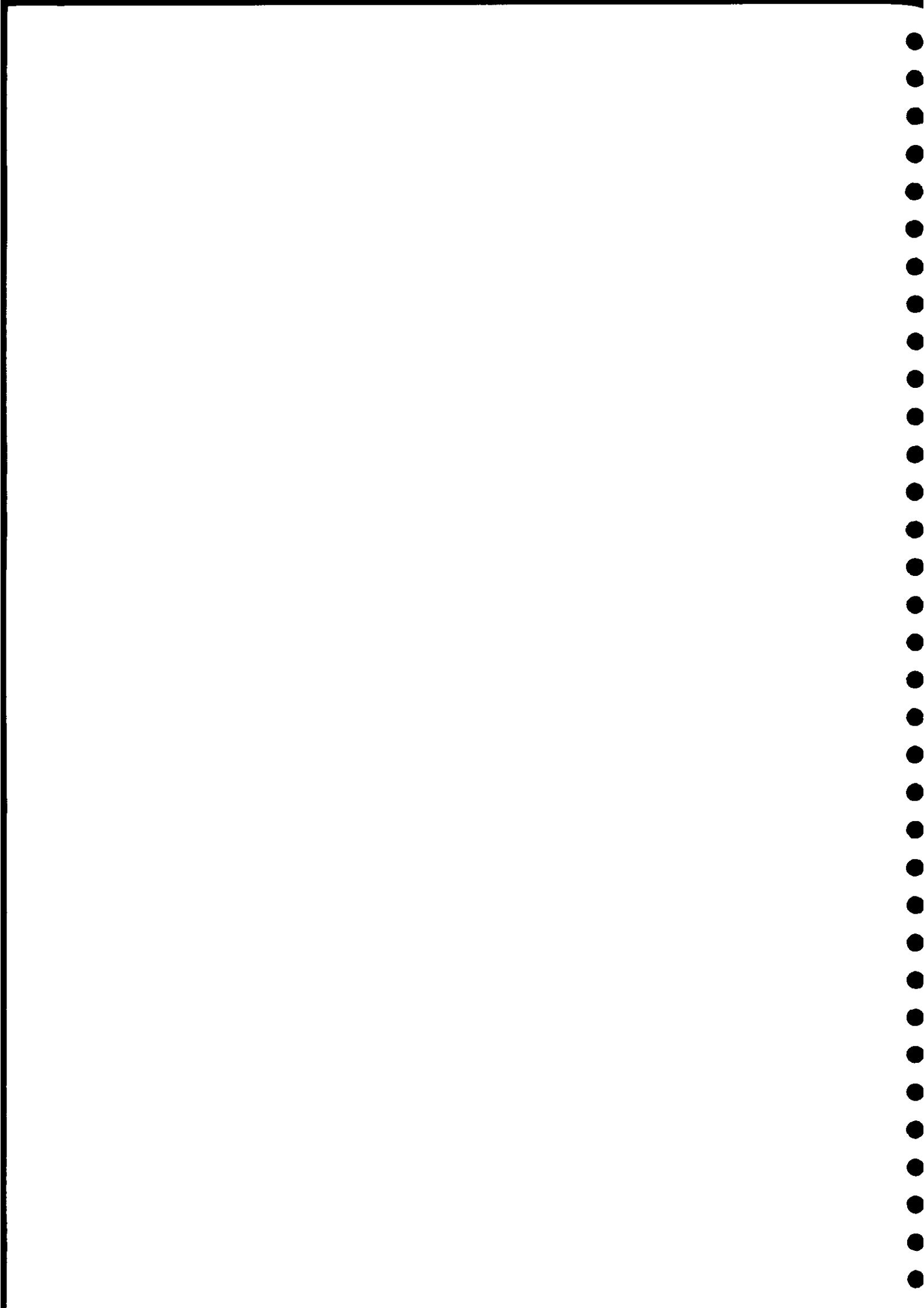
	2000 £'000	1999 £'000
Other creditors	<u>186</u>	<u>117</u>

### 13 Called up share capital

	2000 £'000	1999 £'000
<b>Authorised:</b>		
2,150,000 shares of £1 each	<u>2,150</u>	<u>2,150</u>
<b>Allotted and fully paid:</b>		
2,130,000 shares of £1 each	<u>2,130</u>	<u>2,130</u>

### 14 Reserves - profit and loss account

	£'000
At 1 April 1999	(195)
Retained profit the year	159
At 31 March 2000	<u>(36)</u>



# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 2000

### 15 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Opening shareholders' funds	1,935	1,944
Profit/(loss) for the financial year	159	(9)
Closing shareholders' funds	2,094	1,935

### 16 Operating lease commitments

At 31 March 2000 the company had the following annual commitments under non-cancellable operating leases:

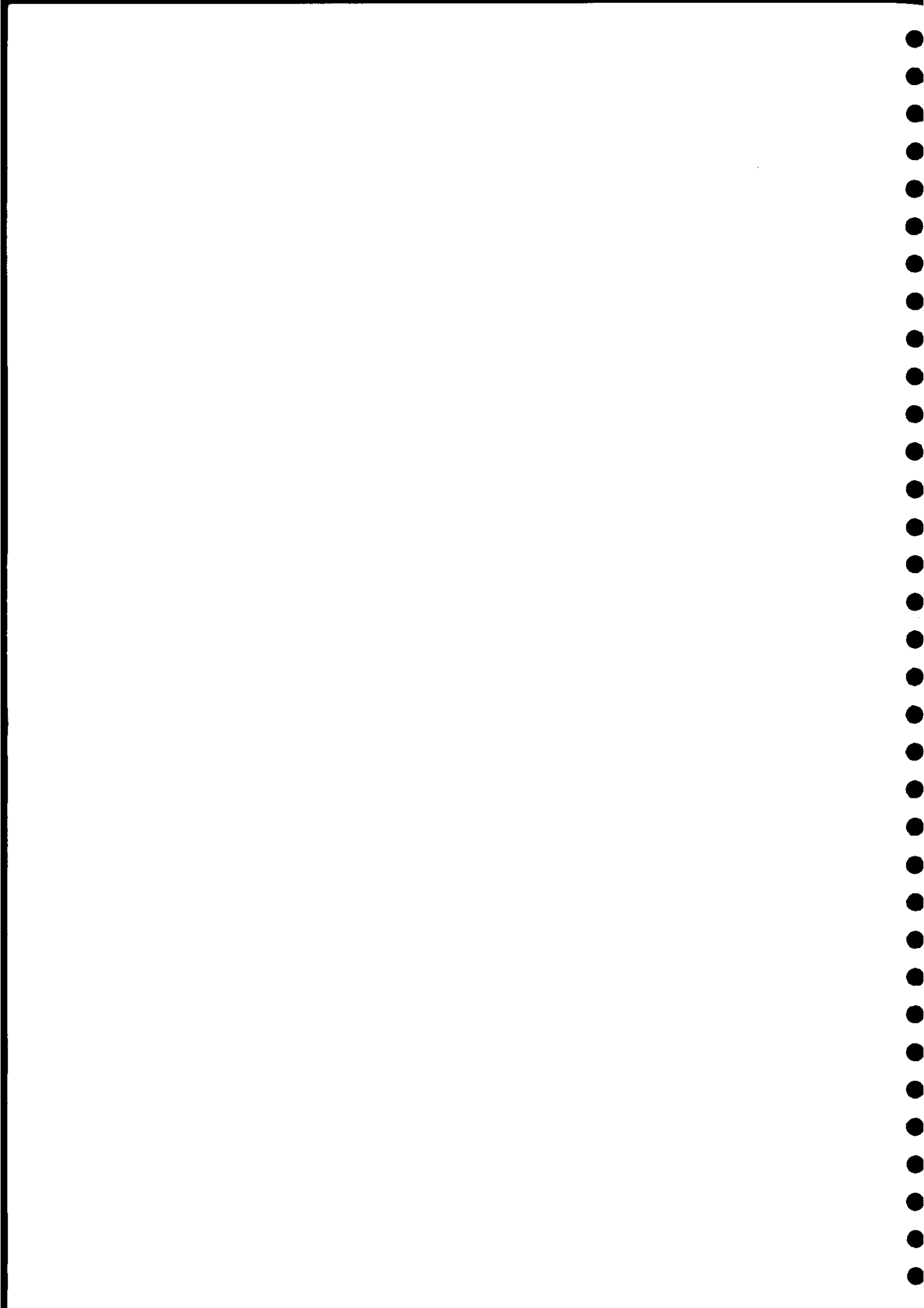
	2000 £'000	1999 £'000
<b>Land and buildings:</b>		
Operating leases which expire		
Within one year	-	-
Within two to five years	-	-
After five years	108	108
	108	108
<b>Other:</b>		
Operating leases which expire		
Within one year	50	85
Within two to five years	490	200
After five years	-	-
	540	285

### 17 Pension commitments

The company operates a defined benefit pension scheme with assets held in a trustee-administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Members of the scheme make a contribution of 4.5% of salary and the company contributes a further 10.5%.





# **Toshiba Medical Systems Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2000**

### **17 Pension commitments** (Continued)

The latest actuarial valuation of the scheme was prepared as at 1 April 1999. The principal assumptions used were that the return on investments would be 8.0% per annum and pensionable earnings would increase by 6.0% per annum. At 1 April 1999 the assets of the scheme were valued at £1,157,000 giving a funding level of 93%. The pension cost charged in the profit and loss account in the year was £141,000 (1999: £117,000).

### **18 Contingent liabilities**

The company has issued a £20,000 guarantee with HM Customs and Excise in respect of VAT deferred on imports.

### **19 Cash flow statement and related party transactions**

The company is a wholly owned subsidiary of Toshiba Medical Systems Europe BV and is included in the consolidated financial statements of Toshiba Medical Systems Europe BV which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Toshiba Medical Systems Europe BV group.

### **20 Ultimate parent undertaking**

The immediate parent undertaking is Toshiba Medical Systems Europe BV which is the smallest group to consolidate the results of the Company. Toshiba Medical Systems Europe BV financial statements can be obtained from Zilverstraat 1, 2718 RP, Zoetermeer, Netherlands.

The largest group to consolidate the results of the Company is Toshiba Corporation. Toshiba Corporation financial statements can be obtained from 1-1 Shibaura, 1 Chome, Minato-Ku, Japan.

The ultimate parent undertaking is Toshiba Corporation a company registered in Japan.

