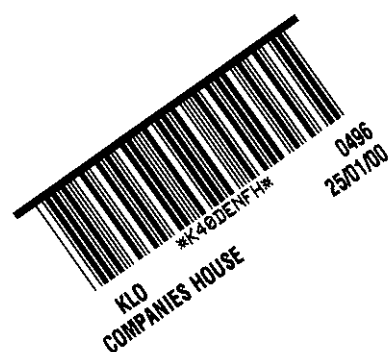


**Toshiba Medical Systems Limited**  
(Registered Number: 983579)

**Directors' Report and Financial Statements**

**31 March 1999**



# **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 1999**

The directors present their report and the audited financial statements for the year ended 31 March 1999.

### **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 a decrease in turnover from £12,307,000 as at 31 March 1998 to £11,612,000 this year. The net loss before tax amounted to £9,000 compared to a profit of £297,000 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 (1998 - £0). The retained loss for the year of £9,000 (1998: profit of £255,000) 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.

### **Insurance for directors and officers**

The company continues to provide insurance cover for directors and officers against liability for negligence, default, breach of duty or trust in relation to the company.

# **Toshiba Medical Systems Limited**

## **Director's Report for the Year Ended 31 March 1999** (Continued)

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

A comprehensive programme has been established to address all Year 2000 systems and compliance issues which face the business. A similar project is also in place to address those issues associated with the introduction of Economic and Monetary Union. The costs associated to 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:

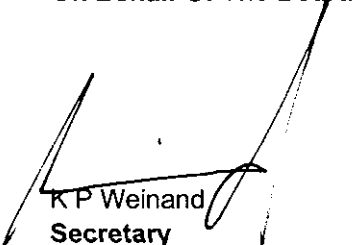
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

20 January 2000

## **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, including as described on page 3 of the financial statements. Our responsibilities, as independent auditors, are established 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 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 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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we have 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 as at 31 March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants  
and Registered Auditors

20 January 2000

# Toshiba Medical Systems Limited

## Profit and Loss Account for the Year Ended 31 March 1999

	<i>Note</i>	1999 £'000	1998 £'000
Turnover	1,2	11,612	12,307
Cost of sales		(7,528)	(8,247)
<b>Gross profit</b>		<b>4,084</b>	<b>4,060</b>
Distribution costs		(2,653)	(2,472)
Administrative expenses		(1,532)	(1,389)
<b>Operating (loss)/profit</b>	3	<b>(101)</b>	<b>199</b>
Interest receivable	6	92	98
<b>(Loss)/ profit on ordinary activities before taxation</b>	2	<b>(9)</b>	<b>297</b>
Taxation on ordinary activities	7	-	(42)
<b>Retained (loss)/profit for the financial year</b>			
<b><u>transferred to reserves</u></b>	14	<b><u>(9)</u></b>	<b><u>255</u></b>

The loss 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.

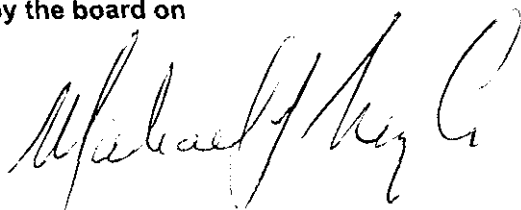
# Toshiba Medical Systems Limited

## Balance Sheet - 31 March 1999

	Note	1999 £'000	1998 £'000
<b>Fixed assets</b>			
Tangible assets	8	218	215
<b>Current assets</b>			
Stocks	9	1,484	1,226
Debtors	10	3,838	3,624
Cash at bank and in hand		2,895	2,227
		8,217	7,077
<b>Creditors: amounts falling due within one year</b>	11	(6,383)	(5,331)
<b>Net current assets</b>		1,834	1,746
<b>Total assets less current liabilities</b>		2,052	1,961
<b>Creditors: amounts falling due after more than one year</b>	12	(117)	(17)
<b>Net assets</b>		1,935	1,944
<b>Capital and reserves</b>			
Called up share capital	13	2,130	2,130
Profit and loss account	14	(195)	(186)
<b>Total shareholders' funds – equity interests</b>	15	1,935	1,944

Approved by the board on

M J Naylor  
Director



20 January 2000

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 1999**

### **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 1999

### 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

	1999 £'000	1998 £'000
Operating profit is stated after charging:		
Depreciation	99	86
Auditors' remuneration		
– Audit fees	20	20
– Non-audit fees	43	8
Operating lease rentals		
– Plant and machinery	181	161
– Other	160	136

### 4 Staff costs

	1999 £'000	1998 £'000
Wages and salaries	1,898	1,740
Social security costs	206	188
Other pension costs	117	95
	<b>2,221</b>	<b>2,023</b>

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

	Number	Number
Sales, distribution and service	51	45
Administration	13	12
	<b>64</b>	<b>57</b>

# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 1999

### 5 Directors and emoluments

	1999 £'000	1998 £'000
Directors' emoluments (excluding pension contributions)	85	94

Retirement benefits are accruing to one Director (1998: one) under a defined benefit pension scheme.

### 6 Interest receivable

	1999 £'000	1998 £'000
From group undertakings	51	59
From third parties	41	39
	92	98

### 7 Taxation on ordinary activities

	1999 £'000	1998 £'000
UK corporation tax at 31% (1998: 31%)	-	42

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

	Potential £'000	1999 Recognised £'000	Potential £'000	1998 Recognised £'000
Depreciation in excess of capital allowances	18	-	16	-
Other	10	-	-	-
	28	-	16	-

# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 1999

### 8 Tangible fixed assets

Cost	Plant and motor vehicles £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
At 1 April 1998	186	152	271	609
Additions	29	13	60	102
Disposals	-	-	-	-
At 31 March 1999	215	165	331	711
<b>Depreciation</b>				
At 1 April 1998	126	88	180	394
Charge for the year	25	24	50	99
Release on disposal	-	-	-	-
At 31 March 1999	151	112	230	493
<b>Net book amount</b>				
At 31 March 1999	64	53	101	218
At 1 April 1998	60	64	91	215

### 9 Stocks

Stocks represent finished goods held for resale.

### 10 Debtors

	1999 £'000	1998 £'000
Trade debtors	3,571	3,419
Amounts owed by group undertakings	57	21
Prepayments and accrued income	210	184
	<b>3,838</b>	<b>3,624</b>

# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 1999

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

	1999 £'000	1998 £'000
Trade creditors	296	205
Amounts owed to group undertaking	3,450	3,398
Other creditors	115	169
Taxation and social security	912	737
Accruals and deferred income	1,610	822
	<u>6,383</u>	<u>5,331</u>

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

	1999 £'000	1998 £'000
Other creditors	<u>117</u>	<u>17</u>

### 13 Called up share capital

	1999 £'000	1998 £'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 Profit and loss account

	£'000
At 1 April 1998	(186)
Retained loss the year	(9)
At 31 March 1999	<u>(195)</u>

# Toshiba Medical Systems Limited

## Notes to the Financial Statements for the Year Ended 31 March 1999

### 15 Reconciliation of movements in shareholders' funds

	1999 £'000	1998 £'000
Opening shareholders' funds	1,944	1,689
Profit/loss for the financial year	(9)	255
Closing shareholders' funds	1,935	1,944

### 16 Operating lease commitments

At 31 March 1998 the company had the following annual commitments under non-cancellable operating leases:

	1999 £'000	1998 £'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	85	50
Within two to five years	200	200
After five years	-	-
	285	250

### 17 Pension commitments

The company operates a defined benefit pension scheme with assets held in a trustee-administered fund.

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

The latest actuarial valuation of the scheme was prepared as at 1 April 1996 using the current unit method. It assumed an investment return of 7% per annum and earnings increases of 6% per annum. At 1 April 1996 the assets of the scheme were valued at £1,792,000 giving a funding level of 121%. The pension cost charged in the profit and loss account in the year was £95,000 (1998: £95,000).

# **Toshiba Medical Systems Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 1999**

### **18 Contingent liabilities**

In common with many other companies which are part of multi-national groups, discussions are taking place with the Inland Revenue regarding the pricing of intra-group transactions. It is not possible to quantify the extent of any contingent liability at this point, however, the directors are firmly of the view that no additional corporation tax is due.

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.