

**GRASEBY OVERSEAS HOLDINGS LIMITED****REPORT OF THE DIRECTORS IN RESPECT OF  
THE YEAR ENDED 31ST DECEMBER 1994**

The directors present their report and an audited statement of accounts for the year ended 31st December 1994.

**PRINCIPAL ACTIVITIES**

The company's sole activity is the holding of shares in overseas companies and the provision of finance for those companies.

**RESULTS AND DIVIDENDS**

The results for the year are as shown in the profit and loss account. The balance sheet sets out the position as at 31st December 1994. The profit for the year of £8,000 has been transferred to reserves.

In accordance with the provisions of Section 228 of the Companies Act 1985 the company is exempt from the requirement to prepare and deliver group accounts because the whole of its issued share capital is in the beneficial ownership of Graseby plc ("Graseby"), a company incorporated in England and Wales, and the accounts of the company and of its subsidiary undertakings are included in the consolidated accounts of Graseby.

**FIXED ASSETS**

Details of changes in investments are given in note 4 to the accounts on page 8.

**DIRECTORS**

The directors of the company during the year were:

Mr. J.P.R. Brown  
Mr. M.R. Hensby  
Mr. S.P. Holmes  
Mr. P.J. Lester

There has been no change in the composition of the board of directors since the end of the year.

**DIRECTORS' INTERESTS IN SHARES**

The interests of those persons who were directors on 31st December 1994 in the shares of Graseby plc, being the company's ultimate holding company, were as follows:-



	<u>1st January 1994</u>		<u>31st December 1994</u>	
	<u>Ordinary</u>	<u>Options**</u>	<u>Ordinary</u>	<u>Options**</u>
	<u>Shares*</u>		<u>Shares*</u>	
Mr. J.P.R. Brown	5,000	138,698	3,000	168,698
Mr. M.R. Hensby	-	-	-	-
Mr. S.P. Holmes	628	56,178	628	59,229
Mr. P.J. Lester	1,300	393,970	3,300	453,970

\* Ordinary shares of 25 pence each fully paid in Graseby plc.

\*\* Options to purchase ordinary shares of 25 pence each in Graseby plc in accordance with the provisions of that company's share option schemes.

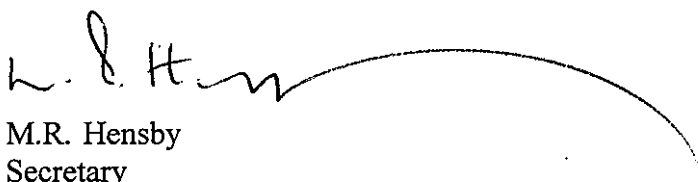
All the interests shown were beneficial and include family interests where appropriate.

The directors of the company have no interests in the shares or debentures of the company or of any other subsidiary company of the holding company.

#### AUDITORS

The company adopted an elective resolution pursuant to section 386 of the Companies Act 1985 on 8th July 1991 to dispense, inter alia, with the obligation to re-appoint the auditors annually. In the absence of a notice proposing that the appointment be terminated, Coopers & Lybrand will continue in office as auditors.

BY ORDER OF THE BOARD

  
M.R. Hensby  
Secretary

Botanic House  
100 Hills Road  
Cambridge CB2 1LQ

Company Number 1658832 England and Wales

29 March 1995

## GRASEBY OVERSEAS HOLDINGS LIMITED

### Report of the Auditors to the Members

We have audited the financial statements on pages 5 to 10.

#### Respective Responsibilities of the Directors and Auditors

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 and 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.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

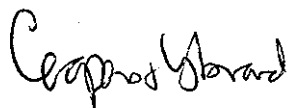
#### Basis of Opinion

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 31st December 1994 and of its profit and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND  
Chartered Accountants and Registered Auditors  
London

29 MAR 1995

**GRASEBY OVERSEAS HOLDINGS LIMITED**

**Profit and Loss Account**

**for the year ended 31st December 1994**

	<u>Notes</u>	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
Interest receivable from group companies		13	121
Provision for diminution in value of investments in subsidiaries		-	(5,292)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		13	(5,171)
Tax on profit/(loss) on ordinary activities	2	(5)	(40)
		<hr/>	<hr/>
Profit/(loss) for the financial year		<u>8</u>	<u>(5,211)</u>
The profit/(loss) is stated on the historical cost basis.			

**Statement of Retained Losses**

Profit/(loss) for the financial year		8	(5,211)
Exchange difference	3	(434)	168
		<hr/>	<hr/>
Recognised loss for the year		(426)	(5,043)
At 31st December 1993		(21,807)	(16,764)
		<hr/>	<hr/>
At 31st December 1994		<u>(22,233)</u>	<u>(21,807)</u>

The company has no recognised gains and losses other than those included in the statement above.

No separate reconciliation of shareholders funds is provided as the only movements are as shown in the statement above.

The results reported above all relate to continuing operations.

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

The report of the auditors is on pages 3 and 4.

**GRASEBY OVERSEAS HOLDINGS LIMITED****Balance Sheet - 31st December 1994**

	<u>Notes</u>	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
<u>Fixed Assets</u>			
Investments			
- Subsidiary undertakings	4	32,227	34,542
<u>Current Assets</u>			
Debtors falling due within one year:			
- amount owing by subsidiary undertaking		-	2,365
Debtors falling due after one year:			
- group loan accounts	6	1,233	1,066
- deferred tax	7	<u>3</u>	<u>-</u>
		33,463	37,973
Less:			
Creditors falling due within one year:			
- corporation tax payable		(8)	(42)
Creditors falling due after one year:			
- group loan accounts	6	(50,859)	(54,909)
		<u>(17,404)</u>	<u>(16,978)</u>
<u>Capital and Reserves</u>			
Called up share capital	5	-	-
Share premium account		4,829	4,829
Accumulated deficit		(22,233)	(21,807)
		<u>(17,404)</u>	<u>(16,978)</u>

These accounts were approved by the board of directors on 29<sup>th</sup> March 1995.



S.P. Holmes

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

# GRASEBY OVERSEAS HOLDINGS LIMITED

## Notes to the Accounts - 31st December 1994

1. The financial statements have been prepared in accordance with the historical cost convention and relevant accounting standards in the United Kingdom.

2. Tax on Profit on Ordinary Activities

	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
UK Corporation Tax at 33% (1993 33%) on the profit/(loss) for the year	8	40
Deferred tax:	(3)	-
	<u>5</u>	<u>40</u>

3. Exchange Difference

The exchange difference arises from the translation to sterling of those amounts owing to the holding company and to and by subsidiary undertakings and also of the investment in subsidiary undertakings which are denominated in foreign currencies and which have been translated at the exchange rates ruling at the year end.

4. Investment in Subsidiary Undertakings

	<u>Cost</u>	<u>Provision</u>	<u>Net book value</u>
At 1st January 1994	57,276	(22,734)	34,542
Additions	21	-	21
Exchange difference	(2,336)	-	(2,336)
	<u>54,961</u>	<u>(22,734)</u>	<u>32,227</u>

# GRASEBY OVERSEAS HOLDINGS LIMITED

## Notes to the Accounts - 31st December 1994

### 4. Investment in Subsidiary Undertakings (continued)

The subsidiary undertakings included above comprise:

	Proportion of share capital <u>directly held</u>	Proportion of share capital <u>indirectly held</u>	Country of <u>incorporation</u>
Graseby Andersen Inc	35%	65%	USA
Graseby Overseas Corporation	100%	-	USA
Graseby France SA	100%	-	France
Andersen Samplers BV	100%	-	Netherlands
Graseby Medizintechnik	100%	-	Germany

The undertakings above are all holding companies for overseas investments.

The investment in subsidiary undertakings is valued at cost. Provision is made where the underlying net asset value as at 31st December 1994 is less than cost if this diminution in value is regarded as permanent.

In the opinion of the directors the value of the company's investments in subsidiary undertakings is not less than the amounts at which they are stated in the balance sheet at 31st December 1994.

### 5. Called Up Share Capital

	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
<u>Authorised</u>		
10,000 Ordinary Shares of £1 each	£10,000	£10,000
<u>Issued and Fully Paid</u>		
200 Ordinary Shares of £1 each	£200	£200

# GRASEBY OVERSEAS HOLDINGS LIMITED

## Notes to the Accounts - 31st December 1994

### 6. Group Loan Accounts

The group loan accounts have no fixed repayment dates. The directors regard these loans as long term in nature, although the balances may fluctuate in the short term. The amounts comprise:

	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
Debtors falling due after one year:		
Owing by subsidiary undertakings		
- Bearing interest at 7% (1993 7%)	321	338
- Non interest bearing	912	728
	<u>1,233</u>	<u>1,066</u>
Creditors falling due after one year:		
Owing to subsidiary undertakings		
- Bearing interest at 5.5% (1993 6%)	73	222
Owing to holding company		
- Non interest bearing	50,786	54,687
	<u>50,859</u>	<u>54,909</u>

### 7. Deferred Tax

The potential asset for deferred tax, calculated under the liability method, together with the element recognised in the accounts, is analysed below:

	<u>1994</u>		<u>1993</u>	
	Full potential asset £000	Of which recognised £000	Full potential liability £000	Of which provision made £000
Other	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>

**GRASEBY OVERSEAS HOLDINGS LIMITED****Notes to the Accounts - 31st December 1994****8. Directors' Emoluments**

The directors received no emoluments in respect of their services to the company. All directors are employed by Graseby plc and are remunerated by that company in respect of their services to the group as a whole.

**9. Auditors' Remuneration**

The remuneration of the auditors was borne by Graseby plc.

**10. Ultimate Holding Company**

The company's ultimate holding company is Graseby plc, incorporated in England and Wales. Copies of the audited accounts of Graseby plc can be obtained from its registered office at Botanic House, 100 Hills Road, Cambridge CB2 1LQ.