

KEELER LIMITED

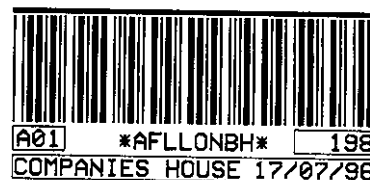
REPORT

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FINANCIAL STATEMENTS

25th November 1995

REGISTERED NUMBER: 408759



KEELER LIMITED
REPORT OF THE DIRECTORS

The Directors present their Report and Audited Financial Statements for the period of 52 weeks ended 25th November 1995. The results for the period are set out in the Profit and Loss Account on page 5. The profit for the period is £715,000. This has been transferred to accumulated losses at the end of the period.

DIRECTORS

The Directors who have served during the period were:

C R Keeler	Chairman
R Ireland	(Resigned 9th June 1995)
D J Keeler	
M R Ham	(Appointed 16th March 1995)
M A Little	
B A Thorne	(Appointed 10th April 1995)
J B Wilson	(Appointed 16th March 1995)

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the Company is the development and sales of a range of ophthalmic and medical products throughout the U.K., U.S.A. and the rest of the World.

The Company has made very significant progress during the year with record cash generation and a strong return to profitability. Stocks have reduced substantially and the quality of products and services has made further gains.

During the year the Company achieved ISO 9001 at the first attempt.

Initial confidence in the Vantage Indirect Ophthalmoscope was fully justified in the light of most satisfactory sales.

During the year, the Company's financing has been restructured by the parent company Oceanhaven Limited. A long term loan of £9.4 million has been advanced to the Company. This has enabled the Company to repay short term inter-company borrowings. The advancement of the long term loan has now returned the Company to a net current asset position.

RESEARCH AND DEVELOPMENT

The Company will continue to invest substantial sums in R&D.

ORDINARY DIVIDENDS

The Directors do not recommend the payment of a dividend.

DIRECTORS INTERESTS IN SHARES

Mr B A Thorne has an interest in the shares of Oceanhaven Limited, the Company's parent. Details are disclosed in the Accounts of Oceanhaven Limited.

KEELER LIMITED
REPORT OF THE DIRECTORS (Continued)

INSURANCE OF DIRECTORS

The Oceanhaven Group maintains insurance for Keeler Limited's directors in respect of their duties as directors.

CHANGES IN TANGIBLE FIXED ASSETS

The movements during the period are set out in Notes 10 and 11 to the Financial Statements, on pages 16 and 17.

EMPLOYEES

The Company consults and discusses with employees, through consultative committees and at conferences, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins, team briefings, meetings and reports, which are used to help employees achieve a common awareness of the financial and economic factors affecting the performance of the Company.

EMPLOYMENT OF DISABLED PERSONS

Disabled persons are employed and trained by the Company, where their aptitude and abilities allow and suitable vacancies are available. Where employees become disabled the Company endeavours to continue their employment, provided there are suitable jobs available, bearing in mind not only their handicap or disability, but also their experience and skills. The need to develop the careers of disabled people and ensure their continued safety at work is accepted throughout the Company and the necessary steps are taken to train and promote disabled employees where this is in their own and the Company's best interests.


TAXATION STATUS

The Company was not a close company within the meaning of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

AUDITORS

A resolution to appoint Coopers and Lybrand will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



J B WILSON
Secretary

Registered Office:
1323 Coventry Road
Yardley
Birmingham
B25 8LP

13th February 1996

KEELER LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss and total recognised gains and losses of the Group for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 25th November 1995. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and of the Group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'J B Wilson', with a long horizontal stroke extending to the right.

J B WILSON
Secretary

13th February 1996

KEELER LIMITED
REPORT OF THE AUDITORS

To the Members of Keeler Limited

We have audited the financial statements on pages 5 to 21..

Respective responsibilities of Directors and Auditors

As described on page 3 the Company's 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 and the Group'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 and the Group at 25th November 1995, and of the profit, total recognised gains and cash flows of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
Birmingham

16th February 1996

KEELER LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD OF 52 WEEKS ENDED 25th NOVEMBER 1995

	NOTES	1995 £'000	1994 £'000
TURNOVER			
Continuing Operations	2	14,316	9,759
Acquisitions		<u>-</u>	<u>1,874</u>
		14,316	11,633
 Cost of Sales		 <u>(7,941)</u>	 <u>(7,525)</u>
 GROSS PROFIT		 6,375	 4,108
Distribution Costs		(3,057)	(2,941)
Administrative Expenses		<u>(2,281)</u>	<u>(1,287)</u>
OPERATING PROFIT / (LOSS)			
Continuing Operations		1,037	(113)
Acquisitions		<u>-</u>	<u>(7)</u>
		1,037	(120)
 Interest receivable and similar income	3	 31	 -
Interest payable and similar charges	3	<u>-</u>	<u>(235)</u>
 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			
	4	1,068	(355)
Tax (charge)/credit on profit/(loss) on ordinary activities	8	<u>(353)</u>	<u>22</u>
PROFIT / (LOSS) FOR THE PERIOD	9, 16	<u>715</u>	<u>(333)</u>

There is no material difference between the profit on ordinary activities before tax and the profit for the period as shown in the Profit and Loss Account and their historical cost equivalent.

KEELER LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD
OF 52 WEEKS ENDED 25 NOVEMBER 1995**

	1995 £'000	1994 £'000
Profit / (Loss) for the period	715	(333)
Currency translation differences on foreign currency investments	<u>(14)</u>	<u>(20)</u>
Total recognised gains/(losses) for the period	<u>701</u>	<u>(353)</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
AT 25 NOVEMBER 1995**

	Group £'000	Company £'000
Balance at 26th November 1994	(3,966)	(4,088)
Profit for the period	715	628
Goodwill on acquisition of Keeler Instruments Inc	(199)	-
Exchange difference	<u>(14)</u>	<u>-</u>
Balance at 25th November 1995	<u>(3,464)</u>	<u>(3,460)</u>

*The notes on pages 11 to 21 form part of these financial statements.
Auditors' Report page 4.*

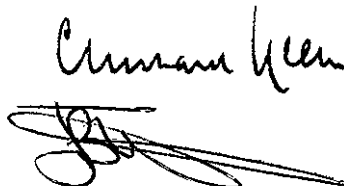
KEELER LIMITED

CONSOLIDATED BALANCE SHEET AT 25th NOVEMBER 1995

			1995		1994
	NOTES	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible Assets	10		<u>1,222</u>		<u>1,632</u>
CURRENT ASSETS					
Stocks	11	3,336		4,331	
Debtors	12	2,833		2,784	
Cash at bank and in hand		<u>754</u>		<u>404</u>	
		6,923		7,519	
CREDITORS - amounts falling due within one year	13	<u>(2,677)</u>		<u>(13,117)</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>4,246</u>		<u>(5,598)</u>
Creditors - amounts falling due after more than one year	13		<u>(8,932)</u>		<u>-</u>
NET LIABILITIES			<u>(3,464)</u>		<u>(3,966)</u>
CAPITAL AND RESERVES					
Called-up Share Capital	15		8		8
Profit and Loss Account	16		<u>(3,472)</u>		<u>(3,974)</u>
Total equity Shareholders' funds			<u>(3,464)</u>		<u>(3,966)</u>

C R Keeler }
 }
J B Wilson }

Directors



The notes on pages 11 to 21 form part of these financial statements.
Auditors' Report page 4.

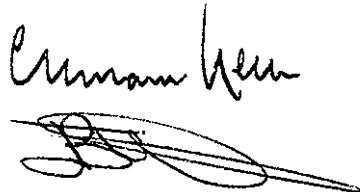
KEELER LIMITED

COMPANY BALANCE SHEET AT 25th NOVEMBER 1995

			1995		1994
	NOTES	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible Assets	10		<u>921</u>		<u>1,283</u>
CURRENT ASSETS					
Stocks	11	2810		3,590	
Debtors	12	3666		3,825	
Cash at bank and in hand		<u>525</u>		<u>108</u>	
		7001		7,523	
CREDITORS - amounts falling due within one year	13	<u>(2,450)</u>		<u>(12,894)</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>4,551</u>		<u>(5,371)</u>
CREDITORS - Amounts falling due in more than one year	13		<u>(8,932)</u>		<u>-</u>
NET LIABILITIES			<u>(3,460)</u>		<u>(4,088)</u>
CAPITAL AND RESERVES					
Called-up Share Capital	15		8		8
Profit and Loss Account	16		<u>(3,468)</u>		<u>(4,096)</u>
Total equity Shareholders' funds			<u>(3,460)</u>		<u>(4,088)</u>

C R Keeler }
J B Wilson }

Directors



The notes on pages 11 to 21 form part of these financial statements.
Auditors' Report page 4.

KEELER LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD OF 52 WEEKS ENDED 25th NOVEMBER 1995

	1995	1994
	£'000	£'000
OPERATING ACTIVITIES		
Net cash inflow from operating activities	<u>2,530</u>	<u>1,004</u>
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
Interest Received / (Paid)	31	(235)
TAXATION		
UK Corporation Tax (paid)/received	(60)	10
Overseas Tax paid	<u>(1)</u>	<u>(2)</u>
Tax (paid)/received	<u>(61)</u>	<u>8</u>
INVESTING ACTIVITIES		
Purchase of Tangible Fixed Assets	(163)	(219)
Sale of Tangible Fixed Assets	31	47
Purchase of subsidiary (net of cash acquired)	<u>-</u>	<u>(3,413)</u>
Net cash (outflow) from investing activities	<u>(132)</u>	<u>(3,585)</u>
Net cash inflow/(outflow) before financing	2,368	(2,808)
Financing		
Loan from ultimate parent company	9,400	3,700
Repayment of loan	<u>(11,400)</u>	<u>(438)</u>
Net cash (outflow)/inflow from financing	<u>(2,000)</u>	<u>3,262</u>
Increase in cash and cash equivalents	<u>368</u>	<u>454</u>

KEELER LIMITED

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW

FROM OPERATING ACTIVITIES

	1995 £'000	1994 £'000
CONTINUING ACTIVITIES		
Operating Profit / (Loss)	1,037	(120)
Depreciation of Tangible Fixed Assets	541	525
Loss on sale of Tangible Fixed Assets	-	9
Decrease in Stock	998	701
(Increase) in Third Party Debtors	(58)	(208)
(Increase)/Decrease in amounts owed by fellow subsidiaries	(166)	232
Increase/(Decrease) in Third Party Creditors	344	(77)
(Decrease) in amounts owed to ultimate parent company	(166)	(58)
Net cash inflow from operating activities	<u>2,530</u>	<u>1,004</u>

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

	1995 £'000	1994 £'000
CHANGES DURING THE PERIOD		
Balances at beginning of the period	404	3
Net Inflow before adjusting for exchange rates	368	454
Effect of foreign exchange rates	(18)	(53)
Balances at end of the period	<u>754</u>	<u>404</u>

All the above balances relate to cash in hand and at bank.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

25th November 1995

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared on the historical cost basis of accounting whereby the values of transactions are recorded at the dates when the assets were acquired, the liabilities were incurred or the capital obtained. The financial statements have been prepared in accordance with all applicable Accounting Standards in the United Kingdom.

The accounts have been prepared on a going concern basis. The ultimate Holding Company, Oceanhaven Limited, has indicated that it will provide such funds as are necessary for the Company to continue to trade in the foreseeable future.

b) Basis of Consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the Company and its subsidiary undertakings made up to 25 November 1995. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities are recorded at their fair values.

c) Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, over their estimated useful lives in equal annual instalments.

The main periods are:

Fittings and Equipment	~	3 - 7	years
Tooling	~	2 - 4	years
Plant and Machinery	~	5 - 10	years
Motor Vehicles	~	3 - 5	years

d) Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiaries is written off immediately against reserves.

e) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost in respect of finished goods and work in progress includes an appropriate proportion of fixed and variable factory overheads. Where necessary, provision is made for obsolete, slow moving and defective stocks.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

1. ACCOUNTING POLICIES - Continued

f) Taxation

Current and deferred taxation is based on the result for the period and includes all taxation liabilities accruing to the date of the financial statements.

Deferred taxation is provided under the liability method in respect of all material timing differences between results as shown in the financial statements and results as computed for taxation purposes to the extent that it is probable that a liability or asset will crystallise. The rate of tax used is that which is expected to be applied when the liability or asset is expected to crystallise. Full provision is made for deferred taxation on timing differences arising from the provision of employee pensions and other post retirement benefits.

g) Foreign Currencies

Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

The results of overseas subsidiaries are translated into sterling at average rates of exchange for the period.

Exchange differences arising from the retranslation of the opening net investment in overseas subsidiaries, and from the translation of the results of those companies at average rate, are taken to reserves and are reported in the statement of total recognised gains and losses. All other foreign exchange differences are taken to the profit and loss account in the period in which they arise.

h) Pension Fund

A pension scheme is operated by Dollond and Aitchison Limited, a fellow subsidiary company, and is available to all UK employees of the Company depending on age. The scheme is a defined benefit scheme, fully funded, and one to which employees are required to contribute. The assets of the scheme are administered and maintained by trustees separately from those of the Company and Dollond and Aitchison Limited, with independent qualified actuaries as advisers. The actuarial method used is the projected unit method.

The provisions of SSAP 24 have been applied to determine the Company's pension charges for the period. An analysis of pension costs is included in the consolidated accounts of Oceanhaven Limited. No assumption has been made relating to discretionary increases in respect of pensions in payment. Pension charges, therefore, include the capitalised amount of the discretionary increases provided in the period.

Actuarial valuations are undertaken every three years or more frequently when circumstances demand.

In the USA alternative arrangements via an IRS approved plan, covering all employees with over 1 years service, are maintained.

i) Leases

Rentals in respect of operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

j) Research and Development

Research and Development expenditure is written off as it is incurred.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

2. TURNOVER

Turnover represents the amount received and receivable excluding VAT or its equivalent, for all goods and services rendered during the period. Geographical analysis of turnover by destination is set out below.

	TURNOVER	
	1995	1994
	£'000	£'000
United Kingdom	6,094	5,316
USA	4,022	2,539
Europe	1,549	1,457
Asia	1,645	1,400
Other	<u>1,006</u>	<u>921</u>
	<u>14,316</u>	<u>11,633</u>

3. INTEREST

	1995	1994
	£'000	£'000
<u>INTEREST RECEIVABLE AND SIMILAR INCOME</u>	<u>31</u>	<u>-</u>
<u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
Interest paid to ultimate Holding Company	<u>-</u>	<u>235</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(Loss) on ordinary activities before taxation is stated after charging:

	1995 £'000	1994 £'000
Depreciation of tangible fixed assets	541	525
Auditors' remuneration - Group	25	27
- Company	25	27
Hire of plant and equipment including rentals under operating leases	42	23
Research and Development	<u>378</u>	<u>384</u>

5. PENSION SCHEME

	1995 £'000	1994 £'000
Charge for the year	<u>150</u>	<u>123</u>

The Pension Scheme offered to the UK employees of the Company is operated by Dollond & Aitchison Limited. Further details regarding the pension scheme are shown in the consolidated accounts of Oceanhaven Limited, the ultimate holding company.

In the USA alternative arrangements via an IRS approved plan, covering all employees with over 1 years service, are maintained.

6. EMOLUMENTS OF DIRECTORS FOR THE PERIOD

	1995 £	1994 £
a) Management remuneration	<u>445,841</u>	<u>213,754</u>

One Director was remunerated by other group companies. No allocation has been made in respect of his services to the Company. No UK pension contributions were paid by the Company in 1995 and 1994 as a result of a pension holiday.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

6. EMOLUMENTS OF DIRECTORS FOR THE PERIOD - Continued

b) Other emoluments (excluding pension contributions) include amounts paid to:

Highest paid Director and Chairman: £94,594 (1994 £66,273).

The number of Directors (including the Chairman, but excluding one Director who discharges his duties wholly outside the United Kingdom) who received emoluments during the period (excluding pension contributions) in the following ranges were:-

	1995	1994
£ 0 - £ 5,000	1	1
£35,001 - £40,000	1	-
£45,001 - £50,000	-	1
£50,001 - £55,000	1	1
£55,001 - £60,000	1	-
£65,001 - £70,000	-	1
£70,001 - £75,000	1	-
£90,001 - £95,000	1	-
	<u>6</u>	<u>4</u>

7. EMPLOYEE COSTS AND NUMBERS

	1995 £'000	1994 £'000
Wages and Salaries	3,585	3,239
Social Security costs	275	256
Other Pension costs	<u>150</u>	<u>123</u>
	<u>4,010</u>	<u>3,618</u>

The average number of employees in the period including executive directors was 207 (1994 - 214) and may be analysed into the following categories:

	1995	1994
Ophthalmic and Medical activities	164	169
Administration and Support Services	<u>43</u>	<u>45</u>
	<u>207</u>	<u>214</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

8. TAX (CHARGE)/CREDIT ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1995 £'000	1994 £'000
UK Corporation Tax	(398)	(61)
Deferred Taxation	43	39
Overseas Taxation	8	23
(Over) /Under Provisions in previous periods	(6)	21
	<u>(353)</u>	<u>22</u>

Taxation has been based on a Corporation Tax rate of 33% (1994 33%).

9. RESULTS FOR THE FINANCIAL YEAR

As permitted by Section 230 of the Companies Act 1985, the Company has not presented its own Profit and Loss Account. Of the profit for the financial period, a profit of £628,000 has been dealt with in the financial statements of the Company (1994 loss of £2,349,000).

10. GROUP TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant, Machinery and Tooling £'000	Fittings and Equipment £'000	TOTAL £'000
Cost				
At 26th November 1994	233	2,194	2,295	4,722
Exchange Differences	-		(1)	(1)
Additions	5	36	122	163
Disposals	-	-	(101)	(101)
At 25th November 1995	<u>238</u>	<u>2,230</u>	<u>2,315</u>	<u>4,783</u>
Accumulated Depreciation				
At 26th November 1994	2	1,634	1,454	3,090
Charge for the period	6	172	363	541
Disposals	-	-	(70)	(70)
At 25th November 1995	<u>8</u>	<u>1,806</u>	<u>1,747</u>	<u>3,561</u>
Net Book Value				
At 25th November 1995	<u>230</u>	<u>424</u>	<u>568</u>	<u>1,222</u>
At 26th November 1994	<u>231</u>	<u>560</u>	<u>841</u>	<u>1,632</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

10. COMPANY TANGIBLE FIXED ASSETS

	Plant, Machinery and Tooling £'000	Fittings and Equipment £'000	TOTAL £'000
Cost			
At 26th November 1994	2,194	2,156	4,350
Additions	36	102	138
Disposals	<u>-</u>	<u>(83)</u>	<u>(83)</u>
At 25th November 1995	<u>2,230</u>	<u>2,175</u>	<u>4,405</u>
Accumulated Depreciation			
At 26th November 1994	1,634	1,433	3,067
Charge for the period	168	301	469
Disposals	<u>-</u>	<u>(52)</u>	<u>(52)</u>
At 25th November 1995	<u>1,802</u>	<u>1,682</u>	<u>3,484</u>
Net Book Value			
At 25th November 1995	<u>428</u>	<u>493</u>	<u>921</u>
At 26th November 1994	<u>560</u>	<u>723</u>	<u>1,283</u>

11. STOCKS

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Raw Materials	1,130	1,397	1,130	1,397
Work in Progress	387	308	387	308
Finished Goods	<u>1,819</u>	<u>2,626</u>	<u>1,293</u>	<u>1,885</u>
	<u>3,336</u>	<u>4,331</u>	<u>2,810</u>	<u>3,590</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

12. DEBTORS

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Amounts falling due within one year:				
Trade Debtors	2,315	2,138	1,655	1,616
Prepayments & Accrued Income	112	143	64	77
Other Debtors	13	304	7	13
Amounts owed by Group undertakings:				
- Fellow Subsidiary undertakings	225	59	225	59
- Subsidiary undertakings	-	-	<u>1,545</u>	<u>1,931</u>
	2,665	2,644	3,496	3,696
Amounts falling due after more than one year:				
Deferred Tax (Note 14)	168	125	170	129
Insurance Refund due	-	<u>15</u>	-	-
	<u>2,833</u>	<u>2,784</u>	<u>3,666</u>	<u>3,825</u>

13. CREDITORS - Amounts falling due within one year

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Trade Creditors	1,049	876	929	789
Accruals & Deferred Income	577	466	464	361
Other Creditors	567	493	567	468
Other Taxes & Social Security	90	103	70	96
Amounts owed to Group undertakings:				
- Ultimate parent company	-	11,118	-	11,118
- Fellow subsidiary undertakings	21	-	21	1
Corporation Tax	<u>373</u>	<u>61</u>	<u>399</u>	<u>61</u>
	<u>2,677</u>	<u>13,117</u>	<u>2,450</u>	<u>12,894</u>

Other Creditors includes a balance of £514,000 (1994: £391,000) in respect of the SSAP 24 adjustment for the UK Pension Scheme.

CREDITORS - Amounts falling due after more than one year

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Amounts owed to ultimate parent company	<u>8932</u>	-	<u>8932</u>	-

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

14. DEFERRED TAXATION

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Other timing differences	<u>(168)</u>	<u>(125)</u>	<u>(170)</u>	<u>(129)</u>
Movements during the period:			Group £'000	Company £'000
At 26th November 1994			(125)	(129)
Transferred to Profit & Loss Account			<u>(43)</u>	<u>(41)</u>
At 25th November 1995			<u>(168)</u>	<u>(170)</u>

The deferred asset is included in Debtors (Note 12).

Provisions made cover the full potential liability.

15. SHARE CAPITAL

	Authorised		Allotted, Called Up & Fully Paid	
	1995	1994	1995	1994
Ordinary Shares of £1 each	<u>£20,000</u>	<u>£20,000</u>	<u>£8,004</u>	<u>£8,004</u>

16. PROFIT AND LOSS ACCOUNT

	Group £'000	Company £'000
At 26th November 1994	(3,974)	(4,096)
Profit for the period	715	628
Goodwill written off on acquisition of Keeler Instruments Inc (Note 17)	(199)	-
Currency translation differences	<u>(14)</u>	-
At 25th November 1995	<u>(3,472)</u>	<u>(3,468)</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

17. ACQUISITIONS

On 8 July 1994 the Company acquired the whole of the issued share capital of Keeler Instruments Inc. Broomall, USA for the consideration of £1. The Group used acquisition accounting for the purchase.

The purchase of Keeler Instruments Inc. has given rise to a fair value adjustment of £2,073,000, £1,874,000 of this was charged into the 1994 financial statements and a further £199k has been charged into the 1995 financial statements following a review of the balance sheet existing at the time of acquisition.

The final assets and liabilities of Keeler Instruments Inc. acquired in July 1994 may be summarised as follows:

	Book Value £'000	Change in accounting policies £'000	Provision against Assets £'000	Fair Value to the Group £'000
Tangible Fixed Assets	377	-	-	377
Current Net Assets	1,496	(328)	(199)	969
Borrowings	(3,700)	--	-	(3,700)
Deferred Tax Payable	(6)	--	-	(6)
Cash Balances	<u>287</u>	<u>-</u>	<u>-</u>	<u>287</u>
	<u>(1,546)</u>	<u>(328)</u>	<u>(199)</u>	(2,073)
Goodwill written off in 1994 accounts				1,874
Goodwill written off in 1995 accounts				<u>199</u>
				<u>-</u>

18. CAPITAL COMMITMENTS

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Contracts Placed but not provided	5	36	5	36
Authorised but not contracted	<u>7</u>	<u>35</u>	<u>7</u>	<u>35</u>
	<u>12</u>	<u>71</u>	<u>12</u>	<u>71</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25th November 1995

19. DATE OF APPROVAL

The Directors approved the accounts on 13th February 1996.

20. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Oceanhaven Limited, which is registered in England and Wales. Copies of Oceanhaven Limited's consolidated accounts can be obtained through Companies House