Company Number 516671

Shiloh PLC

Report and Accounts

2001/2002

...caring for every generation

Continence Care
Mobility & Rehabilitation
Prevention of Infection
Wound Management

Our aim is to develop innovative, long term mutually-beneficial partnerships with healthcare providers in the supply of continence care, mobility and rehabilitation, prevention of infection and wound management.

Partnerships that will add value through the supply, distribution and brand development of the products and services we provide.

Contents

"The Group has made significant progress during its second year as a focused healthcare company and the opportunities for further expansion are good. We are in a strong position to compete for the new contracts expected to flow from the recently announced NHS investment of £200m in improving sterilisation facilities in England. Other parts of our healthcare business are also expected to benefit from the government's plans to inject additional funding into the National Health Service over the coming years". **Edmund Gartside (Chairman)**

£000's	2002	2001	
Group turnover	***39,927***	28,906	+38%
Operating profit before interest*	***1,349***	1,055	+28%
Profit before tax	***817***	1,113	-28%
Earnings per share*	***15.13p***	14.64p	+3%
Ordinary dividend per share	***5.20p***	4.85p	+7%

*(before goodwill and exceptional costs)

Financial Highlights

(excluding discontinued activities)

This information is presented graphically in our Report and Accounts, and has been omitted to comply with Companies House requirements

An Overview of the Group Performance

Shiloh is successfully building on its 30-year record of experience in healthcare. The group is developing into new growth markets and widening its reputation as one of the leading UK specialists in the expanding care marketplace.

Already a major supplier of continence, medical and hygiene products to the NHS, the group is now creating, through acquisition, an ethical, high quality national network of mobility aid centres. Demographic changes forecast a doubling of the number of over sixties in the UK over the next 20 years.

Making life a little **easier** for the elderly and disabled

Shiloh is a market leader in theatre sterilisation services, providing the highest quality, fully-accredited de-contamination facilities to hospitals to combat the increasingly serious problem of secondary infection. The group is also a main provider of disposable and re-usable surgical instruments.

For the first time, Shiloh will shortly be announcing a competitive specialised wound management range as part of an on-going marketing strategy to develop new products for carefully targeted sectors of the healthcare market.

Continence Care
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Continence Care

Shiloh is a leading manufacturer and supplier to both the public and private sector health and nursing care market throughout the UK. This includes the supply of brand-leading Conti pads, as well as surgical wipes, theatre gowns, cotton wool and disposable products. The company has long term contracts with a record 18 NHS Trusts. Through its unique Shiloh Connect management information, stock control and ordering system, the company is computer-linked to hospitals and delivers direct to patients in their own homes as well as providing a mail order service to private customers.

Mobility and Rehabilitation

A comprehensive range of mobility and rehabilitation equipment is supplied, maintained and refurbished at 17 specialist centres across the UK. It includes wheelchairs, scooters, hoists, slings, stairlifts, ramps, chairs and beds, and general aids for daily living. Shiloh is already the market leader in this traditionally fragmented field and is creating a comprehensive national network through acquisition, as part of the group's expansion strategy. The most recent acquisition extends the group's operations in the South East, with new branches at Rayleigh, Clacton, Ilford and Stevenage.

Prevention of Infection

This is another healthcare sector in which Shiloh has established a market leading position as a supplier of instrument sterilisation and de-contamination services to hospitals, as well as surgical instruments and sterile theatre packs.
Five years ago, the group's Trust Sterile Services division was established as a new concept in the marketplace. It now operates from custom-built sterilisation facilities at Strathclyde Business Park, Lanarkshire, supporting hospitals across Central Scotland, as well as supplying instruments to medical theatres throughout the UK. It provides national benchmark quality services and is a preferred supplier to the NHS. Shiloh plans further expansion in this successful area of activity to meet the growing need to control secondary infection in hospitals, an issue causing government concern and to which additional funds are being allocated.

Wound Management

As part of Shiloh's product development programme, a range of specialised wound management products will shortly be launched following a £300,000 initial investment in new manufacturing equipment. This marks the first phase of the Group's planned entry into a much wider range of healthcare products concentrating on innovative design and manufacture and aimed at carefully researched specific market segments where brand leadership can be obtained.

Board of Directors

CHAIRMAN

Edmund T. Gartside TD
DL MA CIMgt*
Chairman
Appointed 1960
Managing Director 1965–2000
Chairman since 1966

Graham J. Collyer
BSc CTEXT ATI MBIRA
Managing Director
Corporate Development
Appointed 2001
Technical Director SSL International plc 1995–2001. Vice Chairman, British Healthcare Trades Association. Director Altrix Healthcare plc

John Edwards
BSc FCMA
Group Finance Director
Appointed 2000
Deputy Managing Director Spring Ram Bathrooms PLC 1990–97. Finance Director Kingsley Cards Ltd 1997–2000

Mark O.F. Lewis BTech
Managing Director Healthcare Division
Appointed 1994
Managing Director Lantor (UK) Ltd (Tootal) 1987–89
Commercial Director Carrington Novare (Coats Viyella) 1990–93

Lincoln C.W. Jones
Executive Director
Appointed 1982
Managing Director Shiloh Healthcare Ltd 1982–2002

Eric Robinson BSc
MBA
Managing Director Fast-Aid Products Ltd
Appointed 2000
Consultant, Scottish Agricultural Industries (ICI) 1979–1991

NON-EXECU

Darrell H. Shaw
ARTCS CTEXT ATI*
Senior Independent Director
Appointed 1961
Deputy Managing Director Shiloh PLC 1969–89

*Remuneration Committee

J.Roger B. Gould
MA FCA CIMgt *
Appointed 1998
Deputy Chairman, Seton Healthcare Group plc 1984–1998

Dieno George
MSc BSc BA DipM DipAP
Appointed 2001
Director SSL International plc 1986–2001. Chief Executive, Thornton & Ross Ltd. Non Executive Chairman, Altrix Healthcare plc

David R. Stubbins
MA FCA
Company Secretary
Appointed 1990
Finance Director – J.B.Battye & Co Ltd 1984–1989

COMPANY D

Registered Office:
Holden Fold, Royton,
Oldham OL2 5ET
Telephone 0161 624 8161
Registered No. 516671
www.shiloh.co.uk

Bankers:
Barclays Bank PLC, Oldham

Auditors: Waterworths, Chartered Accountants, Blackburn

Solicitors:
Walker Morris, Leeds
DWF, Manchester

Stockbrokers:
W.H. Ireland Ltd., Manchester

Registrars:
Northern Registrars Ltd.,
Northern House,
Woodsome Park,
Fenay Bridge,
Huddersfield HD8 0LA
Telephone: 01484 600900

Chairman's Statement

Edmund T. Gartside TD DL MA CIMgt

Group operating profit before goodwill and exceptional costs is £1.29 million (2001: £1.16 million) an increase of 11%.

Sales have increased by £11 million to £39.9 million (2001: £28.9 million) an increase of 38%. Of this, £7.8 million is from organic growth and £3.2 million is from acquisitions.

Group net profit before tax is £817,000 (2001: £1.13 million) after charging exceptional costs of £338,000 and amortisation of goodwill of £134,000.

Earnings per share before amortisation of goodwill and exceptional costs are 15.13p (2001: 14.64p) an increase of 3.3%.

The Directors recommend a final dividend of 3.7p per share making the total dividend for the year 5.2p per share. This is an increase of 7.2% on the dividend of 4.85p per share paid last year.

Our second full year as a focused healthcare company has been one of challenge and significant change. It has been a year of considerable achievement in most areas of the business, but there have been some areas of underperformance.

The biggest achievement has been the sales growth at Trust Sterile Services Limited, our instrument decontamination and sterilisation unit at Bellshill in Scotland. Its sales have increased more than fourfold to nearly £4 million and it made an operating profit of £444,000.

Another achievement has been the expansion of our mobility division. We have purchased three more mobility businesses during the year at a cost of £3.33 million and now have national coverage in this activity stretching from Edinburgh in the North to Hampshire in the South with branches in Cardiff and Essex, in addition to our main mobility base in the North West.

This division has made an operating profit of £457,000 on sales of £6.1 million. This is equivalent on an annual basis to an operating profit of £675,000 on sales of £9 million after adjusting for the fact that three of these businesses were owned by the Group for only part of the year.

Our Royton based manufacturing operation, producing mainly incontinence and workwear products, has suffered like many others from intense import competition and increasing costs. Worst affected was the workwear business where the general downturn in UK industry reduced demand sharply.

The rapid expansion of our home delivery service has again involved a further heavy investment in sales and nurse support and information technology and has had an adverse impact on profit in our Healthcare division. Despite achieving a growth in sales of 17% to bring annual sales up to £20.1 million, this business has suffered a significant reduction in profit. However, we remain confident that this investment will yield increasing returns as we build on the strong relationships created to develop sales of more sophisticated products.

We have made full provision to write off the £200,000 of preference shares in Shiloh Spinners Limited and deferred consideration of £138,000 still outstanding following the sale of this business to the management in March 2000 and the subsequent appointment of an administrator on 10th October 2001. This is the exceptional item of £338,000 referred to in the accounts and is close to the figure I reported at the half year. Shiloh Spinners have already vacated one of the buildings they lease from us and are expecting to vacate the other by October 2002. We have put these properties on the market and have had provisional offers close to their book value of £1.6 million. These are currently being considered by the Directors.

Much has been achieved in changing the direction of the Group during the year. We expect to see the benefits coming through over the next two to three years as we build on the progress we have made.

We intend to give priority to developing the business of Trust Sterile Services Limited. Because of the introduction of new European standards for instrument sterilisation units, the Department of Health has announced its intention of spending some £200 million on improving sterilisation facilities on a national basis. We are still awaiting details of this plan, but the private sector will be invited to participate and submit tenders for this programme. As we were the first private sector company to commission an 'off site' purpose built unit we are in a prime position to take advantage of these plans.

As already announced, since our year end we have purchased the 20% minority interest in Trust Sterile Services Limited for a consideration of £800,000, £500,000 having been paid on completion and the balance of £300,000 being payable in three equal instalments over three years. This will give us additional flexibility in expanding the business throughout the UK and I am pleased that the two minority shareholders who built up the existing unit will continue to be available to manage the business under new service agreements.

We also announced in December last year the purchase of Xarica Limited, a company wholly owned by Graham Collyer and Dieno George, for a consideration of £170,000, being satisfied by the issue of 60,000 25p ordinary shares in Shiloh and £20,000 in cash. We saw this as an opportunity to develop a new range of products, particularly in the area of wound management, utilising Graham and Dieno's considerable experience and knowledge of the healthcare industry.

At the same time we were able to strengthen the Board and management structure. Graham and Dieno were appointed Directors on 20th December 2001. Graham was appointed Managing Director, Corporate Development, working part-time in an executive capacity implementing new strategies and managing the introduction and marketing of new products. Dieno was appointed a non-executive Director.

Following the purchase of Xarica Limited, we have committed £300,000 to commissioning a new plant for the production of wound care and branded prescribable urology products. Trials and the marketing of these products are already well advanced and we expect that the new unit, to be based in Royton, will start making a contribution during the current financial year.

Prospects for the continued growth of the Company are encouraging. We start the year from a firm base of over £70 million of contracts with the NHS and the Scottish Health Service covering periods from two to five years. We are confident that with a strengthened management structure we can improve the profitability of the underperforming areas of the business and at the same time make further progress in building up the de-contamination and sterilisation business maximising the opportunities that will arise out of the increased NHS budget. The investment in wound management, together with the launching of the new branded range of urology products, will give further opportunities for expansion and the consolidation of our mobility division into one co-ordinated business should result in this division increasing its contribution to Group sales and operating profit.

Finally, I would like to thank all our employees who have worked extremely hard during a period of significant change and I look forward to all participating in the continued success of the Company during the coming year.

Chairman

Report of the Directors

The Directors present their Annual Report and the Accounts of the Group for the year ended 31st March 2002.

Activities

Shiloh PLC is a holding company and through its operating subsidiary undertakings carries on the activities of the manufacture and marketing of healthcare products and the provision of healthcare services.

Business Review

A review of the Group's activities is contained in the Chairman's Statement on pages 5 and 6.

Group Profit and Dividends

The Group profit before taxation for the year ended 31st March 2002 amounted to £817,000 (2001 - £1,133,000). An interim dividend of 1.50p per share was paid on 30th November 2001. The Directors recommend a final dividend of 3.70p per share. This makes a total dividend for the year of 5.20p which absorbs £342,000. The final dividend will be paid on 20th June 2002 to those shareholders on the register of members on 31st May 2002.

Post Balance Sheet Event

On 9th April 2002 the minority interest in Trust Sterile Services Limited was purchased for the sum of £800,000. £500,000 was paid on completion and the balance of £300,000 will be paid in three instalments of £100,000 each on 1st May 2003, 1st May 2004 and 1st May 2005.

Directors

The Directors are listed on page 4. Messrs G.J.Collyer and D.George were appointed to the Board on 20th December 2001 and in accordance with Article 104 retire from office and, being eligible, offer themselves for election. The Director retiring by rotation is Mr D.H.Shaw who, being eligible, offers himself for re-election.

Directors' Interests

At 31st March 2002, the interests of Directors in the ordinary shares of the Company were as follows:

Beneficial Interests	**2002**	**2001**
E.T. Gartside	338,288	438,288
G.J. Collyer	75,454	75,454 (1)
J. Edwards	700	400
D. George	174,571	174,571 (1)
J.R.B. Gould	110,000	110,000
L.C.W. Jones	51,963	51,963
M.O.F. Lewis	16,290	1,090
E. Robinson	9,000	18,099
D.H. Shaw	50,000	100,000
Non-beneficial interest as trustee:		
E.T. Gartside	76,856	88,006

Note: (1) At date of appointment.
There have been no changes in these holdings since the year end.

Major Shareholdings

The Company has been notified of the following substantial interests in the issued share capital of the Company as at 1st May 2002:

	Number	**%**
Lupus Capital plc	598,711	9.06

Share Capital

At 31st March 2002 the Company had authority to acquire 750,000 of its own shares.

Executive and Savings Related Share Option Schemes

Options on 21,000 shares under the Executive Scheme and 1,509 shares under the Savings Related Scheme were exercised for which a total consideration of £31,662 was received. Options on 12,606 shares under the Savings Related Scheme lapsed during the year.
Share options on ordinary shares granted to employees and which were outstanding at 31st March 2002 are as follows:

Periods options exercisable	Option	Number of ordinary shares	
Executive Share Option Scheme	Price	2002	2001
May 2000 to May 2007	142.5p	-	21,000
August 2003 to August 2010	145.0p	113,791	113,791
		113,791	134,791
Savings Related Scheme			
August 2000 to February 2005	113.0p	33,001	35,443
October 2003 to April 2008	118.0p	110,351	122,024
		143,352	157,467
Total Share Options Outstanding		257,143	292,258

Employees

The Directors continue to attach great importance to the development of employee involvement. Employees are consulted whenever necessary on matters affecting their interests. We attach considerable importance to the training and development of our staff and a number of our subsidiaries have achieved Investors in People accreditation. This has proved beneficial in motivating employees and we continue to extend it throughout the Group.

It is the Group's policy to give full and fair consideration to all applications from disabled persons, with due consideration being given to respective aptitudes and abilities. The same policy applies in the event of employees who become disabled during employment. Appropriate training is provided where applicable.

Environment

The Group recognises its environmental responsibilities and is committed to minimising any damage which its activities may cause to the environment. In addition, it actively pursues a number of environmental policies including those designed to conserve energy and recycle waste materials wherever practicable.

Payments to Suppliers

The Company agrees terms and conditions for its transactions with suppliers. Payment is then made, subject to the terms and conditions being met by the supplier. The number of days' purchases outstanding for the Group at 31st March 2002 was 66 (2001 - 64).

Political and Charitable Donations

Charitable donations during the year totalled £790 (2001 - £620).

Auditors

Waterworths have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board,
David R. Stubbins
Secretary
1st May 2002

D R Stubbins

Corporate Governance and Directors' Responsibilities

Corporate Governance

Combined Code

The Board considers that the company has complied with the detailed provisions of the Combined Code of Best Practice on Corporate Governance throughout the year, except where noted. The Board considers the level of compliance to be appropriate for an organisation of its size and nature.

The Board

Since 20th December 2001 the Board has comprised the part-time Chairman, five executive and three independent non-executive directors. The full Board meets on a monthly basis and its procedures are sufficient to ensure that the direction of the Group is firmly controlled.

The Company's Articles of Association provide for one third (or the number nearest to but not exceeding one third) of the non-executive directors to be subject to re-election at each Annual General Meeting. There is no such requirement for the executive directors.

As the Board is small, the appointment of new directors is a matter reserved for the whole Board, and there is no need for a separate nomination committee.

All directors have full and timely access to all relevant information and independent professional advice.

Remuneration Committee

The Remuneration Committee consists of the Chairman and two non-executive directors. This Committee is responsible for pay and salary policy throughout the Group, including the remuneration and conditions of service of the executive directors. Directors' remuneration and directors' interests in share options are disclosed in note 6 on pages 17 and 18. The Committee's policy on the remuneration of directors is to provide a package which is competitive and motivates the directors, but at the same time is in line with policies applied to other employees in the Group. Performance related pay is calculated by reference to profits earned by the respective operating unit. Executive options are awarded for exceptional achievement and are granted at the market price ruling at the date of grant and are exercisable after three years and up to a maximum of ten years from the date of the grant. Directors also participate in the Savings Related Share Option Scheme.

Audit Committee

There is no audit committee. The Board reviews the annual and interim financial statements and the Chairman, Group Finance Director and Company Secretary have a formal meeting with two of the senior partners of Waterworths, the Group's external auditors, at least twice a year and consult regularly with them on routine matters throughout the year.

Relations with Shareholders

After the announcement of the interim and final results the Directors encourage dialogue with the major institutional shareholders. There is an opportunity for individual private shareholders to question directors at the Annual General Meeting and the Company regularly responds to letters from shareholders on a wide range of issues.

Directors' Responsibilities

Internal Control

The Combined Code requires the Directors to review the effectiveness of the Group's system of internal control.

The Directors acknowledge their responsibility for the Group's system of internal control and that the Board has ultimate responsibility for ensuring that the Group has in place a system of controls, financial and otherwise, that is appropriate to the business environment in which it operates. This is intended to ensure that the Directors maintain full and effective control over all significant strategic, financial, organisational and compliance issues. However, any system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that it has established the procedures necessary to comply with the Turnbull Guidance.

The Board has identified the significant risks faced by the Company, its subsidiaries and divisions. The Board continues to develop procedures to evaluate, manage and minimise such risks. The key procedures are being defined in a Group Manual. The Board recognises that internal controls must evolve, and the Board reviews them annually.

The Board has considered the need for internal audit, and has developed a structure with which such a function can report to the Board.

Directors' Responsibilities (continued)

Going Concern

The Directors confirm that, after having made appropriate enquiries, they have a reasonable expectation that the Group and Company have adequate resources to continue operating for the foreseeable future. Accordingly the Directors continue to adopt the Going Concern basis in the preparation of the accounts.

Accounts

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 Group, and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and 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 a going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditors

To the shareholders of Shiloh PLC

We have audited the financial statements of Shiloh PLC for the year ended 31st March 2002 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards issued by the Auditing Practices Board and the Listing Rules of the Financial Services Authority.

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 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company or Group 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 or the Listing Rules regarding Directors' remuneration and transactions with the Company and other members of the Group 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. The other information comprises only the Directors' Report, the Corporate Governance Statement, the Statement of Directors' Responsibilities, the Financial Record, Financial Highlights and the Chairman's Statement.

We review whether the Corporate Governance Statement reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Company's or Group's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 as at 31st March 2002 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Waterworths
Registered Auditors
Chartered Accountants
Blackburn

1st May 2002

Consolidated Profit and Loss Account

for the year ended 31st March 2002

	Notes	2002 £000's	2001 £000's
Turnover			
Continuing operations		36,668	28,906
Acquisitions		3,259	-
	3	39,927	28,906
Cost of sales	3	(29,500)	(21,984)
Gross profit	3	10,427	6,922
Net operating expenses	3	(9,212)	(5,898)
Continuing operations		929	1,024
Acquisitions, after amortisation of goodwill		286	-
Operating profit	3	1,215	1,024
Loss on sale of previously discontinued operations	4	(338)	-
Profit on ordinary activities before interest		877	1,024
Net interest (payable)/receivable		(60)	109
Profit on ordinary activities before taxation	9	817	1,133
Taxation on profit on ordinary activities	10	(227)	(251)
Profit after taxation		590	882
Minority interests - equity		(71)	14
Profit attributable to ordinary shareholders	11	519	896
Dividends	12	(342)	(316)
Retained profit for the year	25	177	580

	Notes	2002	2001
Earnings per share before amortisation of goodwill and exceptional items			
Basic	13	15.13p	14.64p
Diluted	13	14.89p	14.55p
Earnings per share			
Basic	13	7.92p	14.15p
Diluted	13	7.79p	14.06p

Movements in reserves are set out in note 25 on page 24.
The accounts should be read in conjunction with the notes on pages 16 to 29.

Balance Sheets
31st March 2002

	Notes	Group 2002 £000's	Group 2001 £000's	Shiloh PLC 2002 £000's	Shiloh PLC 2001 £000's
Fixed Assets					
Intangible assets	14	3,952	1,454	-	-
Tangible assets	15	5,750	5,340	197	137
Investments in subsidiary undertakings	16	-	-	6,738	4,903
		9,702	6,794	6,935	5,040
Current Assets					
Stocks	17	4,967	3,723	-	-
Investments	18	-	200	-	-
Debtors	19	7,307	5,391	3,236	1,811
Short term deposits		450	4,344	450	4,344
Cash and bank balances		240	57	1	1
		12,964	13,715	3,687	6,156
Creditors-amounts falling due within one year	20	8,667	7,501	3,741	4,505
Net current assets/(liabilities)		4,297	6,214	(54)	1,651
Total assets less current liabilities		13,999	13,008	6,881	6,691
Creditors-amounts falling due after more than one year	21	1,478	1,006	450	450
Provision for liabilities and charges	22	210	115	-	-
Deferred credit	23	117	123	-	-
		12,194	11,764	6,431	6,241
Capital and Reserves					
Called up equity share capital	24	1,652	1,631	1,652	1,631
Share premium account	25	1,140	979	1,140	979
Capital redemption reserve		62	62	62	62
Revaluation reserve	25	967	982	74	75
Profit and loss account - distributable	32	8,403	8,211	3,503	3,494
Equity shareholders' funds		12,224	11,865	6,431	6,241
Minority interests - equity		(30)	(101)	-	-
		12,194	11,764	6,431	6,241

E. T. Gartside

Approved by the Board
E.T. Gartside
J. Edwards } Directors

John Edwards

1st May 2002

The accounts should be read in conjunction with the notes on pages 16 to 29.

Consolidated Cash Flow Statement

for the year ended 31st March 2002

	2002 £000's	2001 £000's
Net cash inflow from operating activities (note 26)	1,617	1,601
Returns on investments and servicing of finance		
Interest received	53	156
Interest paid	(11)	-
Interest element of finance lease payments	(50)	(60)
Net cash (outflow)/inflow from returns on investments and servicing of finance	(8)	96
Taxation		
Taxation (paid)/received	(388)	226
Capital Expenditure		
Payments to acquire tangible fixed assets	(816)	(475)
Proceeds from sale of tangible fixed assets	27	578
Net cash (outflow)/inflow on capital expenditure	(789)	103
Acquisitions and Disposals		
Sale of previously discontinued operations	1	21
Purchase of businesses (note 27)	(2,749)	(103)
Net (bank overdraft assumed)/ cash acquired with businesses (note 27)	(82)	259
Net cash (outflow)/inflow for acquisitions and disposals	(2,830)	177
Equity Dividends Paid	(326)	(1,210)
Net cash (outflow)/inflow before management of liquid resources and financing	(2,724)	993
Management of Liquid Resources		
Cash withdrawn from/(placed on) short term deposit	3,894	(1,544)
Financing		
Repayment of bank loans	(53)	-
Repayment of loan notes	(1,094)	-
Issue of ordinary share capital	32	102
Capital element of finance lease payments	(213)	(170)
Net cash outflow from financing	(1,328)	(68)
Decrease in cash	(158)	(619)

Details of cash flows in respect of the businesses acquired during the year are disclosed in note 27.

Reconciliation of cash flow to movement in net (debt)/funds

	2002 £000's	2001 £000's
Decrease in cash	(158)	(619)
Cash outflow from change in debt and lease financing	1,360	170
Cash (inflow)/outflow from (decrease)/increase in liquid resources	(3,894)	1,544
Change in net (debt)/funds resulting from cash flows	(2,692)	1,095
Finance leases acquired with businesses	(91)	(61)
Bank loan acquired with businesses	(53)	-
Issue of loan notes	-	(1,544)
Movement in net (debt)/funds	(2,836)	(510)
Net funds at 31st March 2001	2,114	2,624
Net debt at 31st March 2002 (note 28)	(722)	2,114

The accounts should be read in conjunction with the notes on pages 16 to 29.

Consolidated Statement of Total Recognised Gains and Losses

for the year ended 31st March 2002

There were no recognised gains and losses other than those passing through the Consolidated Profit and Loss Account.

Consolidated Statement of Historical Cost Profits and Losses

for the year ended 31st March 2002

	2002 £000's	2001 £000's
Reported profit on ordinary activities before taxation	817	1,133
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	15	16
Realisation of investment property revaluation loss	-	(83)
Historical cost profit on ordinary activities before taxation	832	1,066
Historical cost transfer to reserves	192	513

The accounts should be read in conjunction with the notes on pages 16 to 29.

Notes to the Accounts

1 Accounting policies

The accounts have been prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets, and comply with applicable U.K. accounting standards. The principal accounting policies which the Directors have adopted within the convention are as follows:

Basis of consolidation - In prior years the financial statements have been made up to the last Saturday of March. The year ended 31st March 2001 represented a 53 week period. With effect from 1st April 2001 the company has changed this policy, as a result of which the financial statements will be prepared for the 12 month period ended 31st March in each year.

Goodwill - Goodwill arising on acquisitions, being the difference between the fair value of the purchase consideration and the fair value of the identifiable net assets of an acquired company or business, is capitalised and amortised in equal annual instalments over its useful economic life, normally a period not exceeding 20 years. Goodwill arising on acquisitions prior to 31st December 1997 has been set off directly against reserves. In accordance with FRS10, previously written off goodwill has not been reinstated.

Depreciation - Land: Depreciation is not provided on freehold and leasehold land.
Buildings: Depreciation is provided on buildings so as to write off their cost or valuation over 40 years, or, in the case of leasehold property, over the term of the lease.
Plant and Machinery: Depreciation of plant and machinery, office equipment and vehicles is calculated to write off their cost during their expected normal lives at rates ranging from 10% to 33%.

Investment properties - Investment properties are included in the balance sheet at their open market value and are not depreciated. Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, "Accounting for Investment Properties", it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the Directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been included cannot be separately identified or quantified.

Stocks - Stocks are valued at the lower of cost and net realisable value, and cost includes an appropriate proportion of production overheads.

Turnover - Turnover of the Group is the invoiced sales less returns to external customers exclusive of value added tax.

Deferred taxation - Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

Pensions - The Group operates a defined benefit scheme for full time staff employees who were on the payroll on 20th October 1997. Contributions are based on percentages of members' pensionable remuneration as fixed by independent actuaries. The cost of contributing to this scheme is charged to the profit and loss account over the estimated service lives of the employees. On adoption of FRS17 "Retirement Benefits", the Group has followed the transitional provisions at 31st March 2002 as disclosed in note 31. The Group also operates or contributes to a number of defined contribution schemes. The costs of the contributions to the defined contribution schemes are charged to the profit and loss account as they are incurred.

Leased assets - Fixed assets held under finance leases are capitalised and depreciated over the shorter of the lease term or their expected useful lives. The finance charges are allocated during the lease term so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

Government grants - Grants received in respect of tangible fixed assets are treated as a deferred credit and are released to profit and loss account in equal instalments over the estimated useful economic life of the assets concerned.

Foreign currency translation - Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All translation differences are taken to profit and loss account.

2 Information by class of business

The turnover, operating profit and net assets are attributable to the one principal activity of the Group.

Turnover of the Group outside the United Kingdom amounted to £187,000 (2001 - £141,000)

3 Analysis of turnover, cost of sales, net operating expenses and operating profit:

	Continuing Operations 2002 £000's	Acquisitions 2002 £000's	Total 2002 £000's	Total 2001 £000's
Turnover	36,668	3,259	39,927	28,906
Cost of sales	(27,621)	(1,879)	(29,500)	(21,984)
Gross profit	9,047	1,380	10,427	6,922
Net operating expenses				
Distribution costs	(2,839)	-	(2,839)	(2,264)
Administrative expenses	(5,412)	(1,094)	(6,506)	(3,801)
Other operating income	133	-	133	167
Operating profit	929	286	1,215	1,024

4 Exceptional item	2002 £000's	2001 £000's
Loss on sale of previously discontinued operations	(338)	-

The exceptional item comprises full provision against the unlisted investment of preference shares in Shiloh Spinners Limited to a value of £200,000 and the balance of deferred consideration of £138,000 following notification received of the appointment of an administrator to that company on 10th October 2001.

5 Employees	2002 Number	2001 Number
The average number employed by the Group, including Directors, was:	465	310

At 31st March 2002, the number of employees was 519.

The costs incurred in respect of these employees were:	£000's	£000's
Wages and salaries	6,988	4,596
Social security costs	547	362
Other pension costs	290	254
	7,825	5,212

6 Directors' emoluments

	Salaries/ Fees £000's	Performance Related Pay £000's	Benefits £000's	2002 Total Remuneration £000's	2001 Total Remuneration £000's
E.T. Gartside	30.9	2.2	6.2	39.3	49.6
G.J. Collyer	21.6	-	-	21.6	-
J. Edwards	66.6	15.4	7.8	89.8	62.5
D. George	6.5	-	-	6.5	-
J.R.B. Gould	12.0	-	-	12.0	11.1
L.C.W. Jones	75.0	-	6.5	81.5	81.3
M.O.F. Lewis	65.0	7.0	8.4	80.4	75.4
E. Robinson	50.0	8.6	5.8	64.4	54.7
D.H. Shaw	12.0	-	1.0	13.0	12.3
P.H. Gartside	-	-	-	-	4.6
	339.6	33.2	35.7	408.5	351.5

Directors' performance related pay is based on profit with the exception of Mr J. Edwards, who was guaranteed a fixed bonus on joining the Group in July 2000 until the year ending 31st March 2003.

6 Directors emoluments (continued)

Additional disclosures in respect of Directors' pension entitlements are given below:

Defined benefit scheme

	Age at 31st March 2002	Pensionable Years of Service	Additional Annual Pension Earned During the year ended 31st March 2001 £000's	Annual Entitlement at 31st March 2002 £000's	Annual Entitlement at 31st March 2001 £000's
L.C.W. Jones	64	27	2.5	31.2	27.9
M.O.F. Lewis	52	7	1.5	6.8	5.2
E. Robinson	45	9	1.1	6.7	5.5

The pension entitlement shown is that which would be granted at age 65 on leaving service at the end of the year.
In common with other members of the defined benefit pension scheme, directors paid contributions equal to 5% of pensionable salary. On death in service, Scheme members are entitled to a return of contributions and a lump sum equal to three times Scheme salary. One half of the accrued pension shown is also payable should there be a surviving spouse.

Defined contribution scheme

The Company contributed £5,900 into a money purchase scheme for Mr J. Edwards (2001 - £3,700).

The interests of Directors in the Executive Share Option Scheme and Savings Related Share Option Scheme were as follows:

	At 31st March 2001	Granted	Exercised	Lapsed	At 31st March 2002	Exercise Price (p)	Market Price at Date of Exercise	Gain Before Tax £000's
E.T. Gartside								
Savings related options	1,953	-	-	-	1,953	113.0		
"	2,860	-	-	-	2,860	118.0		
	4,813	-	-	-	4,813			
J. Edwards								
Executive share options	20,689	-	-	-	20,689	145.0		
L.C.W. Jones								
Executive share options	20,689	-	-	-	20,689	145.0		
M.O.F. Lewis								
Executive share options	21,000	-	21,000	-	-	142.5	276.0	28.0
Savings related options	1,641	-	-	-	1,641	118.0		
	22,641	-	21,000	-	1,641			
E. Robinson								
Executive share options	17,241	-	-	-	17,241	145.0		
Savings related options	2,564	-	-	-	2,564	113.0		
"	2,860	-	-	-	2,860	118.0		
	22,665	-	-	-	22,665			

The periods during which options are exercisable are as follows:

Executive share options	price	145.0p August 2003 to August 2010
Savings related options	price	113.0p August 2000 to February 2005
		118.0p October 2003 to April 2008

The Directors do not benefit from any other long term incentive schemes.

The market price of the shares at 31st March 2002 was 298.5p and the range during the year was 150p to 316p.

7 Other operating income

	2002 £000's	2001 £000's
Income from property	133	116
Other income	-	51
	133	167

8 Net interest (payable)/receivable

	2002 £000's	2001 £000's
Bank interest receivable	1	161
Other interest receivable	7	30
Loan note interest payable	(19)	(22)
Finance lease and hire purchase interest payable	(49)	(60)
	(60)	109

9 Profit before taxation

	2002 £000's	2001 £000's
Profit before taxation is arrived at after charging/(crediting):		
Amortisation of goodwill	134	31
Depreciation of owned assets	571	462
Depreciation of assets held under finance leases and hire purchase contracts	144	119
Operating lease rentals - land and buildings	618	382
- other	266	183
Profit on sale of fixed assets	(5)	(15)
Auditors' remuneration (Company: £2,000; 2001 - £2,000)	43	36
Grant release	(6)	(6)

Non-audit fees paid to Waterworths amounted to £53,000 (2001 - £35,000) (Company £27,000; 2001 - £33,000), of which £37,000 (2001 - £28,000) is charged in arriving at the operating result. The balance of £16,000 (2001-£7,000) is included in the cost of acquisitions.

10 Taxation

	2002 £000's	2001 £000's
Taxation is based on the profit for the year and comprises:		
Current tax:		
UK corporation tax on profits for the year	271	408
Adjustment in respect of previous years	(125)	(51)
Total Current tax	146	357
Deferred tax:		
Deferred tax in respect of the current year	81	11
Adjustment in respect of previous years	-	(117)
Total deferred tax	81	(106)
Total tax charge	227	251

No immediate tax relief is available on the exceptional item for the year although a capital loss of £200,000 could be available to carry forward against future chargeable gains. The adjustment in respect of previous years principally reflects the release of a liability now deferred by roll over relief.

Current tax reconciliation:	2002 £000's	2001 £000's
Profit before taxation	817	1,133
Notional current tax based on the UK standard rate of 30%	245	340
Expenses not deductible for tax purposes (principally goodwill amortisation)	58	21
Income not taxable	-	(5)
Capital allowances for the year in excess of depreciation	(41)	(57)
Other short term timing differences	3	4
Utilisation of tax losses	(77)	-
Chargeable gains in excess of accounting profit	-	120
Exceptional loss not deductible for tax purposes	97	-
Small companies relief	(14)	(14)
Adjustment in respect of prior years	(125)	(51)
Other	-	(1)
Current tax charge for the year	146	357

11 Profit attributable to ordinary shareholders

	2002 £000's	2001 £000's
Profit for the financial year dealt with in the accounts of the parent company	351	301

The company has taken advantage of section 230 of the Companies Act 1985 and consequently a profit and loss account for the parent company alone is not presented.

12 Dividends

	2002 £000's	2001 £000's
Interim dividend paid 1st December 2001 of 1.5p per share (2001 - 1.35p)	98	88
Proposed final dividend of 3.7p per share (2001 - 3.5p)	244	228
	342	316

13 Earnings per share

The basic earnings per share figures have been calculated by reference to the weighted average of 6,548,565 shares in issue during the year (2001-6,335,306) and, in respect of the full earnings per share figures, the Group profit for the financial year of £519,000 (2001-£896,000). A reconciliation of this figure to the alternative figure in the profit and loss account is as follows:

	2002		2001	
	£000's	Pence Per Share	£000's	Pence Per Share
Full earnings	519	7.92	896	14.15
Amortisation of goodwill	134	2.05	31	0.49
Exceptional item - loss on sale of previously discontinued operations	338	5.16	-	-
Earnings before amortisation of goodwill and exceptional items	991	15.13	927	14.64

The Directors present the alternative earnings per share figures in order to give an additional indication of the Group's underlying performance.

The diluted earnings per share figure, on both bases above, has been calculated using the same earnings numerators as set out above, by reference to an adjusted average number of shares, as follows:

	2002	2001
Weighted average per basic calculation	6,548,565	6,335,306
Adjustment to reflect dilutive shares under option	109,018	40,867
	6,657,583	6,376,173

14 Intangible assets

Intangible assets represent goodwill arising on acquisitions.

Group	£000's
Cost 31st March 2001	1,485
In respect of acquisition (see note 27)	2,632
Cost 31st March 2002	4,117
Amortisation 31st March 2001	31
Amount provided	134
Amortisation 31st March 2002	165
Net book value 31st March 2002	3,952
Net book value 31st March 2001	1,454

15 Tangible assets

Group	Freehold Land and Buildings £000's	Leasehold Land and Buildings £000's	Investment Properties £000's	Plant and Machinery £000's	Total £000's
Cost or valuation 31st March 2001	1,773	491	850	5,471	8,585
Additions	-	2	-	873	875
Disposals	-	-	-	(97)	(97)
In respect of acquisitions	-	15	-	257	272
Cost or valuation 31st March 2002	1,773	508	850	6,504	9,635
Depreciation 31st March 2001	290	100	-	2,855	3,245
Amount provided	29	21	-	665	715
Disposals	-	-	-	(75)	(75)
Depreciation 31st March 2002	319	121	-	3,445	3,885
Net Book Value 31st March 2002	1,454	387	850	3,059	5,750
Net Book Value 31st March 2001	1,483	391	850	2,616	5,340

Shiloh PLC	Freehold Land and Buildings £000's	Leasehold Land and Buildings £000's	Investment Properties £000's	Plant and Machinery £000's	Total £000's
Cost or valuation 31st March 2001	-	85	-	169	254
Additions	-	-	-	95	95
Group transfers in	-	-	-	2	2
Disposals	-	-	-	(43)	(43)
Cost or valuation 31st March 2002	-	85	-	223	308
Depreciation 31st March 2001	-	8	-	109	117
Amount provided	-	2	-	30	32
Disposals	-	-	-	(38)	(38)
Depreciation 31st March 2002	-	10	-	101	111
Net Book Value 31st March 2002	-	75	-	122	197
Net Book Value 31st March 2001	-	77	-	60	137

Land and buildings at cost or valuation are stated:	Group		Shiloh PLC	
	2002 £000's	2001 £000's	2002 £000's	2001 £000's
Land-not depreciated:				
at open market value in 1995	375	375	30	30
Buildings:				
at open market value in 1995	1,320	1,320	55	55
at cost	586	569	-	-
Investment properties:				
at open market value	850	850	-	-
	3,131	3,114	85	85

A professional valuation on an open market value basis of the Group's investment properties at 25th March 2000 was undertaken by G.F. Singleton & Co., Chartered Surveyors. The Directors consider there has been no significant change in the valuation of the remaining property. The Group has taken advantage of the transitional provisions of FRS 15 and has continued to include land and buildings at a combination of cost and valuations undertaken before the implementation of the Reporting Standard.

15 Tangible assets (continued)

If stated under historical cost principles the comparable amounts for the total of land and buildings and investment properties would be:

	Group		Shiloh PLC	
	2002	2001	2002	2001
	£000's	£000's	£000's	£000's
Cost	2,502	2,485	16	16
Accumulated depreciation	(477)	(442)	(15)	(14)
Historical cost value	2,025	2,043	1	2

Included in plant and machinery are assets with a net book value of £801,000 (2001 - £854,000) held under finance leases and hire purchase contracts.

	Group		Shiloh PLC	
	2002	2001	2002	2001
	£000's	£000's	£000's	£000's
Capital commitments - contracted but not provided for	315	-	-	-

16 Investments in subsidiary undertakings

	Shares	Loans	Total
	£000's	£000's	£000's
At 31st March 2001	3,803	1,100	4,903
Acquisition of subsidiary undertakings	1,835	-	1,835
At 31st March 2002	5,638	1,100	6,738

Shiloh PLC owned the whole of the issued share capital, except where otherwise indicated, of the following principal subsidiary undertakings, all of which operate in the United Kingdom:

Company	Activity
Shiloh Healthcare Ltd.	Healthcare products and services
Trust Sterile Services Ltd. (80%)	Sterilisation and decontamination services
Shiloh Mobility Ltd.	Mobility products and services
ICR Mobility Ltd.	Mobility products and services
Fast-Aid Products Ltd.	Healthcare product distribution
Macdonald & Taylor Ltd.	Cotton wool products
Shiloh Properties Ltd.	Administration of Group properties

On 9th April 2002, Shiloh PLC acquired the minority shareholding in Trust Sterile Services Limited.

17 Stocks

	Group		Shiloh PLC	
	2002	2001	2002	2001
	£000's	£000's	£000's	£000's
Raw materials	814	876	-	-
Work in progress	84	136	-	-
Finished products including goods for resale	4,069	2,711	-	-
	4,967	3,723	-	-

18 Current asset investments

	Group		Shiloh PLC	
	2002	2001	2002	2001
	£000's	£000's	£000's	£000's
Unlisted investment	-	200	-	-

The movement in the unlisted investment is explained in note 4.

19 Debtors

	Group 2002 £000's	Group 2001 £000's	Shiloh PLC 2002 £000's	Shiloh PLC 2001 £000's
Trade debtors	6,696	4,818	4	-
Amounts due from subsidiary undertakings	-	-	3,068	1,613
Prepayments	498	323	88	108
Advance Corporation Tax recoverable	-	-	76	90
Other debtors	113	250	-	-
	7,307	5,391	3,236	1,811

20 Creditors-amounts falling due within one year

	Group 2002 £000's	Group 2001 £000's	Shiloh PLC 2002 £000's	Shiloh PLC 2001 £000's
Trade creditors	6,043	4,259	151	20
Loan Notes 2001	-	1,094	-	1,094
Bank overdraft	341	-	962	380
Amounts due to subsidiary undertakings	-	-	2,177	2,432
Other creditors	130	63	27	30
Accruals	745	661	140	147
Finance lease and hire purchase obligations	193	187	-	-
Dividend	244	228	244	228
Corporation Tax payable	294	496	7	145
Other taxation and social security	677	513	33	29
	8,667	7,501	3,741	4,505

21 Creditors-amounts falling due after more than one year

	Group 2002 £000's	Group 2001 £000's	Shiloh PLC 2002 £000's	Shiloh PLC 2001 £000's
Loan Notes 2002/3	450	450	450	450
Contingent consideration (note 27)	600	-	-	-
Finance lease and hire purchase obligations	428	556	-	-
	1,478	1,006	450	450
The Loan Notes are repayable as follows:				
Within one year	-	1,094	-	1,094
Between one and two years	450	200	450	200
Between two and five years	-	250	-	250
	450	1,544	450	1,544
Finance lease and hire purchase obligations are repayable as follows:				
Within one year	193	187	-	-
Between one and two years	163	156	-	-
Between two and five years	265	400	-	-
	621	743	-	-

22 Provision for liabilities and charges

Deferred taxation provided in the accounts, and the amounts for which no provision has been made, are as follows:

Group only	Provided 2002 £000's	Provided 2001 £000's	Unprovided 2002 £000's	Unprovided 2001 £000's
Capital allowances in excess of depreciation	289	240	-	-
Losses	-	(35)	-	-
Other short term timing differences	(3)	-	-	-
Surplus on revaluation of investment properties	-	-	207	207
Capital losses	-	-	(60)	-
	286	205	147	207
Advance Corporation Tax	(76)	(90)	-	-
	210	115	147	207

22 Provision for liabilities and charges (continued)

The potential tax liabilities which might arise in the event of disposal of revalued land and buildings not treated as investment properties are not quantified as the Directors do not consider them to constitute timing differences after taking account of expected rollover relief.

The movement on the provision for deferred taxation is as follows:

	Group £000's	Shiloh PLC £000's
At 31st March 2001	205	-
Profit and loss account - credit for the year	81	-
	286	-
Recoverable Advance Corporation Tax	(76)	-
	210	-

23 Deferred credit

	Group		Shiloh PLC	
Grants received	2002 £000's	2001 £000's	2002 £000's	2001 £000's
At 31st March 2001	123	129	-	-
Released to profit and loss account	(6)	(6)	-	-
At 31st March 2002	117	123	-	-

24 Share capital

	2002 £000's	2001 £000's
Authorised:		
8,000,000 Ordinary shares of 25p each	2,000	2,000

Allotted, called up and fully paid:	2002 Number	2001 Number	2002 £000's	2001 £000's
At 31st March 2001	6,524,123	6,181,256	1,631	1,545
Allotted during the year	82,509	342,867	21	86
At 31st March 2002	6,606,632	6,524,123	1,652	1,631

At 31st March 2002 there were share options on 257,143 (2001 - 292,258) ordinary shares which are exercisable between August 2000 and August 2010 at prices between 113p and 145p.

25 Reserves

	Share Premium Account £000's	Revaluation Reserve £000's	Profit and Loss Account £000's
Group			
At 31st March 2001	979	982	8,211
Added on allotment of shares	161	-	-
Released on depreciation	-	(15)	15
Retained profit for the year	-	-	177
At 31st March 2002	1,140	967	8,403
Shiloh PLC			
At 31st March 2001	979	75	3,494
Added on allotment of shares	161	-	-
Released on depreciation	-	(1)	1
Retained profit for the year	-	-	8
At 31st March 2002	1,140	74	3,503

The Group revaluation reserve includes £191,000 (2001 - £191,000) in respect of the Group's investment properties. Commencing at 1st April 1986, the cumulative amount of goodwill arising on acquisitions which has been taken to reserves at the balance sheet date is £535,000.

26 Reconciliation of operating profit to operating cash flows

	2002 £000's	2001 £000's
Operating profit	1,215	1,024
Depreciation	715	581
Profit on sale of tangible fixed assets	(5)	(15)
Government grant released to profit and loss account	(6)	(6)
Amortisation of goodwill	134	31
Increase in stocks	(139)	(546)
(Increase)/decrease in debtors	(1,403)	325
Increase in creditors	1,106	207
Net cash inflow from operating activities	1,617	1,601

27 Acquisitions

On 9th April 2001 the Group acquired the trade and assets of Lakesway Homecare Services. The business had previously traded as an unincorporated partnership, selling and maintaining mobility equipment for the National Health Service and the private sector. The cash consideration paid was £500,000 (excluding associated costs) and a further £100,000 of consideration was payable depending on the level of profits earned during the period ended 31st March 2003. Based on current expectations no additional consideration is anticipated.

On 14th June 2001 the Group acquired the trade and assets of Hunters Mobility Services. The business had also previously traded as an unincorporated partnership, selling and maintaining mobility equipment for the National Health Service and the private sector.
The cash consideration paid was £1,037,000 (excluding associated costs).

On 19th December 2001 the Group acquired 100% of the issued share capital of Xarica Limited. The company and its 80% owned subsidiary, Venus Healthcare Limited, are developing a new product range of specialised medical products. The consideration of £166,000 (excluding associated costs) was satisfied by a cash payment of £16,000 together with the issue of 60,000 ordinary shares of 25p at £2.50.

On 6th March 2002 the Group acquired the whole of the issued share capital of Care & Mobility Limited, a service business providing mobility aids and equipment to the private sector, Social Services and local authorities in the South East. The maximum consideration payable was £1,600,000 (excluding associated costs) of which £1,000,000 was paid in cash at completion and the balance of £600,000 is payable on the achievement of agreed profit targets during the period ended 31st March 2004. Based on current expectations no reduction in the consideration is anticipated.

The Group has used acquisition accounting for all of these purchases.

The fair value of the assets acquired in respect of Lakesway Homecare Services, Hunters Mobility Services, Xarica Limited and Care & Mobility Limited have been based on unaudited accounts prepared at the date of completion. No fair value adjustments were necessary.

The goodwill arising has been capitalised and is being amortised evenly over 20 years.

27 Acquisitions (continued)

The acquisition of the businesses is analysed as follows:

	Lakesway Homecare Services £000's	Hunters Mobility Services £000's	Xarica Limited £000's	Care & Mobility Limited £000's	Fair Value to the Group £000's
Tangible fixed assets	53	141	2	76	272
Current assets					
Stock	177	339	-	589	1,105
Debtors	123	209	1	365	698
Cash at bank and in hand	-	-	33	9	42
Creditors: Amounts falling due within one year					
Creditors	(203)	(93)	(20)	(666)	(982)
Bank Overdraft	(95)	(1)	-	(28)	(124)
Bank Loan	(53)	-	-	-	(53)
Hire purchase obligations	(9)	(49)	-	(18)	(76)
Creditors: Amounts falling due after more than one year					
Hire purchase obligations	(2)	-	-	(13)	(15)
Net assets acquired	(9)	546	16	314	867
Goodwill	573	554	154	1,351	2,632
Consideration	564	1,100	170	1,665	3,499
Satisfied by					
Cash consideration	500	1,037	16	1,000	2,553
Contingent consideration	-	-	-	600	600
Shares allotted	-	-	150	-	150
	500	1,037	166	1,600	3,303
Cash (costs associated with the acquisition)	64	63	4	65	196
	564	1,100	170	1,665	3,499
Net cash outflow arising at acquisition					
Net bank overdraft assumed	(95)	(1)	33	(19)	(82)
Consideration	(564)	(1,100)	(20)	(1,065)	(2,749)
	(659)	(1,101)	13	(1,084)	(2,831)

The results of the businesses since acquisition are separately disclosed on the face of the profit and loss account.

Since acquisition, the businesses have contributed £383,000 to the Group's net operating cash flows, paid £12,000 in respect of interest, utilised £50,000 for capital expenditure and utilised £79,000 in respect of hire purchase financing repayments and bank loan repayments.

Pre-acquisition results of the businesses

	Turnover £'000	Profit/(loss) after tax £'000
Lakesway Homecare Services		
Year ended 31st January 2000	1,292	102
Period 1st February 2000 to 9th April 2001	1,526	90
Hunters Mobility Services		
Year ended 31st March 2000	1,789	317
Period 1st April 2000 to 14th June 2001	2,119	339
Care & Mobility Limited		
Year ended 31st December 2001	3,216	140
Period ended 1st January 2002 to 6th March 2002	443	(51)

The figures for Lakesway Homecare Services and Hunters Mobility Services are extracted from partnership accounts and therefore represent profit before tax and partners' remuneration.

28 Analysis of changes in net (debt)/funds

	At 31st March 2001 £000's	Cash Flow £000's	Acquisition (excluding cash) £000's	At 31st March 2002 £000's
Cash at bank and in hand	57	183	-	240
Bank overdraft	-	(341)	-	(341)
	57	(158)	-	(101)
Debt due within one year	(1,094)	1,147	(53)	-
Debt due after one year	(450)	-	-	(450)
Hire purchase obligations	(743)	213	(91)	(621)
Short term deposits	4,344	(3,894)	-	450
	2,114	(2,692)	(144)	(722)

29 Contingent liabilities

The Company has guaranteed bank loans and overdrafts of certain subsidiary undertakings which at 31st March 2002 were £23,000 (2001 - £185,000).

30 Financial commitments

At 31st March 2002 the Group had annual commitments under operating leases as follows:

	2002 £000's	2001 £000's
Land and buildings:		
Expiring within one year	191	-
Expiring between two and five years	101	188
Expiring in over five years	361	280
	653	468
Other operating leases:		
Expiring within one year	93	82
Expiring between two and five years	178	108
	271	190

31 Pensions

The Group operates a defined benefit pension scheme, providing benefits based on the final pensionable salary, and defined contribution pension schemes for eligible employees.

The assets of the defined benefit pension scheme are held in separate trustee administered funds and the Group's contributions to the scheme are determined by the directors, based on triennial valuations by a qualified actuary, using the age attained method.

The most recent valuation was dated 20th October 2001. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increases in salaries. It was assumed the investment return would be 7% per annum and that salary increases would average 5% per annum. The most recent actuarial valuation showed that the market value of the scheme's assets was £6.8 million and that the actuarial value of those assets represented 100% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The Pensions Act 1995 introduced the Minimum Funding Requirement for defined benefit pension schemes. Calculations have been carried out to assess the scheme's funding position against the Minimum Funding Requirement and on the prescribed basis the value of the scheme's assets represent 106% of the value of the benefits as at 20th October 2001.

The contributions of the Group are currently 13.6% of basic earnings. In addition, the Group makes contributions to provide death in service benefits.

The pension cost of this scheme to the Group was £205,000 (2001 £190,000).

The Group also paid £85,000 (2001 £64,000) into the separate defined contribution schemes.

The Group continues to account for pensions in accordance with SSAP24 as above. FRS 17 "Retirement Benefits" applies for the first time this year and certain disclosures are required under the transitional arrangements. These disclosures in respect of the defined benefit scheme have been calculated by a qualified actuary based on the last full funding valuation at 20th October 2001 and updated to 31st March 2002 using the projected unit valuation method.

31 Pensions (continued)

The financial assumptions used at 31st March 2002 were:

Rate of increase in salaries	3.8%
Rate of increase in pensions in payment pre Oct' 99	5.0%
post Oct' 99	2.8%
Discount rate	5.8%
Inflation	2.8%

The assets and liabilities of the scheme were:

	£000's
Unitised funds	6,424
Annuity policies	1,162
Cash and others	569
Total market value of assets	8,155
Present value of scheme liabilities	9,390
Deficit in the scheme	1,235
Related deferred tax asset	370
Net pension liability on FRS 17 basis	865

32 Reconciliation of movement in equity shareholders' funds

	2002 £000's	2001 £000's
Profit attributable to ordinary shareholders	519	896
Dividends	(342)	(316)
	177	580
New share capital issued	182	482
Net addition to shareholders' funds	359	1,062
Opening shareholders' funds	11,865	10,803
Closing shareholders' funds	12,224	11,865

33 Related party transactions

No director of the Company had any material interest in any contract to which the Company or any subsidiary undertaking was a party during the financial year.

34 Financial instruments

Set out below are the disclosures required by FRS 13 "Derivatives and other financial instruments." Disclosures exclude short term debtors and creditors, where permitted.

Financial instruments
The Group's financial instruments, other than derivatives, comprise borrowings, cash and liquid resources, and various items such as trade debtors and creditors, etc. that arise directly from its operations.

Interest rate risk
The Group finances its operations through a mixture of retained profits, loan notes and finance lease and hire purchase arrangements. The Group mainly borrows at floating rates of interest.

Liquidity risk
As disclosed in note 28, at 31st March 2002 the Group had net debt of £722,000 (2001 - net funds of £2,114,000) and in addition had overdraft facilities of £2.5 million (2001 - £1 million), of which £2,159,000 was unutilised.

Currency risk
The functional currency of the Group is Sterling. The Group has transactional currency exposures, principally on purchases by operating units in other currencies. The Group regularly reviews its exposure and the need to hedge through forward contracts.

34 Financial instruments (continued)

Currency and interest profile of net financial assets

Currency	2002 Total £000's	2002 Non-interest Bearing £000's	2002 Floating Rate £000's	2002 Fixed Rate £000's	2001 Total £000's	2001 Non-interest Bearing £000's	2001 Floating Rate £000's	2001 Fixed Rate £000's
Sterling	(731)	213	(863)	(81)	2,559	11	2,407	141
Euros	16	-	16	-	(200)	21	(221)	-
Other	(7)	-	(7)	-	(45)	-	(45)	-
	(722)	213	(854)	(81)	2,314	32	2,141	141
Net (debt)/funds	(722)	213	(854)	(81)	2,114	32	2,141	(59)
Unlisted investment	-	-	-	-	200	-	-	200
	(722)	213	(854)	(81)	2,314	32	2,141	141

In addition there were short term creditors denominated in foreign currency, principally in Euros, of £883,000 (2001 - £435,000)

Floating rate assets and liabilities bear interest at market rates based on U.K. bank base rate.

Maturity of net financial (liabilities)/assets

	2002 Total £000's	2002 Assets £000's	2002 Liabilities £000's	2001 Total £000's	2001 Assets £000's	2001 Liabilities £000's
In one year or less, or on demand	156	690	(534)	3,120	4,401	(1,281)
In more than one year but not more than two years	(613)	-	(613)	(356)	-	(356)
In more than two years but not more than five years	(265)	-	(265)	(450)	200	(650)
	(722)	690	(1,412)	2,314	4,601	(2,287)
Net (debt)/funds	(722)	690	(1,412)	2,114	4,401	(2,287)
Unlisted investment	-	-	-	200	200	-
	(722)	690	(1,412)	2,314	4,601	(2,287)

Fair values

In the opinion of the Directors, there is no material difference between the fair values and book values of the Group's financial assets and liabilities.

Financial Record

	1998 £000's	1999 £000's	2000 £000's	2001 £000's	2002 £000's
Turnover	49,044	43,977	41,833	28,906	39,927
Operating profit/(loss) before amortisation of goodwill	914	(136)	(60)	1,055	1,349
Exceptional items (including goodwill)	-	3,740	(3,332)	(31)	(472)
Profit/(loss) on ordinary activities	914	3,604	(3,392)	1,024	877
Net interest (payable)/receivable	(247)	(231)	(23)	109	(60)
Profit/(loss) on ordinary activities before taxation	667	3,373	(3,415)	1,133	817
Taxation	(168)	(898)	1,087	(251)	(227)
Profit/(loss) after taxation	499	2,475	(2,328)	882	590
Minority interests	12	47	47	14	(71)
Attributable to ordinary shareholders	511	2,522	(2,281)	896	519
Dividend	(258)	(868)	(1,199)	(316)	(342)
Retained profit/(loss)	253	1,654	(3,480)	580	177
Ordinary capital at year end	1,504	1,506	1,545	1,631	1,652
Earnings/(loss) per ordinary share of 25p	8.54p	41.92p	(37.31p)	14.15p	7.92p
Earnings/(loss) per ordinary share of 25p before amortisation of goodwill and exceptional items	8.54p	2.40p	(1.17p)	14.64p	15.13p
Dividends per 25p share - ordinary	4.25p	4.40p	4.40p	4.85p	5.20p
- special	-	10.00p	15.00p	-	-

To assist in the computation of United Kingdom capital gains tax the market value of the 25p ordinary shares of the Company after adjustment for the 1 for 1 capitalisation issue was as follows:-

6th April 1965 -10.00p
31st March 1982 - 9.25p

Notice of Meeting

Notice is hereby given that the Forty-ninth Annual General Meeting of the Company will be held at **Royton Cricket, Bowling and Tennis Club, The Paddock, Bransdale Avenue, Royton, OL2 5TX** on Wednesday, 19th June 2002 at 11.30 a.m. for the following purposes:

1 To receive and consider the Statement of Accounts, together with the Directors' and Auditors' Reports for the year ended 31st March 2002.

2 To approve a final dividend.

3 To elect Mr G. J. Collyer as a Director.

4 To elect Mr D. George as a Director.

5 To re-elect Mr D. H. Shaw as a Director.

6 To re-appoint Waterworths as Auditors and to authorise the Directors to fix their remuneration.

As special business to consider and, if thought fit, pass the following Resolutions, of which Resolution number 7 will be proposed as an Ordinary Resolution and Resolutions numbers 8 and 9 as Special Resolutions:

7 That the Directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise all the powers of the company to allot relevant securities (within the meaning of the said Section 80) up to an aggregate nominal value of £348,342 such authority to expire on 18th June 2007 save that the company may before the expiry of such period make an offer or agreement which would or might require the allotment of securities after the expiry of such period.

8 That pursuant to and during the period of the authority conferred by the passing of Resolution 7 above the Directors in the exercise of such powers be and are hereby empowered to allot equity securities wholly for cash:

(i) in connection with a rights issue: and

(ii) otherwise than in connection with a rights issue up to an aggregate nominal amount of £150,000 as if Section 89 (1) of the Companies Act 1985 did not apply to any such allotment provided that the powers hereby granted shall expire on 18th June 2007 save that the company may before the expiry of such period make an offer or agreement which would or might require the allotment of securities after the expiry of such period.

9 That in accordance with Section 166 of the Companies Act 1985, the Company be generally and unconditionally authorised to make market purchases (as defined in Section 163(3) of that Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") provided that:

(i) The maximum aggregate number of ordinary shares which may be purchased is 750,000.

(ii) The maximum price at which ordinary shares may be so purchased is an amount equal to 105% of the average middle market quotation taken from the London Stock Exchange Daily Official List for the ten business days immediately preceding the day of purchase and the minimum price is 25p per ordinary share.

(iii) This authority shall expire at the conclusion of the Annual General Meeting of the company to be held in 2003, but the Company may, before this authority expires, make contracts for the purchase of ordinary shares which would or might be executed wholly or partly after this authority expires.

A member entitled to attend and vote at the Meeting may appoint a proxy to attend, and, on a poll, to vote instead of him. A proxy need not be a member of the Company.

By Order of the Board,
David R. Stubbins
Secretary
21st May 2002

2002/03 Financial Calendar

30 Sept	End of first half of financial year
Oct	Interim results announced
Dec	Interim dividend paid
31 March	Year end
May	Preliminary Results