

**VINDON SCIENTIFIC LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**Company Registration Number 00878160**

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**VINDON SCIENTIFIC LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

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<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	<b>1</b>
The directors' report	<b>2 to 3</b>
Independent auditor's report to the members	<b>4 to 5</b>
Profit and loss account	<b>6</b>
Note of historical cost profits and losses	<b>7</b>
Balance sheet	<b>8</b>
Notes to the financial statements	<b>9 to 19</b>
<b>The following pages do not form part of the statutory financial statements</b>	
Detailed profit and loss account	<b>21</b>
Notes to the detailed profit and loss account	<b>22 to 23</b>

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**VINDON SCIENTIFIC LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 DECEMBER 2012**

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<b>The board of directors</b>	J E Scopes T P Jackson I Gordon
<b>Company secretary</b>	J E Scopes
<b>Business address</b>	John Boyd Dunlop Drive Kingsway Business Park Rochdale Lancashire OL16 4NG
<b>Registered office</b>	John Boyd Dunlop Drive Kingsway Business Park Rochdale Lancashire OL16 4NG
<b>Auditor</b>	RSM Tenon Audit Limited Sumner House St Thomas's Road Chorley Lancashire PR7 1HP

**VINDON SCIENTIFIC LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2012**

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The directors present their report and the financial statements of the company for the year ended 31 December 2012

**Principal activities and business review**

The principal activity of the company during the year was the manufacture of environmental control products for the pharmaceutical industry, life sciences, food sectors and the provision of related services

A full business review has been disclosed in the annual report and financial statements of the parent company, Vindon Healthcare PLC

**Results and dividends**

The profit for the year amounted to £433,282. The directors have not recommended a dividend

**Financial risk management objectives and policies**

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs

**Credit risk**

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually

**Liquidity risk**

The company maintains a mixture of long and short term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansion

**Interest rate cash flow risk**

The company has both interest bearing assets and liabilities. Interest bearing assets include cash balances which earn interest. The directors will revisit the appropriateness of this policy should the company's operation change in size or nature

**Directors**

The directors who served the company during the year were as follows

J E Scopes  
T P Jackson  
I Gordon

**VINDON SCIENTIFIC LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2012**

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**Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



J E Scopes  
Secretary

Approved by the directors on 26 March 2013

**VINDON SCIENTIFIC LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VINDON**  
**SCIENTIFIC LIMITED**  
**YEAR ENDED 31 DECEMBER 2012**

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We have audited the financial statements of Vindon Scientific Limited for the year ended 31 December 2012 on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**VINDON SCIENTIFIC LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VINDON  
SCIENTIFIC LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2012**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Christopher Moss, Senior Statutory Auditor  
For and on behalf of

*RSM Tenon Audit Limited*

RSM Tenon Audit Limited  
Statutory Auditor  
Sumner House  
St Thomas's Road  
Chorley  
Lancashire  
PR7 1HP

Date 26 March 2013

**VINDON SCIENTIFIC LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
<b>Turnover</b>	2	<b>5,801,466</b>	<b>6,099,008</b>
Cost of sales		<b>(3,068,717)</b>	<b>(2,981,303)</b>
<b>Gross profit</b>		<b>2,732,749</b>	<b>3,117,705</b>
Administrative expenses		<b>(2,128,786)</b>	<b>(2,089,979)</b>
<b>Operating profit</b>	3	<b>603,963</b>	<b>1,027,726</b>
Interest receivable	7	<b>3,989</b>	<b>1,177</b>
Interest payable and similar charges	8	<b>(2,597)</b>	<b>(4,155)</b>
<b>Profit on ordinary activities before taxation</b>		<b>605,355</b>	<b>1,024,748</b>
Tax on profit on ordinary activities	9	<b>(172,073)</b>	<b>(278,146)</b>
<b>Profit for the financial year</b>		<b>433,282</b>	<b>746,602</b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 19 form part of these financial statements

**VINDON SCIENTIFIC LIMITED**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Reported profit on ordinary activities before taxation	<b>605,355</b>	<b>1,024,748</b>
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<b>3,678</b>	<b>3,678</b>
Historical cost profit on ordinary activities before taxation	<b>609,033</b>	<b>1,028,426</b>
Historical cost profit for the year after taxation	<b>436,960</b>	<b>750,280</b>

The notes on pages 9 to 19 form part of these financial statements


**VINDON SCIENTIFIC LIMITED**

Registered Number 00878160

**BALANCE SHEET****31 DECEMBER 2012**

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	10	4,862,018	4,935,932
Investment in subsidiary	11	110,000	110,000
		<u>4,972,018</u>	<u>5,045,932</u>
<b>Current assets</b>			
Stocks	12	359,610	326,527
Debtors	13	3,588,775	3,970,312
Cash at bank		445,501	—
		<u>4,393,886</u>	<u>4,296,839</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(2,117,715)</u>	<u>(2,507,143)</u>
<b>Net current assets</b>		<b>2,276,171</b>	<b>1,789,696</b>
<b>Total assets less current liabilities</b>		<b>7,248,189</b>	<b>6,835,628</b>
<b>Provisions for liabilities</b>			
Deferred taxation	15	(205,169)	(225,890)
		<u>7,043,020</u>	<u>6,609,738</u>
<b>Capital and reserves</b>			
Called-up share capital	19	3,000	3,000
Revaluation reserve	20	206,076	209,754
Profit and loss account	20	6,833,944	6,396,984
<b>Shareholders' funds</b>	21	<b>7,043,020</b>	<b>6,609,738</b>

These financial statements were approved by the directors and authorised for issue on 26 March 2013 and are signed on their behalf by



J E Scopes  
Director

The notes on pages 9 to 19 form part of these financial statements

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

**Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

**Turnover**

Turnover comprises of revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer

In respect of income relating to annual service contracts which are invoiced in advance at the inception of the agreement, it is the company's policy to defer a proportion of the income as each contract has an element of associated costs which are incurred throughout the contract's life

For long term contracts, turnover represents the value of work done in the year and is determined by reference to the stage of completion of each contract

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation. Cost represents purchase price together with any incidental costs of acquisition

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Freehold Property	- 2% straight line
Plant & Machinery	- 15% reducing balance
Office Equipment	- 5% to 25% reducing balance
Motor Vehicles	- 30% reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

**Revaluation of tangible fixed assets**

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 13 September 2004 and will not update that valuation

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**1. Accounting policies (continued)**

**Fixed asset investments**

Fixed asset investments are stated at cost

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Long term contracts are those extending in excess of 12 months and any of a shorter duration which are material to the activity of the period. Attributable profit is recognised once the outcome of a long term contract can be assessed with reasonable certainty. Attributable profit is recognised on the cost percentage completion method. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet at their fair value and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets and liabilities recognised have not been discounted.

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**1. Accounting policies (continued)**

**Deferred taxation (continued)**

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

**Foreign currencies**

Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly

The resulting exchange rate differences are charged to the profit and loss account

**Financial instruments**

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

If a financial instrument contains both an equity and a liability element, then the liability element is first established with any residual value being disclosed within equity shareholders' funds. The liability element is the present value of the future payments guaranteed to be made to the holders of the financial instrument.

Non-discretionary dividends payable are disclosed within interest in the company's profit and loss account.

**Share-based payments**

The share option programme allows company employees to acquire shares of the ultimate parent company, these awards are granted by the ultimate parent. In accordance with FRS 20 the fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight line basis over the vesting period based on the group's estimate of shares or options that will eventually vest. In the case of options granted, the fair value is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

**Pension costs**

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the statement of comprehensive income.

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**2. Turnover**

The turnover and loss before tax are attributable to the one principal activity of the company  
An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	4,682,546	3,801,740
Europe	496,494	1,789,179
Rest of World	622,426	508,089
	<u>5,801,466</u>	<u>6,099,008</u>

**3. Operating profit**

Operating profit is stated after charging

	2012 £	2011 £
Depreciation of owned fixed assets	325,538	296,150
Depreciation of assets held under finance lease agreements	-	2,450
Loss on disposal of fixed assets	11,797	1,060
Auditors remuneration	13,340	13,500
Management charges payable	515,000	500,000
Net (profit)/loss on foreign currency translation	<u>(3,586)</u>	<u>6,338</u>

There were no non-audit services provided by the auditor to the company during the year (2011 same)

**4. Particulars of employees**

The average number of staff employed by the company during the financial year amounted to

	2012 No	2011 No
Manufacturing	21	18
Selling and distribution	4	4
Administration	15	13
Service and validation	11	13
	<u>51</u>	<u>48</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	1,556,772	1,454,430
Social security costs	192,488	191,173
Pension costs	2,998	-
	<u>1,752,258</u>	<u>1,645,603</u>

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**5. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Remuneration receivable	<b>197,916</b>	<b>199,458</b>

Share options have been granted to certain directors as detailed in note 6. The share options outstanding as at 31 December 2012 are presented below

	<b>At 31 Dec 2011</b>	<b>Forfeited</b>	<b>Vested</b>	<b>At 31 Dec 2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
I Gordon	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>

**6. Share based payments**

The Unapproved Share Option Plan and Enterprise Management Incentive Schemes were introduced in December 2005. Under these plans the trustees of the Employee Benefit Trust (EBT) can grant options over shares in the parent company (Vindon Healthcare plc) to employees of the group. Options are granted with a fixed exercise price. Options may be exercised no earlier than the third anniversary of the date of grant, and no later than the tenth anniversary of the date of grant. Awards under the schemes are generally reserved for employees at senior management level and above and one employee is currently participating.

There are no vesting conditions attached to the options, and no performance criteria have been set. Exercise of an option is subject to continued employment. Options were valued using the Black Scholes option pricing model.

The expected volatility is based on historical volatility from the date of flotation to the date of grant. The expected life is the average expected period to exercise.

The total charge for the year in respect of employees of Vindon Scientific Limited relating to employee share based payment plans was £nil (2011: £nil), all of which related to equity settled share based payment transactions.

The fair value per option granted and the assumptions used in the calculation were as follows:

Grant date	8 Dec 2005
Share price at grant date	£0.13
Exercise price	£0.0005
Number of employees	1
Shares under option	2,000,000
Vesting period	3 years
Expected volatility	31.8%
Option life (years)	10 years
Expected life (years)	3 years
Expected dividends expressed as a dividend yield	0%
Fair value per option	£0.1296

**7. Interest receivable**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<b>3,989</b>	<b>1,177</b>

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**8. Interest payable and similar charges**

	2012 £	2011 £
Interest payable on bank borrowing	1,986	3,255
Finance charges	-	28
Other similar charges payable	611	872
	<u>2,597</u>	<u>4,155</u>

**9. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	2012 £	2011 £
UK Corporation tax based on the results for the year at 24.5% (2011 - 26%)	176,639	259,981
Adjustment in respect of prior periods	16,155	3,381
	<u>192,794</u>	<u>263,362</u>
Deferred tax		
Origination and reversal of timing differences	(20,721)	14,784
Tax on profit on ordinary activities	<u>172,073</u>	<u>278,146</u>

**(b) Factors affecting current tax charge**

	2012 £	2011 £
Profit on ordinary activities before taxation	605,355	1,024,748
Profit on ordinary activities by the effective rate of tax of 24.5% (2011 - 26.5%)	148,312	271,558
Effects of		
Group tax relief	-	(1,062)
Expenses not deductible for tax purposes	7,606	4,269
Capital allowances for period in excess of depreciation	20,721	(14,784)
Adjustments to tax charge in respect of previous periods	16,155	3,381
Total current tax (note 9(a))	<u>192,794</u>	<u>263,362</u>

**(c) Factors that may affect future tax charges**

A reduction in the main rate of corporation tax from 26% to 24% for the tax year ended 31 March 2013 was substantively enacted on 26 March 2012. A further reduction to 23% for the tax year ended 31 March 2014 was substantively enacted on 17 July 2012. The company has remeasured its deferred tax liability at the end of the reporting period at 23%.

The Chancellor further stated his intention to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014. This change has not been substantively enacted at the balance sheet date.

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**10. Tangible fixed assets**

	<b>Freehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Office Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 January 2012	3,158,216	1,920,828	1,077,558	292,581	6,449,183
Additions	-	168,560	41,581	65,443	275,584
Disposals	-	-	(4,589)	(88,086)	(92,675)
<b>At 31 December 2012</b>	<b>3,158,216</b>	<b>2,089,388</b>	<b>1,114,550</b>	<b>269,938</b>	<b>6,632,092</b>
<b>Depreciation</b>					
At 1 January 2012	219,595	924,164	238,478	131,014	1,513,251
Charge for the year	54,300	153,847	58,706	58,685	325,538
On disposals	-	-	-	(68,715)	(68,715)
<b>At 31 December 2012</b>	<b>273,895</b>	<b>1,078,011</b>	<b>297,184</b>	<b>120,984</b>	<b>1,770,074</b>
<b>Net book value</b>					
<b>At 31 December 2012</b>	<b>2,884,321</b>	<b>1,011,377</b>	<b>817,366</b>	<b>148,954</b>	<b>4,862,018</b>
<i>At 31 December 2011</i>	<i>2,938,621</i>	<i>996,664</i>	<i>839,080</i>	<i>161,567</i>	<i>4,935,932</i>

Cost or valuation at 31 December 2012 is as follows

	<b>Land and buildings £</b>
At cost	2,783,216
At valuation	
Open market existing use basis	375,000
	<b>3,158,216</b>

The land and buildings at Diggle were revalued on 13 September 2004 by Ryder & Dutton Chartered Surveyors on an open market existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	<b>2012 £</b>	<b>2011 £</b>
Cost	183,865	183,865
Accumulated depreciation	(88,407)	(84,729)
<b>Net book value</b>	<b>95,458</b>	<b>99,136</b>

**Finance lease agreements**

Included within the net book value of £4,862,018 is £nil (2011 - £nil) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2011 - £2,450)

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**11. Investments**

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2012	110,000
At 31 December 2012	<u>110,000</u>
<b>Net book value</b>	
At 31 December 2012	<u>110,000</u>
At 31 December 2011	<u>110,000</u>

The company has the following principal subsidiaries

	Country of Incorporation and operation	Activity	Holding	Class of share
Vindon Scientific (USA) Inc	USA	Services	100%	Common

The company's voting rights in respect of each subsidiary are held in the same proportion as the company's share of the share capital of each subsidiary

Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements and has not done so, therefore the accounts show information about the company as an individual entity

**12. Stocks**

	2012 £	2011 £
Raw materials	240,809	241,957
Work in progress	83,696	82,630
Finished goods and goods for resale	35,105	1,940
	<u>359,610</u>	<u>326,527</u>

**13. Debtors**

	2012 £	2011 £
Trade debtors	1,851,021	1,578,074
Amounts owed by group undertakings	1,241,636	1,268,756
Amounts recoverable on long term contracts	199,137	942,629
Other debtors	108,522	84,077
Prepayments and accrued income	113,265	21,582
Deferred tax asset (see note 15)	75,194	75,194
	<u>3,588,775</u>	<u>3,970,312</u>

Included within other debtors is £nil (2011 £9,843) which is due after more than one year

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**14. Creditors: Amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank overdraft	-	138,277
Trade creditors	447,887	638,285
Amounts owed to group undertakings	1,031,988	953,572
Corporation tax	85,655	139,981
Other taxation and social security	133,182	62,525
Other creditors	27,172	26,387
Accruals and deferred income	391,831	548,116
	<u><b>2,117,715</b></u>	<u><b>2,507,143</b></u>

The bank overdraft is secured by a first legal charge over the freehold land and buildings and by a debenture over the fixed and floating assets of the company

**15. Deferred taxation**

The movement in the deferred taxation provision during the year was

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
At 1 January 2012	150,696	135,912
Profit and loss account movement arising during the year	<u>(20,721)</u>	<u>14,784</u>
At 31 December 2012	<u><b>129,975</b></u>	<u><b>150,696</b></u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	205,169	225,890
Share options	<u>(75,194)</u>	<u>(75,194)</u>
	<u><b>129,975</b></u>	<u><b>150,696</b></u>

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the tax on the chargeable gain would be £nil

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**16. Derivatives**

There is no difference between the fair value of the company's financial assets and liabilities at the year end and their book value

The above disclosures do not include short term debtors and creditors as permitted by FRS 13

**17. Contingencies**

The company is party to an unlimited cross guarantee in respect of bank borrowings of its ultimate parent company, Vindon Healthcare Plc. Total borrowings guaranteed at 31 December 2012 amounted to £1,423,880 (2011 £1,702,017)

**18. Related party transactions**

No transactions with group companies are required to be disclosed under Financial Reporting Standard 8 as the ultimate parent undertaking of the company prepares consolidated financial statements

**19. Share capital**

**Allotted and called up:**

	<b>2012</b>		<b>2011</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
3,000 Ordinary shares of £1 each	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>

**20. Reserves**

	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>209,754</b>	<b>6,396,984</b>
Profit for the year	<b>-</b>	<b>433,282</b>
Transfer between revaluation reserve and profit and loss account	<b>(3,678)</b>	<b>3,678</b>
Balance carried forward	<b>206,076</b>	<b>6,833,944</b>

**VINDON SCIENTIFIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**21. Reconciliation of movements in shareholders' funds**

	2012 £	2011 £
Profit for the financial year	<u>433,282</u>	<u>746,602</u>
Net addition to shareholders' funds	<u>433,282</u>	<u>746,602</u>
Opening shareholders' funds	<u>6,609,738</u>	<u>5,863,136</u>
Closing shareholders' funds	<u><u>7,043,020</u></u>	<u><u>6,609,738</u></u>

**22. Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £64,426 (2011 £nil)

**23. Ultimate parent undertaking and controlling party**

The company is a 100% subsidiary of Vindon Healthcare PLC, a company incorporated in England & Wales. The consolidated financial statements for both the smallest and largest group for which consolidated accounts are produced are those of Vindon Healthcare PLC. Copies of parent company financial statements are available to the public from the registered office, Vindon Healthcare PLC, John Boyd Dunlop Drive, Kingsway Business Park, Rochdale, Lancashire, OL16 4NG.