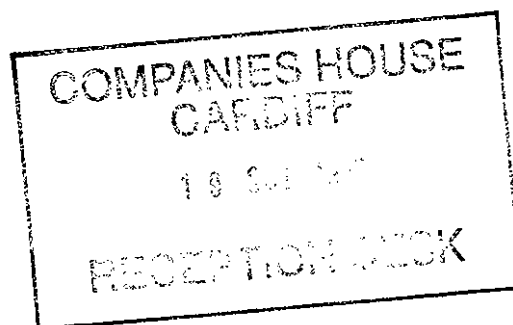


HUNTLEIGH HEALTHCARE (LUTON)  
LIMITED

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

for the year ended  
31st December, 1994

Company No: 942245



**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Report of the directors  
for the year ended 31st December, 1994****Financial statements**

The directors present their report and financial statements for the year ended 31st December, 1994.

**Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its profit or loss for that year. In preparing those financial statements, the directors are required to:

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (4) 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Activities**

The company continues to develop, manufacture and distribute electromedical equipment.

**Results**

The results for the year are set out in the profit and loss account on page 5. The directors have decided to transfer the retained profit of £1,263,240 to reserves.

**Review of business and future developments**

The company enjoyed an increase in turnover and profitability during 1994. Further progress is expected in the future.

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Report of the directors  
for the year ended 31st December, 1994 (continued)****Research and development**

The company continues to invest in product development. Expenditure on research and development is written off in the year in which it is incurred.

**Dividends**

Two interim dividends totalling £2,997,960 were paid during the year.

**Fixed assets**

Details of changes in tangible fixed assets and fixed asset investments during the year are set out in notes 8 and 9 to the financial statements respectively.

**Charitable donations**

The company made charitable donations during the year amounting to £521.

**Directors**

The members of the board since 1st January, 1994 were:-

R Schild  
J A B Wotton  
J D Schild  
D L Schild

**Directors' interests**

The company is ultimately a wholly owned subsidiary of Huntleigh Technology plc.

None of the directors had an interest in any shares, transactions or arrangements which requires disclosure in this report. Their interest in the company's ultimate holding company, Huntleigh Technology plc, are shown in that company's directors' report.

**Employee policy**

The company supports the employment of disabled people wherever possible, by recruitment, by retraining all those who become disabled during their employment, and generally, through training, career development and promotion.

Effective communication with all employees is ensured through a variety of different practices such as works committees and periodical briefings by senior managers.

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED**

**Report of the directors  
for the year ended 31st December, 1994 (continued)**

**Directors' and officers' liability insurance**

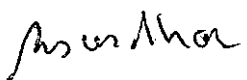
The company is included in the insurance policy maintained by the Huntleigh Technology plc group. The policy is on behalf of all directors and officers as permitted by section 310(3) of the Companies Act 1985.

**Auditors**

From 1st October, 1994 the company's auditors BDO Binder Hamlyn practise in the name Binder Hamlyn and have signed their audit report in their new name.

Pursuant to section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually.

The directors' report was approved by the board on 11th May, 1995

  
E B Sardharwala  
Secretary

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20 Old Bailey  
London EC4M 7BH

**AUDITORS' REPORT**

to the members of Huntleigh Healthcare (Luton) Limited

We have audited the financial statements on pages 5 to 18 which have been prepared on the basis of the accounting policies set out on pages 8 and 9.

**Respective responsibilities of Directors and Auditors**

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Chartered Accountants  
Registered Auditors

10<sup>th</sup> August 1995

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Profit and loss account  
for the year ended 31st December, 1994**

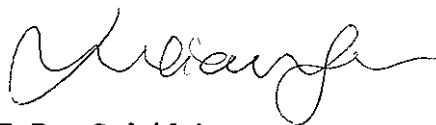
|  | <u>Notes</u> | <u>1994</u><br>£            | <u>1993</u><br>£           |
|--|--------------|-----------------------------|----------------------------|
| <b>Turnover</b>  | 2            | 23,673,154                  | 17,001,148                 |
| Cost of sales  |              | 10,932,459                  | 7,799,498                  |
| Gross profit   |              | <u>12,740,695</u>           | <u>9,201,650</u>           |
| Distribution costs                                       |              | 3,710,956                   | 3,376,310                  |
| Administrative expenses                                  |              | 2,764,700                   | 2,008,458                  |
| <b>Operating profit</b>                                  |              | <u>6,265,039</u>            | <u>3,816,882</u>           |
| Interest receivable                                      | 3            | 222,644                     | 201,135                    |
| Interest payable   |              | <u>6,487,683</u><br>170,939 | <u>4,018,017</u><br>38,434 |
| <b>Profit on ordinary activities<br/>before taxation</b> | 3            | 6,316,744                   | 3,979,583                  |
| Tax on profit on ordinary<br>activities                  | 6            | 2,055,544                   | 1,266,918                  |
| <b>Profit on ordinary activities<br/>after taxation</b>  |              | <u>4,261,200</u>            | <u>2,712,665</u>           |
| Dividends paid   | 7            | 2,997,960                   | -                          |
| <b>Retained profit for the year</b>                      | 17           | <u>£1,263,240</u><br>=====  | <u>£2,712,665</u><br>===== |

Note: The company had no recognised gains or losses other than the profit for the year.  
The above results are derived entirely from continuing activities. There were no acquisitions during the year.

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Balance sheet at 31st December, 1994**

|  | <u>Notes</u> | <u>1994</u><br>£            | <u>1993</u><br>£           |
|--|--------------|-----------------------------|----------------------------|
| <b>Fixed assets</b>  |              |                             |                            |
| Tangible assets  | 8            | 6,748,636                   | 5,684,419                  |
| Investments  | 9            | 4                           | 4                          |
|  |              | <u>£6,748,640</u>           | <u>£5,684,423</u>          |
| <b>Current assets</b>  |              |                             |                            |
| Stocks   | 10           | 2,538,747                   | 1,713,493                  |
| Debtors  | 11           | 6,173,656                   | 7,301,572                  |
| Cash at bank and in hand                                       |              | 3,703,546                   | 1,497,910                  |
|  |              | <u>12,415,949</u>           | <u>10,512,975</u>          |
| <b>Creditors: amounts falling due within one year</b>          | 12           | 8,516,835                   | 6,669,842                  |
| <b>Net current assets</b>                                      |              | <u>3,899,114</u>            | <u>3,843,133</u>           |
| <b>Total assets less current liabilities</b>                   |              | <u>10,647,754</u>           | <u>9,527,556</u>           |
| <b>Creditors: amounts falling due after more than one year</b> | 13           | 2,470,539                   | 2,648,078                  |
| <b>Provisions for liabilities and charges</b>                  | 15           | 62,205                      | 27,708                     |
| <b>Net assets employed</b>                                     |              | <u>£ 8,115,010</u><br>===== | <u>£6,851,770</u><br>===== |
| <b>Capital and reserves</b>                                    |              |                             |                            |
| Called up share capital  | 16           | 301,000                     | 301,000                    |
| Revaluation reserve  | 17           | 365,382                     | 407,255                    |
| Profit and loss account  | 17           | 7,448,628                   | 6,143,515                  |
| <b>Shareholders' funds (all equity)</b>                        |              | <u>£ 8,115,010</u><br>===== | <u>£6,851,770</u><br>===== |

The financial statements on pages 5 to 18 were approved by the board on 11th May, 1995.



J D Schild  
Finance director

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Reconciliation of movement on shareholders' funds for the year ended 31st December, 1994:**

|  | <u>1994</u><br>£           | <u>1993</u><br>£           |
|--|----------------------------|----------------------------|
| Profit on ordinary activities after taxation | 4,261,200                  | 2,712,665                  |
| Dividends paid                               | 2,997,960                  | -                          |
|  | <u>1,263,240</u>           | <u>2,712,665</u>           |
| Opening shareholders' funds                  | 6,851,770                  | 4,139,105                  |
| Closing shareholders' funds                  | <u>£8,115,010</u><br>===== | <u>£6,851,770</u><br>===== |



**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994****1. Accounting policies**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

**Accounting basis**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings.

**Compliance with accounting standards**

The financial statements have been prepared in accordance with applicable accounting standards.

**Cash flow statement**

As allowed under FRS1 issued by the Accounting Standards Board, this statement has not been prepared as the company is a wholly owned subsidiary undertaking of a company which publishes consolidated financial statements including a consolidated cash flow statement.

**Depreciation**

Depreciation is provided on fixed assets in equal annual instalments over the following estimated lives:

|                     |                               |
|---------------------|-------------------------------|
| Freehold buildings  | - 50 years                    |
| Plant and machinery | - up to a maximum of 10 years |
| Vehicles            | - 3 years                     |

**Research and development expenditure**

Expenditure on development is written off in the year in which it is incurred.

**Stocks and work in progress**

Stocks and work in progress are valued on a first in first out basis at the lower of cost and estimated net realisable value. Cost represents direct cost plus appropriate overheads.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, where it is probable that a taxation liability will arise.

**Notes to the financial statements  
for the year ended 31st December, 1994 (continued)**

**Foreign currencies**

Transactions undertaken and denominated in foreign currencies are translated into sterling at the rate of exchange at the date of transaction and at average transaction rates during the year in the case of turnover. The resultant assets and liabilities are translated into sterling at rates of exchange applicable at 31st December.

All differences are taken to profit and loss account.

**Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of VAT.

**Government grants**

Non-capital grants are dealt with in the profit and loss account in the period they become receivable.

**Pension costs**

The regular cost of providing retirement pensions is charged to profit and loss accounts over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations, are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. The difference between the charge to the profit and loss account and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

**Leases and hire purchase obligations**

Assets under hire and lease purchase agreements are included under tangible fixed assets and depreciated over their estimated useful lives.

Obligations under such agreements are stated in the balance sheet net of finance charges allocated to future periods. The finance element is charged to the profit and loss account and is calculated in order that the annual rate of charge on the capital element outstanding approximates to a constant rate.

The rentals payable for assets held under operating leases are charged to the profit and loss account as they are incurred.

**Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED**

10.

**Notes to the financial statements  
for the year ended 31st December, 1994 (continued)**

**2. Segmental information**

| Class of business: | Turnover    |             | Profit on ordinary activities before taxation |             |
|--------------------|-------------|-------------|---|-------------|
|                    | <u>1994</u> | <u>1993</u> | <u>1994</u>                                   | <u>1993</u> |
| Medical equipment  | £23,673,154 | £17,001,148 | £6,316,744                                    | £3,979,583  |
|                    | =====       | =====       | =====   | =====       |

The disclosure of a segmental analysis of turnover outside the United Kingdom is considered to be commercially prejudicial to the operations of the company.

| <b>3. Profit on ordinary activities before taxation is stated after charging or (crediting):</b> | <u>1994</u><br>£ | <u>1993</u><br>£ |
|--|------------------|------------------|
| Research and development costs   | 657,486          | 613,406          |
| Depreciation - owned fixed assets  | 988,435          | 740,262          |
| - assets under hire and lease purchase   | 7,558            | 7,557            |
| Operating lease rentals:   |                  |                  |
| land and buildings   | 60,983           | 46,232           |
| other  | 16,603           | 3,005            |
| Interest payable:  |                  |                  |
| On loans and overdraft repayable: wholly or partly in more than five years                       | 167,733          | 35,486           |
| On finance leases:   |                  |                  |
| terminating within five years  | 2,947            | 2,984            |
| other  | 259              | -                |
| Interest receivable:   |                  |                  |
| from a fellow subsidiary undertaking   | (36,879)         | (19,934)         |
| other  | (185,765)        | (181,201)        |
|  | =====            | =====            |

Amounts payable to the auditors by the company in respect of audit services were £20,000 (1993: £19,500). Amounts paid to Binder Hamlyn in respect of non-audit services were £2,150 (1993: £3,904).

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994 (continued)**

| 4. Directors' emoluments   | <u>1994</u>     | <u>1993</u>     |
|----------------------------|-----------------|-----------------|
|                            | £               | £               |
| Remuneration as executives | 109,816         | 108,108         |
| Pension contributions      | 14,069          | 40,048          |
| Performance related bonus  | 82,850          | 48,750          |
|                            | <u>£206,735</u> | <u>£196,906</u> |
|                            | =====           | =====           |

Directors' remuneration, excluding pension contributions, include the following:

|                       | <u>1994</u> | <u>1993</u> |
|-----------------------|-------------|-------------|
|                       | £           | £           |
| Chairman              | -           | -           |
| Highest paid director | 134,393     | 103,530     |
|                       | =====       | =====       |

Directors' fees and remuneration fell within the following band:

|                     | <u>Number</u> | <u>Number</u> |
|---------------------|---------------|---------------|
| £ 0 - £ 5,000       | 2             | 2             |
| £ 45,001 - £ 50,000 | -             | 1             |
| £ 55,001 - £ 60,000 | 1             | -             |
| £100,000 - £105,000 | -             | 1             |
| £130,001 - £135,000 | 1             | -             |

**5. Particulars of employees**

The average number of persons employed by the company (including directors) during the year was:

|                          | <u>1994</u> | <u>1993</u> |
|--------------------------|-------------|-------------|
|                          | Number      | Number      |
| Category:                |             |             |
| Production               | 194         | 170         |
| Sales and Administration | 206         | 172         |
|                          | <u>400</u>  | <u>342</u>  |
|                          | =====       | =====       |

Their total remuneration was:

|                       | <u>1994</u>       | <u>1993</u>       |
|-----------------------|-------------------|-------------------|
|                       | £                 | £                 |
| Wages and salaries    | 6,027,599         | 4,601,711         |
| Social security costs | 611,445           | 475,858           |
| Other pension costs   | 111,842           | 77,145            |
|                       | <u>£6,750,886</u> | <u>£5,154,714</u> |
|                       | =====             | =====             |

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994 (continued)****5. Particulars of employees (continued)**

This company and other United Kingdom companies within the Huntleigh Technology plc group operate a pension scheme providing benefits based on final pensionable remuneration. The assets of the scheme are held in a separate trust fund administered by professional investment managers. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using (currently) the Projected Unit method. The most recent valuation was at 6th April, 1994.

That actuarial valuation showed that the market value of the scheme's assets was £2,426,000 and that the actuarial value of those assets represented 92 per cent. of the benefits that had accrued to members after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the valuation are a rate of return on investment 2 per cent. greater than the rate of increase in salaries and that the present and future pensions would increase at a rate of 3 per cent. per annum.

The cost of administering the scheme is borne by the group.

| <b>6. Tax on profit on ordinary activities</b>                              | <u>1994</u>       | <u>1993</u>       |
|---|-------------------|-------------------|
|   | £                 | £                 |
| United Kingdom corporation tax payable at 33 per cent. (1993: 33 per cent.) | 2,043,162         | 1,269,657         |
| Deferred taxation (note 15)   | 34,497            | 54,337            |
|   | <u>2,077,659</u>  | <u>1,323,994</u>  |
| Over provision for prior years  | 22,115            | 57,076            |
|   | <u>£2,055,544</u> | <u>£1,266,918</u> |
|   | =====             | =====             |
| <b>7. Dividends</b>   | <u>1994</u>       | <u>1993</u>       |
| Paid during the year  | £2,997,960        | £ -               |
|   | =====             | =====             |

## HUNTLEIGH HEALTHCARE (LUTON) LIMITED

Notes to the financial statements  
for the year ended 31st December, 1994 (continued)

## 8. Tangible fixed assets

|  | <u>Freehold<br/>land and<br/>buildings</u><br>£ | <u>Plant<br/>and<br/>machinery</u><br>£ | <u>Motor<br/>vehicles</u><br>£ | <u>Total</u><br>£ |
|--|---|---|--------------------------------|-------------------|
| Cost or valuation:                           |   |   |                                |                   |
| At 1st January,<br>1994                      | 3,333,631                                       | 3,712,171                               | 1,085,118                      | 8,130,920         |
| Additions                                    |   | 1,533,713                               | 570,745                        | 2,104,458         |
| Disposals                                    | -   |   | (248,364)                      | (248,364)         |
| At 31st December,<br>1994                    | <u>£3,333,631</u>                               | <u>£5,245,884</u>                       | <u>£1,407,499</u>              | <u>£9,987,014</u> |
| Accumulated depreciation:                    |   |   |                                |                   |
| At 1st January,<br>1994,                     | 138,722   | 1,791,450                               | 516,329                        | 2,446,501         |
| Provision for<br>the year                    | 46,783  | 554,405                                 | 394,805                        | 995,993           |
| Disposals                                    | -   | -                                       | (204,116)                      | (204,116)         |
| At 31st December,<br>1994                    | <u>£ 185,505</u>                                | <u>£2,345,855</u>                       | <u>£ 707,018</u>               | <u>£3,238,378</u> |
| Net book value:<br>At 31st December,<br>1994 | <u>£3,148,126</u>                               | <u>£2,900,029</u>                       | <u>£ 700,481</u>               | <u>£6,748,636</u> |
| Net book value:<br>At 31st December,<br>1993 | <u>£3,194,909</u>                               | <u>£1,920,721</u>                       | <u>£ 568,789</u>               | <u>£5,684,419</u> |

The net book value of the company's tangible assets of £6,748,636 includes an amount of £28,337 (1993: £35,894) in respect of assets held under hire and lease purchase contracts.

Freehold land and buildings include a value of £994,500 in respect of freehold land, which is not depreciated.

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994 (continued)****8. Tangible fixed assets (continued)****Valuation**

The values for freehold land and buildings are stated at historical cost apart from property acquired by the company on 1st July, 1987 which was revalued at 31st December, 1987 on an open market basis by a firm of independent chartered surveyors. The value of land and buildings owned by the company have the following comparative costs and net book values determined according to the historical cost accounting rules:-

|   | <u>Land</u><br>£  | <u>Buildings</u><br>£ | <u>Total</u><br>£   |
|---|-------------------|-----------------------|---------------------|
| Cost:   |                   |                       |                     |
| At 1st January, 1994 and<br>31st December, 1994 | £866,400<br>===== | £2,059,976<br>=====   | £2,926,376<br>===== |
| Accumulated<br>depreciation:                    |                   |                       |                     |
| At 1st January, 1994                            | -                 | 102,434               | 102,434             |
| Provision for the year                          | -                 | 41,199                | 41,199              |
| At 31st December, 1994                          | £ -<br>=====      | £143,633<br>=====     | £143,633<br>=====   |
| Net book value:                                 |                   |                       |                     |
| At 31st December, 1994                          | £866,400<br>===== | £1,916,343<br>=====   | £2,782,743<br>===== |
| Net book value:                                 |                   |                       |                     |
| At 31st December, 1993                          | £866,400<br>===== | £1,957,542<br>=====   | £2,823,942<br>===== |

**9. Fixed asset investments**

The balance of fixed asset investments both at 31st December, 1994 and at 31st December, 1993 comprise the following :

|  |            |
|--|------------|
|  | £          |
| 2 fully paid ordinary shares of £1 each in<br>Huntleigh Healthcare Limited | 2          |
| 2 fully paid ordinary shares of £1 each in<br>Huntleigh Healthline Limited | 2          |
| At 31st December, 1994 and at 31st December, 1993                          | £ 4<br>=== |

Both these subsidiary undertakings are wholly owned subsidiary undertakings of the company and are registered in England and Wales.

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994 (continued)****9. Fixed asset investments (continued)**

As allowed under Section 228 of the Companies Act 1985, the company has not prepared group financial statements as it is a wholly owned subsidiary undertaking of Huntleigh Technology plc.

|   |                   |                   |
|---|-------------------|-------------------|
| <b>10. Stocks</b>   | <u>1994</u>       | <u>1993</u>       |
|   | £                 | £                 |
| Raw materials and consumables   | 1,122,029         | 843,265           |
| Short term work in progress   | 131,778           | 134,259           |
| Finished goods and goods for resale                                   | 1,284,940         | 735,969           |
|   | <u>£2,538,747</u> | <u>£1,713,493</u> |
|   | =====             | =====             |
| <b>11. Debtors</b>  | <u>1994</u>       | <u>1993</u>       |
|   | £                 | £                 |
| Trade debtors   | 2,032,079         | 1,343,881         |
| Amounts owed by parent and fellow subsidiary undertakings             | 3,512,385         | 5,430,812         |
| Other debtors   | 328,443           | 176,016           |
| Prepayments and accrued income  | 300,749           | 350,863           |
|   | <u>£6,173,656</u> | <u>£7,301,572</u> |
|   | =====             | =====             |
| <b>12. Creditors: amounts falling due within one year</b>             | <u>1994</u>       | <u>1993</u>       |
|   | £                 | £                 |
| Hire and lease purchase loans (note 14)                               | 7,557             | 7,557             |
| Bank loan (note 14)   | 70,316            | 70,316            |
| Trade creditors   | 1,978,483         | 1,551,910         |
| Amounts owed to parent undertaking and fellow subsidiary undertakings | 2,915,777         | 2,646,738         |
| Corporation tax   | 1,674,216         | 895,299           |
| Other creditors   | 48,278            | 41,653            |
| Other taxes and social security costs                                 | 443,714           | 305,374           |
| Accruals and deferred income  | <u>1,378,494</u>  | <u>1,150,995</u>  |
|   | <u>£8,516,835</u> | <u>£6,669,842</u> |
|   | =====             | =====             |
| <b>13. Creditors: amounts falling due after more than one year</b>    | <u>1994</u>       | <u>1993</u>       |
|   | £                 | £                 |
| Hire and lease purchase loans (note 14)                               | 21,802            | 29,358            |
| Bank loans (note 14)  | 1,772,460         | 1,942,443         |
| Amounts owed to fellow subsidiary undertakings                        | 676,277           | 676,277           |
|   | <u>£2,470,539</u> | <u>£2,648,078</u> |
|   | =====             | =====             |



**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994 (continued)****14. Loans and overdrafts**

|                                       | <u>1994</u>       |  | <u>1993</u>       |  |
|---------------------------------------|-------------------|--|-------------------|--|
|                                       | Bank<br>loans     | Hire and<br>lease<br>purchase<br>loans | Bank<br>loans     | Hire and<br>lease<br>purchase<br>loans |
|                                       | <u>£</u>          | <u>£</u>                               | <u>£</u>          | <u>£</u>                               |
| Loans are<br>repayable<br>as follows: |                   |  |                   |  |
| within one<br>year                    | 70,316            | 7,557                                  | 70,316            | 7,557                                  |
| between one and<br>two years          | 70,316            | 7,557,                                 | 70,316            | 7,557                                  |
| between two and<br>five years         | 354,948           | 14,245                                 | 330,948           | 21,801                                 |
| after five<br>years                   | 1,347,196         | -                                      | 1,541,179         | -                                      |
|                                       | <u>£1,772,460</u> | <u>£21,802</u>                         | <u>£1,942,443</u> | <u>£29,358</u>                         |
| Total                                 | <u>£1,842,776</u> | <u>£29,359</u>                         | <u>£2,012,759</u> | <u>£36,915</u>                         |

All bank loans are due to United Kingdom banks and are secured on certain assets of the company. Interest rates vary with base rates.

**15. Provisions for liabilities and charges****Deferred tax**

|                                  | <u>£</u>       |
|----------------------------------|----------------|
| At 1st January, 1994             | 27,708         |
| Profit and loss account (note 6) | 34,497         |
| At 31st December, 1994           | <u>£62,205</u> |

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994 (continued)****15. Provisions for liabilities and charges (continued)**

Deferred taxation balance comprises:

|                               | Amount provided/<br>(recognised) |                 | Potential liability/<br>(asset) |                 |
|-------------------------------|----------------------------------|-----------------|---------------------------------|-----------------|
|                               | <u>1994</u>                      | <u>1993</u>     | <u>1994</u>                     | <u>1993</u>     |
|                               | £                                | £               | £                               | £               |
| Accelerated capital allowance | 165,763                          | 149,137         | 165,763                         | 149,137         |
| Other timing differences      | (103,558)                        | (121,429)       | (103,558)                       | (121,429)       |
|                               | <u>£62,205</u>                   | <u>£ 27,708</u> | <u>£62,205</u>                  | <u>£ 27,708</u> |
|                               | =====                            | =====           | =====                           | =====           |

**16. Called up share capital**

|                                    | <u>1994</u> | <u>1993</u> |
|------------------------------------|-------------|-------------|
| Authorised:                        |             |             |
| 400,000 ordinary shares of £1 each | £400,000    | £400,000    |
|                                    | =====       | =====       |
| Allotted and fully paid:           |             |             |
| 301,000 ordinary shares of £1 each | £301,000    | £301,000    |
|                                    | =====       | =====       |

**17. Reserves**

The revaluation reserve arises as a consequence of carrying interests in freehold land and buildings in the balance sheet at a valuation as described in note 8.

|                                   | Profit<br>and loss<br>account | Revaluation<br>reserve |
|-----------------------------------|-------------------------------|------------------------|
|                                   | <u>£</u>                      | <u>£</u>               |
| Balance as at 1st January, 1994   | 6,143,515                     | 407,255                |
| Retained profit for year          | 1,263,240                     | -                      |
| Revaluation surplus transfer      | 41,873                        | (41,873)               |
| Balance as at 31st December, 1994 | <u>£7,448,628</u>             | <u>£365,382</u>        |
|                                   | =====                         | =====                  |

**HUNTLEIGH HEALTHCARE (LUTON) LIMITED****Notes to the financial statements  
for the year ended 31st December, 1994 (continued)**

| <b>18. Capital commitments</b>    | <u>1994</u><br>£         | <u>1993</u><br>£         |
|-----------------------------------|--------------------------|--------------------------|
| Contracted but not provided for   | 110,305                  | 483,697                  |
| Authorised but not contracted for | 546,435                  | -                        |
|                                   | <u>£656,740</u><br>===== | <u>£483,697</u><br>===== |

**19. Contingent liabilities**

The company has entered into a composite guarantee with its United Kingdom bankers, Barclays Bank PLC and Midland Bank plc in respect of any amounts due by itself, by the parent and by certain fellow subsidiary undertakings. The amounts for that group outstanding at 31st December, 1994 were £4,707,000 (1993: £2,379,000).

These group totals represent overdrawn balances on current accounts with those United Kingdom bankers and do not include group credit balances on current and deposit accounts with them of £3,653,000 at 31st December, 1994 (1993: £2,414,000).

**20. Financial commitments**

At 31st December, 1994, the company had annual commitments under non-cancellable operating leases as set out below:

|   | <u>1994</u>      |                | <u>1993</u>      |               |
|---|------------------|----------------|------------------|---------------|
|   | <u>Buildings</u> | <u>Other</u>   | <u>Buildings</u> | <u>Other</u>  |
|   | £                | £              | £                | £             |
| Operating leases which expire within one year | 16,647           | 6,010          | 11,529           | -             |
| within two to five years                      | 30,000           | 7,823          | 19,875           | 9,015         |
| over five years                               | -                | -              | -                | -             |
|   | <u>£46,647</u>   | <u>£13,833</u> | <u>£31,404</u>   | <u>£9,015</u> |
|   | =====            | =====          | =====            | =====         |

**21. Ultimate holding company**

Huntleigh Technology plc, registered in England and Wales, is regarded by the directors as being the company's ultimate holding company.

Huntleigh Technology plc is the parent undertaking of the smallest and largest groups of which the company is a member and for which group financial statements are prepared. Copies of those group financial statements can be obtained from Huntleigh Technology plc, 310-312 Dallow Road, Luton, Bedfordshire LU1 1TD.