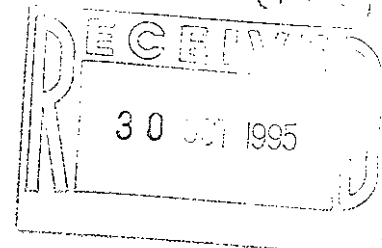


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Registered No. 1347969



SCALA IMPEX LIMITED

FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 1994

CARTWRIGHT AND COMPANY  
Chartered Accountants and  
Registered Auditors



SCALA IMPEX LIMITED  
FINANCIAL STATEMENTS  
year ended 31st December 1994

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7 - 12

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	13
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SCALA IMPEX LIMITEDCOMPANY INFORMATION  
year ended 31st December 1994

NUMBER	1347969
DIRECTORS	M Zafaryab Mrs S Zafaryab
SECRETARY	Mrs S Zafaryab
REGISTERED OFFICE	106 High Street Stevenage Herts SG1 3DW
BANKERS	Barclays Bank plc Acton London
AUDITORS	Cartwright and Company Chartered Accountants and Registered Auditors 106 High Street Stevenage Herts SG1 3DW

SCALA IMPEX LIMITEDDIRECTORS' REPORT  
year ended 31st December 1994

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

**Principal activity**

The principal activity of the company is importers and exporters of surgical instruments.

**Business review**

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £57,308.

**Profit, dividends and appropriations**

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend, the profit for the year is to be transferred to reserves.

**Fixed assets**

Changes in fixed assets during the year are set out in note 7 to the accounts. In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 7.

**Directors**

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st December 1994 Ordinary shares	1st January 1994 Ordinary shares
M Zafaryab	5,000	5,000
Mrs S Zafaryab	5,000	2,000

**Auditors**

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Cartwright and Company will continue in office.

On behalf of the board

*S. Zafaryab*  
Mrs S Zafaryab  
Secretary

106 High Street  
Stevenage  
Herts  
SG1 3DW

10th October 1995

SCALA IMPEX LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

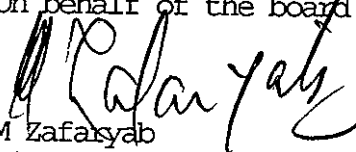
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

10th October 1995

On behalf of the board

  
M Zafaryab  
Director

SCALA IMPEX LIMITEDAUDITORS' REPORT

Auditors' report to the members of

Scala Impex Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

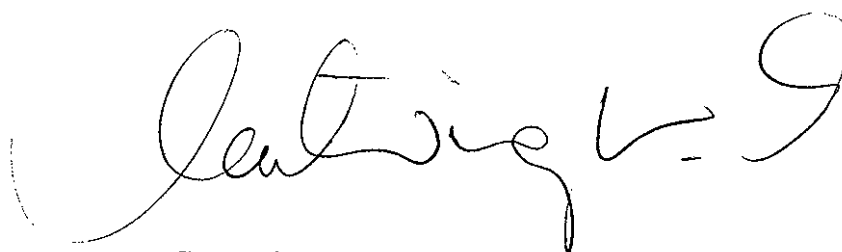
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's 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 error or other irregularity. 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 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cartwright and Company  
Chartered Accountants and  
Registered Auditors

10th October 1995



PROFIT AND LOSS ACCOUNT  
year ended 31st December 1994

	Note	1994 £	1993 £
Turnover	2	438,344	424,611
Cost of sales		(335,615)	(349,368)
Gross profit		102,729	75,243
Net operating expenses			
Administrative expenses		(70,758)	(91,614)
Other operating income		23	-
Operating profit/(loss)	3	31,994	(16,371)
Interest payable	4	(1,364)	(45)
Profit/(loss) on ordinary activities before taxation		30,630	(16,416)
Taxation	5	(3,878)	909
Profit/(loss) on ordinary activities after taxation retained for the year	15	26,752	(15,507)

Movements in reserves are shown in note 15.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1994 or 1993 other than the profit/(loss) for the year.

SCALA IMPEX LIMITEDBALANCE SHEET  
at 31st December 1994

	Note	1994 £	1993 £
<b>Fixed assets</b>			
Tangible assets	7	13,209	12,665
<b>Current assets</b>			
Stocks	8	98,240	108,030
Debtors	9	118,650	124,267
Cash at bank and in hand		1,828	68
		<u>218,718</u>	<u>232,365</u>
Creditors: amounts falling due within one year	10	(166,731)	(216,793)
<b>Net current assets</b>		<u>51,987</u>	<u>15,572</u>
<b>Total assets less current liabilities</b>		<u>65,196</u>	<u>28,237</u>
Creditors: amounts falling due after more than one year	11	(7,243)	-
<b>Provision for liabilities and charges</b>	12	(645)	(681)
		<u>57,308</u>	<u>27,556</u>
<b>Capital and reserves</b>			
Called up share capital	14	10,000	7,000
Profit and loss account	15	47,308	20,556
<b>Total shareholders' funds</b>	16	<u>57,308</u>	<u>27,556</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 10th October 1995.

*M. Zafaryab*  
M. Zafaryab  
Director

Certified a true copy.



NOTES ON FINANCIAL STATEMENTS  
year ended 31st December 1994

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Property improvements	2% straight line method
Plant and machinery	15% reducing balance method
Fixtures and fittings	15% reducing balance method

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

NOTES ON FINANCIAL STATEMENTS  
year ended 31st December 1994

3 Operating profit/(loss)

	1994 £	1993 £
Operating profit/(loss) is stated after crediting		
Interest receivable	23	-
and after charging	<u>          </u>	<u>          </u>
Staff costs (note 6)	18,299	18,955
Auditors' remuneration	3,950	4,841
Operating leases		
Hire of assets other than plant & machinery	1,674	2,185
Loss on sale of assets	-	1,034
	<u>          </u>	<u>          </u>
Depreciation of tangible fixed assets (note 7)		
owned assets	1,513	1,469
	<u>          </u>	<u>          </u>

4 Interest payable

	1994 £	1993 £
Bank loan interest	480	-
VAT interest	884	45
	<u>          </u>	<u>          </u>
	1,364	45
	<u>          </u>	<u>          </u>

5 Taxation

	1994 £	1993 £
Corporation tax on profit on ordinary activities at 25% (1993 25%)	3,914	(909)
Deferred taxation	(36)	-
	<u>          </u>	<u>          </u>
	3,878	(909)
	<u>          </u>	<u>          </u>

NOTES ON FINANCIAL STATEMENTS  
year ended 31st December 1994

6 Directors and employees

	1994 £	1993 £
Staff costs including directors' emoluments		
Wages and salaries	15,899	16,555
Pension costs	2,400	2,400
	<u>18,299</u>	<u>18,955</u>
Directors	£	£
Directors' emoluments		
Other emoluments	11,692	12,302
	<u>11,692</u>	<u>12,302</u>
Emoluments excluding pension scheme contributions		
Highest paid director	<u>6,352</u>	<u>6,397</u>
Other directors	Number	Number
£nil - £5,000	1	1
£5,001 - £10,000	1	1

Pension costs

Defined contribution scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,400 (1993 £2,400).

**NOTES ON FINANCIAL STATEMENTS**  
**year ended 31st December 1994**

**7 Tangible fixed assets**

	Plant and Machinery £	Fixtures and Fittings £	Property Improvements £	Total £
Cost or valuation				
1st January 1994	14,615	4,321	5,603	24,539
Additions	1,657	400	-	2,057
31st December 1994	<u>16,272</u>	<u>4,721</u>	<u>5,603</u>	<u>26,596</u>
Depreciation				
1st January 1994	9,363	2,286	225	11,874
Charge for year	1,036	365	112	1,513
31st December 1994	<u>10,399</u>	<u>2,651</u>	<u>337</u>	<u>13,387</u>
Net book amount				
31st December 1994	<u><u>5,873</u></u>	<u><u>2,070</u></u>	<u><u>5,266</u></u>	<u><u>13,209</u></u>
1st January 1994	<u><u>5,252</u></u>	<u><u>2,035</u></u>	<u><u>5,378</u></u>	<u><u>12,665</u></u>

**8 Stocks**

	1994 £	1993 £
Finished goods	98,240	108,030
	<u>98,240</u>	<u>108,030</u>

**9 Debtors**

	1994 £	1993 £
Amounts falling due within one year		
Trade debtors	87,989	116,585
Other debtors	30,353	7,682
Prepayments and accrued income	308	-
	<u>118,650</u>	<u>124,267</u>

\*\*\*\*\*  
 \*\* 'Other debtors' includes balances in respect of directors' overdrawn current \*\*  
 \*\* accounts totalling £30,353 (1993 £0). You should consider further disclosure. \*\*  
 \*\*\*\*\*

\*\*

**NOTES ON FINANCIAL STATEMENTS**  
**year ended 31st December 1994**

**10 Creditors: amounts falling due within one year**

	1994 £	1993 £
Bank loans	11,132	-
Bank overdraft	42,960	41,830
Trade creditors	82,098	152,219
Corporation tax	3,914	-
Other taxation and social security	12,980	565
Other creditors	-	5,528
Accruals and deferred income	13,647	16,651
	<u>166,731</u>	<u>216,793</u>

The bank loan and overdraft is secured by a fixed and floating charge over the assets and related undertakings of the company.

**11 Creditors: amounts falling due after more than one year**

	1994 £	1993 £
Bank loans	7,243	-
	<u>7,243</u>	<u>-</u>
<b>Maturity of debt</b>		

Bank loans are repayable as follows:

Wholly repayable within five years:  
repayable by instalments

7,243	-
<u>7,243</u>	<u>-</u>

**12 Provision for liabilities and charges**

	1993 £	Profit and loss account £	Other movements £	1994 £
Deferred taxation (notes 5 and 13)	(681)	36	-	(645)
	<u>(681)</u>	<u>36</u>	<u>-</u>	<u>(645)</u>

NOTES ON FINANCIAL STATEMENTS  
year ended 31st December 1994

13 Deferred taxation

	1994		1993	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Corporation tax deferred by				
Capital allowances in excess	645	645	681	681
	<u>645</u>	<u>645</u>	<u>681</u>	<u>681</u>

The potential liability and provision are based on a corporation tax rate of 25% (1993 25%).

14 Called up share capital

	1994		1993	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted called up and fully paid				
Issued share capital	10,000	10,000	7,000	7,000
	<u>10,000</u>	<u>10,000</u>	<u>7,000</u>	<u>7,000</u>

15 Profit and loss account

	1994 £	1993 £
1st January 1994		
Retained profit/(loss) for the year	20,556 26,752	36,063 (15,507)
31st December 1994	<u>47,308</u>	<u>20,556</u>

16 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit/(loss) for the financial year	26,752	(15,507)
New share capital subscribed	3,000	-
Net addition to/(subtraction from) shareholders' funds	<u>29,752</u>	<u>(15,507)</u>
Opening shareholders' funds	27,556	43,063
Closing shareholders' funds	<u>57,308</u>	<u>27,556</u>