

# **Vitech Scientific Limited**

## **Directors' Report and Financial Statements for the year ended 31st December 1996**

**Company number 1830061  
(England and Wales)**

**Paul Steele Chartered Accountants  
18 Newport Street  
Tiverton Devon**



# Vitech Scientific Limited

## Directors' Report for the year ended 31st December 1996

The directors present their report and the financial statements for the year ended 31st December 1996.

### Principal activities

The company's principal activity continues to be the sales of laboratory equipment.

### Directors

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	Number of shares	
	1996	1995
P J Hooper	70	70
C Bown	<u>30</u>	<u>30</u>

### 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 the profit and 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;
- 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 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.

### Auditors

The auditors, Paul Steele Chartered Accountants, will be proposed for re appointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 28th April 1997, taking advantage of the special exemptions available to small companies.

Signed on behalf of the board of directors



Mrs E C D Hooper  
Company secretary

**Vitech Scientific Limited**  
**Auditors' Report**  
**to the members of Vitech Scientific Limited**

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies on pages 5 and 6.

**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 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



**Paul Steele**  
**Chartered Accountants**

*Registered auditor*

18 Newport Street  
Tiverton  
Devon EX16 6NL

28th April 1997

**Vitech Scientific Limited**  
**Profit and Loss Account**  
**for the year ended 31st December 1996**

	Notes	1996 £	1995 £
Turnover	2	646,064	711,893
Cost of sales		<u>318,243</u>	<u>385,044</u>
Gross profit		327,821	326,849
Distribution costs		<u>235,627</u>	<u>202,509</u>
Administration costs		<u>93,100</u>	<u>98,258</u>
		<u>328,727</u>	<u>300,767</u>
Operating profit	3	( 906 )	26,082
Interest payable		<u>5,290</u>	<u>15,768</u>
Profit on ordinary activities before taxation		( 6,196 )	10,314
Tax on profit on ordinary activities	4	<u>-</u>	<u>1,520</u>
		( 6,196 )	8,794
Loan from overseas company waived		<u>16,625</u>	<u>-</u>
Profit for the financial year		10,429	8,794
Dividends	5	<u>-</u>	<u>-</u>
Retained profit for the year		<u>10,429</u>	<u>8,794</u>

There were no recognised gains or losses other than those included in the profit and loss account.

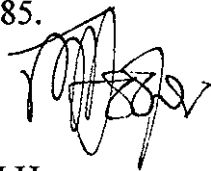
There were no acquisitions or discontinued operations during the current or preceding year.

# Vitech Scientific Limited

## Balance Sheet as at 31st December 1996

		1996	1995
	Notes	£	£
<b>Tangible fixed assets</b>	6	39,826	44,753
<b>Current assets</b>			
Stocks - goods for resale		99,249	100,239
Debtors	7	133,996	248,412
Cash at bank and in hand		16,215	17
		<u>249,460</u>	<u>348,668</u>
<b>Creditors:</b>			
amounts falling due within one year	8	<u>244,068</u>	<u>321,595</u>
<b>Net current assets</b>		<u>5,392</u>	<u>27,073</u>
<b>Total assets less current liabilities</b>		<u>45,218</u>	<u>71,826</u>
<b>Creditors:</b>			
amounts falling due after more than one year	9	17,103	54,140
Provision for liabilities and charges		<u>-</u>	<u>-</u>
		<u>17,103</u>	<u>54,140</u>
		<u>28,115</u>	<u>17,686</u>
<b>Capital and reserves</b>			
Called up share capital	11	105	105
Profit and loss account	12	<u>28,010</u>	<u>17,581</u>
Shareholders' funds	13	<u>28,115</u>	<u>17,686</u>

Approved by the board of directors on 28th April 1997 and signed on its behalf. The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985.



P J Hooper

**Vitech Scientific Limited**  
**Notes to the financial statements**  
**for the year ended 31st December 1996**

**1 Accounting policies**

- **Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

- **Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

- **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis

- **Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

- **Operating leases**

rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

- **Stock and work in progress**

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

# Vitech Scientific Limited

## Notes to the financial statements cont. for the year ended 31st December 1996

### • Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

### • Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### • Foreign currency transactions

Translation is done at the rate applicable at the date of transaction and assets and liabilities at the rate applicable on the balance sheet date.

## 2 Turnover

During the year the company earned its entire turnover in the United Kingdom.  
(1995 - 100%)

## 3 Operating profit

The operating profit is stated after charging:

	1996 £	1995 £
Depreciation of tangible fixed assets		
- owned by the company	1,881	2,780
- held under finance leases	11,395	12,655
Directors' emoluments	117,343	108,406
Auditors' remuneration	2,100	2,100
Interest element of hire purchase contracts	4,039	6,956
Exchange differences	<u>( 8,807 )</u>	<u>2,665</u>

## 4 Taxation

	1996 £	1995 £
UK current year taxation		
UK corporation tax at 25% (1995 - 25%)	-	1,520
Transfer to (from) deferred taxation	<u>-</u>	<u>-</u>
	-	1,520
Prior years		
UK Corporation tax	<u>-</u>	<u>-</u>
	-	1,520

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £nil (1995 £261) due to accelerated capital allowances.

**Vitech Scientific Limited**  
**Notes to the financial statements cont.**  
**for the year ended 31st December 1996**

**5 Dividends**

No dividends were paid or proposed during the year

**6 Tangible fixed assets**

	Motor vehicles £	Fixtures and equipment £	Total £
Cost			
As at 1st January 1996	70,969	24,206	95,175
Additions	12,500	849	13,349
Disposals	( 11,583 )	-	( 11,583 )
As at 31st December 1996	<u>71,886</u>	<u>25,055</u>	<u>96,941</u>
Depreciation			
As at 1st January 1996	30,791	19,631	50,422
Charge for the year	11,920	1,356	13,276
Released on disposal	( 6,583 )	-	( 6,583 )
As at 31st December 1996	<u>36,128</u>	<u>20,987</u>	<u>57,115</u>
Net book value			
As at 31st December 1996	<u>35,758</u>	<u>4,068</u>	<u>39,826</u>
As at 31st December 1995	<u>40,178</u>	<u>4,575</u>	<u>44,753</u>

Included in motor vehicles above are assets held under finance leases or hire purchase contracts costing £60,086. The accumulated depreciation amounts to £25,904 of which £11,395 was charged in the current period.

**7 Debtors**

	1996 £	1995 £
Trade debtors	79,242	171,618
Other debtors	54,754	76,794
Prepayments and accrued income	-	-
	<u>133,996</u>	<u>248,412</u>

Included in debtors is an interest free loan of £36,365 (1995 - £60,114) to P J Hooper, a director. The maximum amount outstanding during the year was £75,637.

# Vitech Scientific Limited

## Notes to the financial statements cont. for the year ended 31st December 1996

### 8 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank loans and overdrafts (secured)	-	29,667
Vital Scientific NV loan	-	19,975
Net obligations under finance leases and hire purchase contracts (secured)	14,639	16,627
Trade creditors	106,797	139,606
Corporation tax	-	1,520
Other taxation and social security costs	73,067	66,724
Accruals and deferred income	49,565	47,476
	<u>244,068</u>	<u>321,595</u>

### 9 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Bank loans (secured)	-	18,053
Vital Scientific NV loan	-	13,650
Net obligations under finance leases and hire purchase contracts (secured)	17,103	22,437
	<u>17,103</u>	<u>54,140</u>

### 10 Deferred taxation

	Provided		Unprovided	
	1996 £	1995 £	1996 £	1995 £
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>-</u>	<u>261</u>

### 11 Share capital

	1996 £	1995 £
Ordinary shares of £1 each Authorised	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid	<u>105</u>	<u>105</u>

**Vitech Scientific Limited**  
**Notes to the financial statements cont.**  
**for the year ended 31st December 1996**

**12 Profit and loss account**

	1996	1995
	£	£
Balance at 1st January 1996	17,581	8,787
Profit retained for the year	10,429	8,794
Balance at 31st December 1996	<u>28,010</u>	<u>17,581</u>

**13 Reconciliation of movement in shareholders funds**

	1996	1995
	£	£
Profit for the year	10,429	8,794
Dividend	-	-
Net additions during the year	10,429	8,794
Shareholders funds as at 1st January 1996	17,686	8,892
Shareholders funds as at 31st December 1996	<u>28,115</u>	<u>17,686</u>

**14 Contingent liabilities**

The company had contingent liabilities in respect of foreign exchange contracts and bonds given by the company's bankers amounting to £14,000 (1995 - £13,000)

**15 Capital commitments**

At the year end the company had capital commitments as follows.

	1996	1995
	£	£
Contracted for but not provided in these accounts	-	-
Authorised by the directors but not contracted for	-	-

**16 Finance leases and hire purchase contracts**

The future minimum lease payments to which the company is committed under finance leases and hire purchase contracts are as follows:

	1996	1995
	£	£
Within one year	16,753	20,445
Between one and two years	19,516	26,532
Between two and five years	541	-
	<u>36,810</u>	<u>46,977</u>
Interest included above	5,068	7,913
	<u>31,742</u>	<u>39,064</u>
Obligations payable within one year	<u>14,639</u>	<u>16,627</u>
Obligations due after more than one year	<u>17,103</u>	<u>22,437</u>