

Company Number: 1850377

QS Enterprises Limited

Report and Accounts
March 31, 1996



QS ENTERPRISES LIMITEDDirectors

G R Petty
A Wheatley

Secretary

A Wheatley

Auditors

Davison and Shingleton
Boundary House
91-93 Charterhouse Street
London
EC1M 6HR

Bankers

The Royal Bank of Scotland plc
Great Ormond Street Branch
28 Great Ormond Street
London
WC1N 3JG

Registered Office

Queen Square Imaging Centre
8-11 Queen Square
London
WC1N 3BG

Company Number

1850377

OS ENTERPRISES LIMITEDDIRECTORS' REPORT

The directors present their report and accounts for the year ended March 31, 1996.

Results and dividends

The trading profit, after taxation, amounted to £243,578 (1995 : £155,230). This very satisfactory result reflected the continuing demand for high quality imaging which the company was able to offer utilising an IGE Signa Advantage System. A final dividend payment of £120,000 was made during the year, and in line with the company's policies was passed to the charitable Endowment Fund of the National Hospital for Neurology and Neurosurgery for the purchase of medical equipment to benefit the hospital.

Principal activity and future development

The company's principal activity during the year continued to be that of providing a clinical magnetic resonance imaging scanning service to patients from the NHS and private sectors. During the year plans were approved by the directors to enhance the capability of the imaging system still further in financial year 1996/97 by fitting IGE's Horizon Hispeed upgrade to provide enhanced gradient performance to the Signa System. Associated options for Fast Spin Echo and Echo Planer Imaging will also be included. These improvements will continue to ensure that the company can offer a high quality service based upon the latest available technology.

Directors and their interests

The directors who served during the year and their interests in the share capital of the company were as follows:

G R Petty
A Wheatley

There are no directors' interests requiring disclosure under the Companies Act 1985.

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts 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 year. In preparing those accounts, the directors are required to:

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

The directors confirm that the accounts comply with the above requirements.

QS ENTERPRISES LIMITEDDIRECTORS' REPORT

(continued)

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 accounts 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.

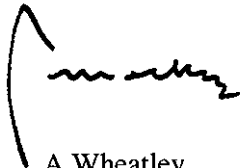
Auditors

Subsequent to the year end Coopers & Lybrand resigned as auditors. The directors appointed Davison and Shingleton to fill the casual vacancy. A resolution to reappoint Davison and Shingleton as auditors will be put at the Annual General Meeting.

Small company exemptions

Advantage is taken in the preparation of the Directors' Report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985

BY ORDER OF THE BOARD



A Wheatley
Secretary

December 18, 1996



REPORT OF THE AUDITORS
TO THE MEMBERS OF QS ENTERPRISES LIMITED

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 2 and 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at March 31, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies.

Davison and Shingleton.

Davison and Shingleton
Chartered Accountants
Registered Auditor

December 20, 1996

QS ENTERPRISES LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 1996

	<i>Notes</i>	1996 £	1995 £
Turnover	2	1,354,243	1,223,984
Administrative expenses		1,041,800	1,033,017
Operating profit	3	312,443	190,967
Bank interest receivable		13,993	4,465
Interest payable		(3,600)	(3,381)
		10,393	1,084
Profit on ordinary activities before taxation		322,836	192,051
Taxation charge on profit on ordinary activities		(79,258)	(36,821)
Profit for the financial year		243,578	155,230
Dividends		(120,000)	(160,000)
Retained profit/(deficit) for the financial year		123,578	(4,770)
Retained profit brought forward		397,061	401,831
Retained profit carried forward		£520,639	£397,061

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR MARCH 31, 1996

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £243,578 in the year ended March 31, 1996, and £155,230 in the year ended March 31, 1995.

QS ENTERPRISES LIMITEDBALANCE SHEET AT MARCH 31, 1996

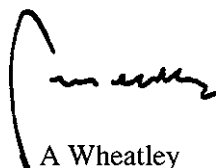
	Notes	£	1996 £	1995 £
Fixed assets:				
Tangible assets	4		413,237	461,433
Current assets:				
Debtors	5	132,616		198,806
Cash at bank and in hand		283,018		272,558
		-----		-----
		415,634		471,364
Creditors: amounts falling due within one year	6	233,288		451,349
		-----		-----
Net current assets			182,346	20,015
			-----	-----
Total assets less current liabilities			595,583	481,448
Provisions for liabilities and charges	7		74,942	84,385
			-----	-----
			£520,641	£397,063
			=====	=====
Capital and reserves:				
Equity share capital	8		2	2
Profit and loss account	9		520,639	397,061
			-----	-----
Shareholders' funds			£520,641	£397,063
			=====	=====

Advantage is taken in the preparation of the accounts of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. In the directors' opinion the company is entitled to those exemptions as a small company.

Approved by the Board on December 18, 1996
and signed on its behalf by



G R Petty
Director



A Wheatley
Director

QS ENTERPRISES LIMITEDNOTES TO THE ACCOUNTS AT MARCH 31, 19961. Accounting policiesAccounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	-	over the lease term
Furniture, medical and office equipment	-	over 3 to 5 years
Computer equipment	-	over 2 to 3 years

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that the timing differences will reverse.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, all of which are continuing, stated net of value added tax.

3. Operating profit

	1996 £	1995 £
This is stated after charging:		
Auditors' remuneration	4,680	9,500
Directors' remuneration	-	-
Depreciation of owned fixed assets	74,489	89,357
Operating lease rentals	428,260	421,069
	<u> </u>	<u> </u>

QS ENTERPRISES LIMITEDNOTES TO THE ACCOUNTS AT MARCH 31, 1996

(continued)

4. Tangible fixed assets

	<i>Leasehold improvements</i> £	<i>Furniture, medical and office equipment</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost:				
At April 1, 1995	572,325	86,030	63,338	721,693
Additions	-	16,148	10,145	26,293
	-----	-----	-----	-----
At March 31, 1996	572,325	102,178	73,483	747,986
	-----	-----	-----	-----
Depreciation:				
At April 1, 1995	154,294	59,300	46,666	260,260
Provided during the year	38,155	16,256	20,078	74,489
	-----	-----	-----	-----
At March 31, 1996	192,449	75,556	66,744	334,749
	-----	-----	-----	-----
Net book value:				
At March 31, 1996	£379,876	£26,622	£6,739	£413,237
	=====	=====	=====	=====
At April 1, 1995	£418,031	£26,730	£16,672	£461,433
	=====	=====	=====	=====

5. Debtors

	1996 £	1995 £
Trade debtors	124,662	157,614
Other debtors	-	40,000
Prepayments	7,954	1,192
	-----	-----
	£132,616	£198,806
	=====	=====

QS ENTERPRISES LIMITEDNOTES TO THE ACCOUNTS AT MARCH 31, 1996

(continued)

6. Creditors: amounts falling due within one year

	1996 £	1995 £
Loan from the National Hospital for Neurology and Neurosurgery Endowment Trust	50,000	50,000
Amounts due to the National Hospital for Neurology and Neurosurgery	52,741	253,784
Corporation tax	67,051	68,152
Other creditors	63,496	79,413
	<u>£233,288</u>	<u>£451,349</u>

7. Provisions for liabilities and charges

	1996 £	1995 £
At April 1, 1995	84,385	76,704
Credited to profit and loss account	(9,443)	7,681
At March 31, 1996	<u>£74,942</u>	<u>£84,385</u>

The provisions for liabilities and charges consists of a provision for deferred taxation. The amounts of deferred tax provided and not provided as at the year ended were as follows:

	<i>Provided</i>		<i>Not provided</i>	
	1996 £	1995 £	1996 £	1995 £
Capital allowances in advance of depreciation	<u>£74,942</u>	<u>£84,385</u>	<u>£Nil</u>	<u>£Nil</u>

8. Equity share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1996 No.	1995 No.	1996 £	1995 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>£ 2</u>	<u>£ 2</u>

QS ENTERPRISES LIMITEDNOTES TO THE ACCOUNTS AT MARCH 31, 1996

(continued)

9. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total Shareholders' funds</i> £
Balance at April 1, 1994	2	401,831	401,833
Profit attributable to members of the company	-	155,230	155,230
Dividends	-	(160,000)	(160,000)
	-----	-----	-----
Balance at March 31, 1995	2	397,061	397,063
Profit attributable to members of the company	-	243,578	243,578
Dividends	-	(120,000)	(120,000)
	-----	-----	-----
Balance at March 31, 1996	£ 2	£520,639	£520,641
	=====	=====	=====

10. Other financial commitments

At March 31, 1996 the company had annual commitments under non-cancellable operating leases as set out below:

	1996 £	<i>Other</i> 1995 £
Operating leases which expire: within two to five years	£604,120	£428,260
	=====	=====