

QS Enterprises Limited

Report and Accounts
March 31, 1998

Davison and Shingleton
Chartered Accountants



QS ENTERPRISES LIMITEDDirectors

S Griffiths
G R Petty
A Wheatley

Secretary

G R Petty

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

QS ENTERPRISES LIMITEDDIRECTORS' REPORT

The directors present their report and accounts for the year ended March 31, 1998.

Results and dividends

The trading profit, after taxation, amounted to £386,929 (1997 : £245,390). This 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 £300,000 was made during the year, and in line with the company's policies was passed to the Charitable Funds of the National Hospital for Neurology and Neurosurgery for the purchase of medical equipment to benefit the hospital. The hospital is within the University College London Hospitals NHS Trust.

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 the company successfully acquired ISO 9,002 accreditation. The policy of the company is to provide a high quality service based upon the latest available technology and an upgrade to the Horizon LX platform is planned for the coming year.

Directors and their interests

The directors who served during the year were as follows:

S Griffiths (appointed February 10, 1998)
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

Davison and Shingleton have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be put to the members 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



G R Petty
Secretary

July 13, 1998



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, 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Davison and Shingleton

Davison and Shingleton
Chartered Accountants
Registered Auditor

August 5, 1998

QS ENTERPRISES LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 1998

	<i>Notes</i>	1998	1997
		£	£
Turnover	2	1,815,755	1,511,530
Administrative expenses		1,357,306	1,197,515
Operating profit	3	458,449	314,015
Bank interest receivable	24,770		13,553
Interest payable	-		(1,070)
		24,770	12,483
Profit on ordinary activities before taxation		483,219	326,498
Taxation charge on profit on ordinary activities		(96,290)	(81,108)
Profit for the financial year		386,929	245,390
Dividends		(300,000)	(120,000)
Retained profit for the financial year		86,929	145,390
Retained profit brought forward		666,029	520,639
Retained profit carried forward		£752,958	£666,029

QS ENTERPRISES LIMITEDBALANCE SHEET AT MARCH 31, 1998

	Notes	£	1998 £	1997 £
Fixed assets:				
Tangible assets	4		395,421	412,754
Current assets:				
Debtors	5	201,502		269,070
Cash at bank and in hand		484,466		390,828
		-----		-----
		685,968		659,898
Creditors: amounts falling due within one year	6	253,703		329,066
		-----		-----
Net current assets			432,265	330,832
			-----	-----
Total assets less current liabilities			827,686	743,586
Provisions for liabilities and charges	7		74,726	77,555
			-----	-----
			£752,960	£666,031
			=====	=====
Capital and reserves:				
Equity share capital	8		2	2
Profit and loss account	9		752,958	666,029
			-----	-----
Shareholders' funds			£752,960	£666,031
			=====	=====

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved by the Board on July 13, 1998
and signed on its behalf by



G R Petty
Director



S Griffiths
Director

QS ENTERPRISES LIMITEDNOTES TO THE ACCOUNTS AT MARCH 31, 19981. 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 15 years
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, stated net of value added tax.

3. Operating profit

	1998 £	1997 £
This is stated after charging:		
Auditors' remuneration	5,000	5,250
Directors' remuneration	-	-
Depreciation of owned fixed assets	60,935	55,609
Operating lease rentals	604,361	516,190
	<u>604,361</u>	<u>516,190</u>

QS ENTERPRISES LIMITEDNOTES TO THE ACCOUNTS AT MARCH 31, 1998

(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, 1997	613,112	116,517	73,483	803,112
Additions	5,087	5,052	33,463	43,602
Disposals	-	(3,014)	-	(3,014)
	-----	-----	-----	-----
At March 31, 1998	618,199	118,555	106,946	843,700
	-----	-----	-----	-----
Depreciation:				
At April 1, 1997	231,962	87,339	71,057	390,358
Provided during the year	40,913	11,842	8,180	60,935
Disposals	-	(3,014)	-	(3,014)
	-----	-----	-----	-----
At March 31, 1998	272,875	96,167	79,237	448,279
	-----	-----	-----	-----
Net book value:				
At March 31, 1998	£345,324	£22,388	£27,709	£395,421
	=====	=====	=====	=====
At April 1, 1997	£381,150	£29,178	£2,426	£412,754
	=====	=====	=====	=====

5. Debtors

	1998 £	1997 £
Trade debtors	189,300	228,458
Other debtors	12,202	40,612
	-----	-----
	£201,502	£269,070
	=====	=====

QS ENTERPRISES LIMITEDNOTES TO THE ACCOUNTS AT MARCH 31, 1998
(continued)6. Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	14,055	13,063
Corporation tax	120,021	78,382
Other creditors	119,627	237,621
	<u>£253,703</u>	<u>£329,066</u>

7. Provisions for liabilities and charges

	1998 £	1997 £
At April 1, 1997	77,555	74,942
(Credited)/charged to profit and loss account	(2,829)	2,613
At March 31, 1998	<u>£74,726</u>	<u>£77,555</u>

The amounts of deferred taxation provided and not provided as at the year end were as follows:

	<i>Provided</i>		<i>Not provided</i>	
	1998	1997	1998	1997
	£	£	£	£
Capital allowances in advance of depreciation	<u>£74,726</u>	<u>£77,555</u>	<u>£Nil</u>	<u>£Nil</u>

8. Equity share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1998	1997	1998	1997
	No.	No.	£	£
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, 1998
(continued)9. Reserves

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total shareholders' funds</i> £
Balance at March 31, 1997	2	666,029	666,031
Profit attributable to members of the company	-	386,929	386,929
Dividends	-	(300,000)	(300,000)
Balance at March 31, 1998	<u>£ 2</u>	<u>£752,958</u>	<u>£752,960</u>

10. Other financial commitments

At March 31, 1998 the company had annual commitments under non-cancellable operating leases as set out below:

	1998 £	<i>Other</i> 1997 £
Operating leases which expire:		
in less than one year	604,361	-
within two to five years	-	604,120
	<u>£604,361</u>	<u>£604,120</u>

11. Related party transactions

Included within administrative expenses is an amount of £300,293 (1997 : £268,682), charged to the company by the National Hospital for Neurology and Neurosurgery. Included within turnover is an amount of £543,614 (1997 : £526,415) charged by the company to the National Hospital for Neurology and Neurosurgery for scanning. Included within trade debtors is an amount of £46,158 (1997 : £122,661) due from the National Hospital for Neurology and Neurosurgery. Included within other creditors is an amount due to the National Hospital for Neurology and Neurosurgery of £22,943 (1997 : £173,279).

On March 19, 1998 the share capital of the company was transferred to the Trustees of the Charitable Funds of The University College London Hospitals NHS Trust.