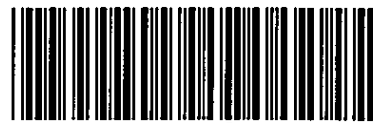


**G2 DESIGN LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 December 2006**  
**Registered number 2704165**

THURSDAY



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19/07/2007

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COMPANIES HOUSE

## **DIRECTORS' REPORT**

The directors present their report and audited financial statements for the year ended 31 December 2006

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the exploitation of patent rights

### **RESULTS AND DIVIDENDS**

The audited accounts are set out on pages 5 to 9. The Company did not trade during the year and made neither a profit or a loss (2005 £Nil)

The directors do not recommend the payment of a dividend (2005 £Nil)

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors who held office during the period were

BL Steer  
SJB Shaw

### **DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY**

The interests of BL Steer and SJB Shaw in the share capital of Gyrus Group PLC are disclosed in the annual report and accounts of that company

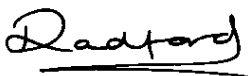
### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

### **AUDITORS**

A resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming annual general meeting

By order of the Board



**AD Radford**  
Company Secretary  
2 July 2007

Fortran Road,  
St Mellons,  
Cardiff,  
CF3 0LT

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

The financial statements are required by law to give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period

In preparing these 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,

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

- 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law the Directors are also responsible for preparing the Directors' Report that complies with that law.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G2 DESIGN LIMITED**

We have audited the financial statements of G2 Design Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account and the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our Audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of our audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 consider 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 evaluate 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its result for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*WPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
Arlington Business Park  
Theale  
Reading  
Berkshire  
RG7 4SD  
02-Jul-07

**Profit and Loss Account**

For the year ended 31 December 2006

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit or a loss.

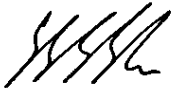
**Balance Sheet**

As at 31 December 2006

	Note	As at 31 December 2006 £000	As at 31 December 2005 £000
<b>Current assets</b>			
Debtors	4	86,687	86,687
<b>Creditors'</b>			
Amounts falling due within one year	5	(940)	(940)
<b>Net current assets</b>		<u>85,747</u>	<u>85,747</u>
<b>Net Assets</b>		<u>85,747</u>	<u>85,747</u>
<b>Capital and reserves</b>			
Share capital	6	11,959	11,959
Profit and loss account	7	73,788	73,788
<b>Equity shareholders' funds</b>	7	<u>85,747</u>	<u>85,747</u>

The accompanying notes are an integral part of the financial statements

These financial statements were approved by the Board of Directors on 2 July 2007 and were signed on its behalf by



**SJB Shaw**  
 Director

## Notes to the Financial Statements

### 1. Accounting policies

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

#### ***Accounting conventions***

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

#### ***Basis of preparation***

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking, and the financial statements of its ultimate parent undertaking, Gyrus Group PLC, are publicly available

The Company has taken advantage of the exemption under Financial Reporting Standard 8 from the requirement to disclose transactions with Group companies

### 2 Result for the financial year

In the year ended 31 December 2006 and the year ended 31 December 2005 audit fees were incurred by the company's ultimate parent undertaking, Gyrus Group PLC

### 3 Staff numbers and costs

The Company had no employees during either year. No fees or other emoluments were paid to the Company's Directors during either years



**Notes to the Financial Statements (continued)**

**4 Debtors**

	<b>31 December 2006 £</b>	<b>31 December 2005 £</b>
Amounts due from group undertakings	<u>86,687</u>	<u>86,687</u>

All debtors are due within one year

**5 Creditors, amounts falling due within one year**

	<b>31 December 2006 £</b>	<b>31 December 2005 £</b>
Other creditors	<u>940</u>	<u>940</u>

**6. Called up share capital**

	<b>31 December 2006 £</b>	<b>31 December 2005 £</b>
Authorised, allotted, called up and fully paid Ordinary shares of £1 each	<u>11,959</u>	<u>11,959</u>

**7. Reconciliation of movements in shareholders' funds**

	Share capital £	Profit and loss £	<b>Total 2006 £</b>	<b>Total 2005 £</b>
At beginning of year	11,959	73,788	<b>85,747</b>	85,747
Profit for the financial year	-	-	-	-
At end of year	<u>11,959</u>	<u>73,788</u>	<u><b>85,747</b></u>	<u>85,747</u>

**8. Financial commitments**

There were no financial commitments at the current or preceding balance sheet date

## **9 Ultimate parent undertaking and controller**

The immediate parent undertaking is Gyrus Medical Limited. The ultimate parent undertaking and controller of the Company is Gyrus Group PLC, a company registered in England and Wales, which heads the only group that prepares consolidated financial statements including those of G2 Design Limited. Copies of the financial statements of Gyrus Group PLC can be obtained from the Registrar of Companies or from the Company Secretary, Fortran Road, St Mellons, Cardiff, CF3 0LT.