

# **G2 Design Limited**

## **Directors' report and financial statements**

**30 June 1996**

Registered number 2704165



# G2 Design Limited

## Directors' report and financial statements

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# G2 Design Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year to 30 June 1996.

### Principal activities

The company's main activity is the exploitation of patent rights.

### Business review

The planned exploitation of the company's patent rights has not proceeded as forecast last year, and no royalty income has been earned in the year.

Gyrus Medical Limited, a related company, has recently signed contracts with a third party involving the exploitation of the company's patents which should result in future earnings.

### Proposed dividend

The directors do not recommend the payment of a dividend (1995: £Nil).

### Proposed transfer to reserves

The loss for the year retained in the company is £12,375 (1995: Loss £3,833).

### Directors and directors' interests

The directors who held office during the period were as follows:

N M Goble  
C C O Goble  
L Rostron  
H W Battcock

The directors who held office at the end of the financial period had the following interest in the shares of the company as recorded in the register of directors' share interests:

	Class of share	30 June 1996	30 June 1995
N M Goble	Ordinary shares	3,050	3,050
C C O Goble	Ordinary shares	3,049	3,049

# G2 Design Limited

## Directors' report (*continued*)

### Statement of 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 or 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 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.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to reappoint KPMG as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



**C C O Goble**  
*Director*

Fountain Lane  
St Mellons  
CARDIFF

*11 September* 1996



Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff CF2 1TE

## Auditors' report to the members of G2 Design Limited

We have audited the financial statements on pages 4 to 8.

### *Respective responsibilities of directors and auditors*

As described on page 2 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 30 June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
Registered Auditors

13<sup>th</sup> September 1996

# G2 Design Limited

## Profit and loss account for the year ended 30 June 1996

	<i>Note</i>	<b>1996</b> £	1995 £
<b>Turnover</b>		-	-
<b>Cost of sales</b>		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
<b>Administrative expenses</b>		<b>(12,375)</b>	<b>(3,833)</b>
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	<b>(12,375)</b>	<b>(3,833)</b>
<b>Tax on (loss)/profit on ordinary activities</b>	<b>4</b>	-	-
		<hr/>	<hr/>
<b>Loss for the year retained</b>		<b>(12,375)</b>	<b>(3,833)</b>
		<hr/>	<hr/>

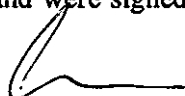
The above represents all the recognised gains and losses for both financial years.

# G2 Design Limited

## Balance sheet at 30 June 1996

	Note	1996 £	1995 £
<b>Fixed assets</b>			
Intangible assets	5	1,067	4,879
<b>Current assets</b>			
Debtors	6	12,750	12,750
Cash at bank and in hand		-	7
		<u>12,750</u>	<u>12,757</u>
Creditors: amounts falling due within one year	7	(24,270)	(15,714)
Net current liabilities		<u>(11,520)</u>	<u>(2,957)</u>
Net assets		<u>(10,453)</u>	<u>1,922</u>
<b>Capital and reserves</b>			
Called up share capital	8	11,959	11,959
Profit and loss account		(22,412)	(10,037)
Shareholders' funds	9	<u>(10,453)</u>	<u>1,922</u>

These financial statements were approved by the board of directors on 11 September 1996 and were signed on its behalf by:



**C C O Goble**  
Director

# G2 Design Limited

## Notes

*(forming part of 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.

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Intangible assets*

Expenditure on acquisition of patents and licences is capitalised and written off over the period in which income from such patents and licences is anticipated to arise.

Expenditure on maintenance of patents and licences is written off as it is incurred.

#### *Income from Royalties*

Income from Royalties is included in the profit and loss account in the period in which it is earned.

### 2 Loss on ordinary activities before taxation

	1996	1995
	£	£
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Amortisation of intangible assets	3,812	610
Directors' emoluments	-	-
Auditors remuneration and expenses	940	855
	<hr/>	<hr/>

### 3 Staff numbers and costs

During the period the company had no employees other than the directors.

### 4 Taxation

Based on the company's result for the period there is no charge to UK corporation tax.

# G2 Design Limited

## Notes (continued)

### 5 Intangible assets

	Patent £
<i>Cost</i>	
At beginning and end of year	6,099
<i>Amortisation</i>	
At beginning of year	1,220
Charge for year	3,812
At end of year	5,032
<i>Net book value</i>	
At 30 June 1996	1,067
At 30 June 1995	4,879

### 6 Debtors

	1996 £	1995 £
Amounts owed by related party	12,750	12,750
	12,750	12,750

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

	1996 £	1995 £
Accruals	940	855
Other creditors	12,750	12,750
Amounts owed to related party	10,580	2,109
	24,270	15,714

# G2 Design Limited

## Notes (continued)

### 8 Called up share capital

	1996 £	1995 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>11,959</u>	<u>11,959</u>

### 9 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Loss for the financial year	(12,375)	(3,833)
Opening balance on shareholders' funds	<u>1,922</u>	<u>5,755</u>
Closing balance on shareholders' funds	<u>(10,453)</u>	<u>1,922</u>

### 10 Capital commitments

There were no capital commitments at the balance sheet date.

### 11 Related party transactions

The company has entered into a Royalty agreement with Gyrus Medical Limited, a company which has common directors and shareholders.

For part of the year all expenses have been dealt with through an inter-company account with Gyrus Medical Limited. No charges have been made by Gyrus Medical Limited for the services it has provided the company and no interest arises on the amount it owes to the company.