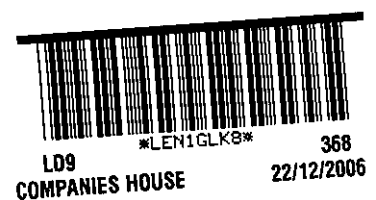


Company Registration No.2935367 (England and Wales)

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2006



CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2006

The directors present their report and financial statements for the period ended 28 February 2006.

Principal activities and review of the business

During the period CICS Holdings Limited, the parent company of Cross Infection Control Systems (CICS) Limited, was acquired by Healthcare Enterprise Group PLC. The company traded up to 15 August 2005 when all the assets were transferred to Healthcare Sales & Services Limited. During the period the company changed its accounting reference date to 28 February.

Results and dividends

The results for the period are set out on page 3. The directors approved payment of a dividend of £265,283.

Directors and their interests

The following directors held office during the year:

BL Steer	(Resigned 15 June 2005)
BC Steer	(Resigned 15 June 2005)
S Bruck	(Appointed 15 June 2005, resigned 15 November 2005)
J Bradshaw	(Appointed 15 June 2005, resigned 15 November 2005)
G A Wood	(Appointed 15 June 2005, resigned 1 November 2006)
L J Gaborit	(Appointed 15 November 2005)
H J M Tompkins	(Appointed 1 October 2006)
G P Ffoulkes-Davies	(Appointed 1 December 2006)

The directors hold no beneficial interests in the shares of the company. The interests of the directors in the shares of the ultimate parent company are disclosed in the financial statements of that company with the exception of G P Ffoulkes-Davies who was interested in Nil ordinary shares of 2.5p each in Healthcare Enterprise Group PLC at 28 February 2006.

Auditors

During the year HLB AV Audit plc were appointed as auditors, and changed their name on 1 April 2006 to HLB Vantis Audit plc. The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, HLB Vantis Audit plc, will be deemed to be reappointed for each succeeding financial year.

The company has dispensed with the need to hold Annual General Meetings in accordance with Section 366A of the Companies Act 1985 and the Directors shall not be required to lay accounts and reports before the company in general meetings in accordance with Section 252 of the Companies Act 1985.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2006

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

By order of the board



L. J. Gaborit
Director
20 December 2006

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

We have audited the financial statements of Cross Infection Control Systems (CICS) Limited on pages 5 to 11 for the period ended 28 February 2006. These financial statements have been prepared in accordance with 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 transactions with the company 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board except that the scope of our work was limited as explained below. 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. However, the evidence available to us was limited because the company was not subject to an audit for the year ended 31 October 2004 and no audit opinion was formed on the opening balances for the current year or on the comparative figures. Any adjustment to those figures would have a consequential significant effect on the result for the period to 28 February 2006. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF CROSS INFECTION CONTROL SYSTEMS (CICS)
LIMITED**

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the opening balance sheet, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2006, and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to opening balances:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

HLB Vantis Audit plc

HLB Vantis Audit plc

Registered Auditor

21 December 2006

66 Wigmore Street
London
W1U 2SB

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 28 FEBRUARY 2006**

	Notes	Period ended 28 February 2006 £	Year ended 31 October 2004 £
Turnover	2	549,191	642,472
Cost of sales		(292,685)	(335,945)
Gross profit		256,506	306,527
Operating costs		(82,754)	(91,819)
Operating profit	3	173,752	214,708
Interest receivable		7,960	9,566
Profit on ordinary activities before taxation		181,712	224,274
Tax on profit on ordinary activities	4	(35,832)	(42,366)
Profit for the year	10	145,880 =====	181,908 =====

All operations have been discontinued at the period end.


There are no recognised gains and losses for the financial period and preceding financial year other than as stated in the profit and loss account.

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

**BALANCE SHEET
AS AT 28 FEBRUARY 2006**

	Notes	£	2006 £	2004 £	£
Fixed assets					
Tangible assets	6		-		3,947
					<u>3,947</u>
Current assets					
Stocks – finished goods and goods for resale		-		64,152	
Debtors	7	460,121		244,452	
Cash at bank and in hand		-		410,513	
					<u>719,117</u>
Creditors: amounts falling due within one year	8	-		(143,540)	
					<u>575,577</u>
Net current assets			460,121		
Total assets less current liabilities			<u>460,121</u>		<u>579,524</u>
Capital and reserves					
Called up share capital	9		30,000		30,000
Profit and loss account	10		430,121		549,524
					<u>579,524</u>
Shareholders' funds	11		<u>460,121</u>		<u>579,524</u>

The financial statements were approved by the Board on 20 December 2006 and authorised for issue by



 L J Gaborit
 Director

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, except that the *going concern assumption does not apply since the company transferred its business and assets to Healthcare Sales & Service Limited on 15 August 2005*. There is no material effect on the values of assets and liabilities shown in the balance sheet and no adjustments have been made.

1.3 Turnover

Turnover represents amounts receivable for goods net of VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings 20% on cost

1.5 Stock

Stocks are valued at the lower of cost and net realisable value. Provisions are made for obsolete, slow moving and defective stock where appropriate.

2 Turnover

	Turnover	
	Period ended 28 February 2006 £	Year ended 31 October 2004 £
Geographical market		
United Kingdom	549,191	642,472

3 Operating profit

	Period ended 28 February 2006 £	Year ended 31 October 2004 £
Operating profit is stated after charging:		
Depreciation of tangible assets	-	800
Loss on foreign exchange	-	282

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2006

4 Taxation

	Period ended 28 February 2006 £	Year ended 31 October 2004 £
Current tax: UK corporation tax	35,832	42,366
Deferred tax	-	-
	<hr/> 35,832	<hr/> 42,366
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	181,712	224,274
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax at 30% (2004: 30.00%)	54,514	67,282
	<hr/>	<hr/>
Effects of:		
Non deductible expenses	-	-
Depreciation add back net of capital allowances	-	-
Adjustment to previous periods	-	-
Other tax adjustments	-	-
Tax paid at lower rates	(18,682)	(24,916)
Group relief	-	-
	<hr/> (18,682)	<hr/> (24,916)
	<hr/>	<hr/>
Current tax charge	35,832	42,366
	<hr/>	<hr/>

5 Dividends

	Period ended 28 February 2006 £	Year ended 31 October 2004 £
Ordinary 'A' shares of £1 each	132,642	15,625
Ordinary 'B' shares of £1 each	132,641	15,625
	<hr/> 265,283	<hr/> 31,250

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2006**

6 Tangible fixed asset

	Fixture and fittings £
Cost	
At 1 November 2004	17,219
Intra-group transfers	(17,219)
Additions	-
Disposals	-
	<hr/>
At 28 February 2006	-
Depreciation	
At 1 November 2004	13,272
Intra-group transfers	(13,272)
Charge for the year	-
On disposal	-
	<hr/>
At 28 February 2006	-
Net book value	
At 28 February 2006	-
	<hr/>
At 31 October 2004	3,947
	<hr/>

7 Debtors

	2006 £	2004 £
Trade debtors	-	92,419
Other debtors	-	2,000
Due from group undertakings	460,121	146,200
Prepayments	-	3,833
	<hr/>	<hr/>
	460,121	244,452
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

	2006 £	2004 £
Trade creditors	-	44,052
VAT	-	13,943
Corporation tax	-	42,366
Taxes and social security costs	-	1,058
Directors current account	-	32,909
Accrued expenses	-	9,212
	<hr/>	<hr/>
	-	143,540
	<hr/>	<hr/>

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2006

9 Share capital

	2006 £	2004 £
Authorised		
15,000 Ordinary 'A' shares of £1 each	15,000	15,000
15,000 Ordinary 'B' shares of £1 each	15,000	15,000
70,000 Ordinary shares of £1 each	70,000	70,000
	<hr/>	<hr/>
	100,000	100,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
15,000 Ordinary 'A' shares of £1 each	15,000	15,000
15,000 Ordinary 'B' shares of £1 each	15,000	15,000
	<hr/>	<hr/>
	30,000	30,000
	<hr/>	<hr/>

All the different classes of share rank pari passu.

10 Statement of movements on reserves

	Profit and loss account £
Balance at 1 November 2004	549,524
Retained profit for the period	145,880
Dividend	(265,283)
	<hr/>
Balance at 28 February 2006	430,121
	<hr/>

11 Reconciliation of movements in shareholders' funds

	2006 £	2004 £
Profit for the financial period	145,880	181,908
Dividends	(265,283)	(31,250)
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(119,403)	150,658
Opening shareholders' funds	579,524	428,866
	<hr/>	<hr/>
Closing shareholders' funds	460,121	579,524
	<hr/>	<hr/>

12 Directors' emoluments

	2006 £	2004 £
Emoluments for qualifying services	14,889	23,000
	<hr/>	<hr/>

CROSS INFECTION CONTROL SYSTEMS (CICS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2006

13 Employees

Number of employees

The average monthly number of employees (including directors) during the year was 2 (2004:2).

	2006	2004
	£	£
Employment costs		
Wages and salaries	37,491	47,000
Social security costs	3,562	4,808
Other pension costs	-	-
	<hr/>	<hr/>
	41,055	51,808
	<hr/>	<hr/>

14 Control

The immediate parent company is C.I.C.S Holdings Limited, a company registered in England and Wales.

The ultimate parent company is Healthcare Enterprise Group PLC, a company registered in England and Wales.

Healthcare Enterprise Group PLC prepares group financial statements and copies can be obtained from The Registrar of Companies, Crown Way, Cardiff.

15 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.