

**HEALTHCARE SERVICES GROUP PLC**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR**  
**FROM 1 JULY 1999 TO 30 JUNE 2000**  
**Registered No. 3290933**



**HEALTHCARE SERVICES GROUP PLC**

**COMPANY INFORMATION  
AT 30 JUNE 2000**

**DIRECTORS**

A J Fall  
G Wilson

**SECRETARY**

J S Boyle

**REGISTERED OFFICE**

The Ridgeway  
Iver  
Bucks  
SL0 9JO

**AUDITORS**

Morison Blueprint  
Chartered Accountants  
Prudential Buildings  
Epsom Road  
Guildford  
Surrey  
GU1 3JW

**PRINCIPAL BANKERS**

Lloyds TSB Bank plc  
49/51 Dean Street  
Marlow  
Bucks  
SL7 3BP

# **HEALTHCARE SERVICES GROUP PLC**

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# **HEALTHCARE SERVICES GROUP PLC**

## **DIRECTORS' REPORT FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000**

The directors present their report and the audited financial statements of the company and the group for the year ended 30 June 2000.

### **PRINCIPAL ACTIVITIES**

The principal activities of the group in the period under review were the provision of distribution and warehousing services to the pharmaceutical industry and the provision of sales order processing for customers.

### **BUSINESS REVIEW**

I am delighted to be able to announce the results of the twelve month period to June 2000 which showed another substantial increase in turnover following on from the success of the previous 18 months growth. Turnover has grown from an annualised £22.8 Million to £44.6 Million, an outstanding increase of 96%. This increase is made up of a 38% increase in our core Healthcare Logistics business and an increase of £17.3 Million or 156% in Healthcare Product Services Ltd. For more information on these businesses please refer to the separate individual reports.

Profits have grown from £532,000 to £1.23 Million as the investments of the previous years in staff, warehouse and transport capacity, systems and training have started to bear fruit and to be justified by the increase in volumes. This justifies the boards' change in focus in 1998/9 from investing as required for the current year's growth to investing for the following years projected but as yet uncontracted, growth. Over 1999/2000 we have continued this policy of investment for the future and expect to continue to see the rewards of this in future years.

All departments have worked tremendously hard not only to sell, manage and develop this new business whilst continually improving service levels for existing customers but also to plan and develop new services to enable (next years) future growth.

Our Business Development team have continued to develop leads from Pharmaceutical, Healthcare and Animal Health Companies looking to outsource all of or part of their pre-wholesaling operations or considering a move from their current third party contractor. As the market leader and only service provider solely focussed upon our chosen niche market (that is not jointly owned by a wholesaler), we are usually included on all the tender lists and successfully win, on average, one in every two tenders quoted for.

We have also continued to develop our Commercial Team who are responsible for implementing new business and building and managing the relationship with existing and new customers, ensuring that as an absolute minimum all customers large or small get the service they expect.

Over the last three years, the number of customers, attracted by the quality and added value of the services Healthcare offers, has grown from 45 to 130. The skill and dedication of our team is apparent in our customer retention average of 99% over the same three years.

As we have grown this has necessitated continued investment in and development of our IT systems and support team in addition to a significant increase in the Operational Team and its infrastructure, improved processes and introducing TQM management.

We are now able to respond faster. We deliver a higher quality of service. We innovate, develop and introduce new services and are increasingly being noticed for it by the loyalty of our customers and the development and enthusiasm of our staff.

## HEALTHCARE SERVICES GROUP PLC

### DIRECTORS' REPORT

FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

As I review the year, I believe that we are living the promise of our mission statement to:-

*'Respond, Deliver, Innovate and be Noticed'*

more fully than ever before.

I am particularly delighted to see the development of our Senior and Middle management Teams who have really shone throughout the last year and will lead the future exciting developments of the company. I am also pleased to see so many promotions from within the company as our personal development training programs equip staff with the enthusiasm and ability to do more.

The success and growth of the company over the last year has been thanks to our customers and suppliers, but most of all to our loyal and hard working teams from Cleaners, Drivers and Warehouse persons to Directors. I would like to extend my personal thanks to all for your support and loyalty without none of the above achievements would be possible.

### REVIEW OF THE BUSINESS

The results for the year are shown in the profit and loss account on page 5.

### DIVIDENDS

The directors have paid a number of interim dividends during the period amounting to £77,297 (1999 £31,994).

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	Ordinary shares of 50p each	
	30 June 2000	30 June 1999
A J Fall	400,000	400,000
G Wilson	23,095	23,095

### POLICY ON PAYMENT OF CREDITORS

It is the company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them.

### POLITICAL AND CHARITABLE DONATIONS

During the period, the company made charitable contributions totalling £50 (1999: £528).

# **HEALTHCARE SERVICES GROUP PLC**

## **DIRECTORS' REPORT**

**FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - 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;
- 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.

The directors are responsible for maintaining 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 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**

Morison Stoneham have transferred their audit business to Blueprint Audit Limited trading as Morison Blueprint. In accordance with Section 26 of the Companies Act 1989, Morison Blueprint have been appointed as auditors to succeed Morison Stoneham, and will be proposed for reappointment in accordance with the provisions of Section 385 of the Companies Act 1985.

On behalf of the Board



**J S Boyle**  
Secretary

Date: 16 NOVEMBER 2000

Registered Office:

The Ridgeway  
Iver  
Bucks  
SL0 9JO

## HEALTHCARE SERVICES GROUP PLC

### REPORT OF THE AUDITORS TO THE MEMBERS OF HEALTHCARE SERVICES GROUP PLC FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000

We have audited the financial statements on pages 5 to 20 which have been prepared under the accounting policies set out in note 1 to the financial statements.

#### Respective responsibilities of the directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the 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 an 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 affairs of the company and of the group as at 30 June 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Morison Blueprint  
Registered Auditor  
Chartered Accountants  
Prudential Buildings  
Epsom Road  
Guildford  
GU1 3JW

Date: 16 November 2000

Morison Blueprint is a trading name of Blueprint Audit Limited, a Registered Auditor.

# HEALTHCARE SERVICES GROUP PLC

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000

		2000 £000	18 Months to 30 June 1999 £000
<b>TURNOVER</b>	1.3	44,621	28,669
Cost of sales		(39,094)	(23,228)
<b>GROSS PROFIT</b>		5,527	5,441
Selling and administration expenses		(4,218)	(4,730)
<b>CONSOLIDATED OPERATING PROFIT</b>	2	1,309	711
Interest receivable – bank		1	-
Interest payable and similar charges	4	(78)	(179)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,232	532
Tax on profit on ordinary activities	5	(448)	(176)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		784	356
Dividends	6	(77)	(32)
<b>RETAINED PROFIT FOR THE GROUP FOR THE FINANCIAL PERIOD</b>	18	707	324

No Profit and Loss Account is presented for Healthcare Services Group Plc, as permitted by Section 230 of the Companies Act 1985. The results after taxation of the parent undertaking for the period ended 30 June 2000 showed a profit of £2,612 (1999: £9,150) after group dividends receivable of £77,297 (1999: £74,992).

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial periods.

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the financial period after taxation	784	356
Purchase of own shares	-	(40)
<b>Total recognised gains relating to the period</b>	<b>784</b>	<b>316</b>

The notes on pages 10 to 20 form part of these accounts.

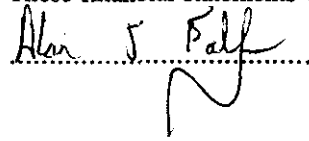


# HEALTHCARE SERVICES GROUP PLC

## CONSOLIDATED BALANCE SHEET AT 30 JUNE 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
<b>FIXED ASSETS</b>					
Intangible assets	7		1,225		1,298
Tangible assets	8		<u>846</u>		<u>947</u>
			2,071		2,245
<b>CURRENT ASSETS</b>					
Stocks	10	57		31	
Debtors	11	7,400		5,992	
Cash at bank and in hand		<u>2,043</u>		<u>336</u>	
		9,500		6,359	
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(9,330)</u>		<u>(7,168)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>170</u>		<u>(809)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,241		1,436
<b>CREDITORS: Amounts falling due after more than one year</b>	13	251		154	
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	<u>6</u>		<u>5</u>	
			<u>(257)</u>		<u>(159)</u>
<b>NET ASSETS</b>			<u>1,984</u>		<u>1,277</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		262		262
Share premium	18		469		469
Capital redemption reserve	18		7		7
Profit and loss account	18		<u>1,246</u>		<u>539</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	18		<u>1,984</u>		<u>1,277</u>

These financial statements were approved by the board on 16 May 2000 and signed on its behalf by:

  
 ..... )  
 ..... )  
 ..... ) Director  
 ..... )  
 ..... )

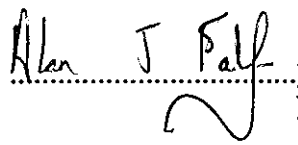
The notes on pages 10 to 20 form part of these financial statements.

# HEALTHCARE SERVICES GROUP PLC

## COMPANY BALANCE SHEET AT 30 JUNE 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
<b>FIXED ASSETS</b>					
Investments	9		2,233		2,233
<b>CURRENT ASSETS</b>					
Debtors	11	18		18	
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(1,295)</u>		<u>(1,500)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,277)</u>		<u>(1,482)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			956		751
<b>CREDITORS: Amounts falling due after more than one year</b>	13		<u>(203)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>753</u>		<u>751</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		262		262
Share premium	18		469		469
Capital redemption reserve	18		7		7
Profit and loss account	18		<u>15</u>		<u>13</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>			<u>753</u>		<u>751</u>

These financial statements were approved by the board on 16 Nov 2000 and signed on its behalf by:

  
 ..... )  
 ..... )  
 ..... ) Directors  
 ..... )  
 ..... )

The notes on pages 10 to 20 form part of these financial statements.

# HEALTHCARE SERVICES GROUP PLC

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000

		2000	2000	18 Months to 30 June	
				1999	1999
	Note	£000	£000	£000	£000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	a		3,304		1,385
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		1		-	
Interest paid		(70)		(138)	
Interest element of hire purchase and finance lease payments		(8)		(41)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(77)		(179)
<b>TAXATION</b>					
Corporation tax paid			(197)		(270)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to acquire tangible fixed assets		(282)		(752)	
Receipts from sale of tangible fixed assets		4		26	
<b>Net cash outflow from investing activities</b>			(278)		(726)
<b>EQUITY DIVIDENDS PAID</b>			(63)		(43)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>			2,689		167
<b>FINANCING</b>					
Proceeds from issue of share capital		-		100	
Redemption of share capital		-		(105)	
Repayment of loans		(868)		(264)	
Net repayment of hire purchase and finance lease contracts		(114)		1	
			(982)		(268)
<b>INCREASE/(DECREASE) IN CASH</b>			1,707		(101)

The notes on pages 10 to 20 form part of these financial statements.

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000

### a) Reconciliation of operating profit to net cash inflow from operating activities:

	2000 £000	1999 £000
Operating profit	1,310	710
Amortisation of goodwill	73	110
Depreciation charge	377	575
Loss/(Profit) on sale of tangible fixed assets	2	(6)
Increase in stocks	(26)	-
Increase in debtors	(1,408)	(4,539)
Increase in creditors	2,976	4,535
	<u>3,304</u>	<u>1,385</u>

### b) Analysis of net debt

	At 1 July 1999 £000	Cash Flow £000	At 30 June 2000 £000
Cash at bank and in hand	336	1,707	2,043
Debt due within one year	(1,220)	1,063	(157)
Debt due after more than one year	(32)	(195)	(227)
Hire purchase and finance lease	(245)	114	(131)
	<u>(1,161)</u>	<u>2,689</u>	<u>1,528</u>

### c) Reconciliation of net cash flow to movement in net debt

	2000 £000	1999 £000
Increase in cash	1,707	(101)
Cash Outflow from loans and loan repayments	868	262
Net repayments on hire purchase and finance leases	114	1
	<u>2,689</u>	<u>162</u>
Movement in net debt		
Net debt at 1 July 1999	<u>(1,161)</u>	<u>(1,323)</u>
Net debt at 30 June 2000	<u>1,528</u>	<u>(1,161)</u>

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000

### 1. PRINCIPAL ACCOUNTING POLICIES

#### 1.1 Basis of accounting

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

#### 1.2 Basis of Consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2000. Inter-group sales and balances are eliminated fully on consolidation.

#### 1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the period.

#### 1.4 Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold land and buildings	2% straight line
Short leasehold land and buildings	10% straight line
Motor vehicles	20-25% straight line
Office furniture and fittings	15% straight line
Computer equipment	25-33% straight line
Warehouse and miscellaneous equipment	10-33% straight line

#### 1.5 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful economic lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

#### 1.6 Deferred taxation

Deferred taxation is provided for using the tax rates estimated to arise when timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

#### 1.7 Investments

Shares held in subsidiary companies are shown at cost, less provision for diminution in value.

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### PRINCIPAL ACCOUNTING POLICIES – continued

#### 1.8 Stocks

Stocks are stated at the lower of cost and net realisable value.

#### 1.9 Contributions to pension funds

Defined contribution scheme.

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

#### 1.10 Goodwill

Goodwill represents the excess of cost over fair value of the group share of tangible assets acquired. In accordance with Financial Reporting Standard 10 such goodwill is capitalised as an intangible asset and is being amortised by equal instalments over 20 years.

#### 1.11 Group Account

The company has taken advantage of Section 230 of the Companies Act 1985 and does not present its own profit and loss account.

### 2. OPERATING PROFIT

	2000 £000	1 January 1998 to 30 June 1999 £000
Operating profit is stated after charging:		
Depreciation of fixed assets	377	575
Amortisation of goodwill	73	110
(Profit)/Loss on disposal of fixed assets	2	(6)
Auditors' remuneration	13	13
Equipment leasing and hire	2,026	1,814
Other operating lease costs	895	1,295

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 3. STAFF COSTS

	2000 £000	1 January 1998 to 30 June 1999 £000
Wages and Salaries	6,152	6,520
Social security costs	464	503
Pension contributions	14	-
	<u>6,630</u>	<u>7,023</u>
Monthly average number of employees	<u>303</u>	<u>220</u>

### DIRECTORS' REMUNERATION

Emoluments	341	342
Money purchase pension contributions	15	-
	<u>356</u>	<u>342</u>
In respect of the highest paid director:		
Emoluments	101	123
Money purchase pension contributions	1	-
	<u>102</u>	<u>123</u>

Pension benefits are accruing to 3 directors (1999: 1) under defined contribution schemes.

### PENSIONS

#### Money purchase (defined contribution) pension scheme

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,502 (1999: £100).

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £000	1999 £000
On bank loans and overdrafts	60	130
Lease finance charges and hire purchase interest	8	41
Other interest	10	8
	<u>78</u>	<u>179</u>

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £000	1 January 1998 to 30 June 1999 £000
Corporation tax payable at 30% (1999: 31%)	411	192
Transfer from deferred tax	1	(7)
Adjustment in respect of prior years	36	(9)
	<u>448</u>	<u>176</u>

### 6. DIVIDENDS PAID OR PROPOSED

	2000 £000	1999 £000
Equity dividends		
On ordinary shares:		
Interim dividends paid	<u>77</u>	<u>32</u>
	<u>77</u>	<u>32</u>

### 7. INTANGIBLE FIXED ASSETS - Group

	Goodwill £000
<b>Cost or valuation</b>	
At 1 July 1999	1,468
Additions	-
	<u>1,468</u>
At 30 June 2000	<u>1,468</u>
<b>Amortisation</b>	
At 1 July 1999	170
Charge for period	73
	<u>243</u>
At 30 June 2000	<u>243</u>
<b>Net Book Value</b>	
At 30 June 2000	<u>1,225</u>
At 1 July 1999	<u>1,298</u>

Goodwill arising on the acquisition on 10 March 1997 of Healthcare Logistics Limited has been capitalised and is being amortised over 20 years from that date.



# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 8. TANGIBLE FIXED ASSETS – Group

	Land and Buildings	Fixtures and Fittings	Motor Vehicles	Other Assets	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 July 1999	310	1,306	201	487	2,304
Additions	42	174	2	64	282
Disposals	(15)	(222)	(147)	(5)	(389)
At 30 June 2000	337	1,258	56	546	2,197
<b>Depreciation</b>					
At 1 July 1999	63	819	171	304	1,357
Charge for period	36	234	12	95	377
On disposals	(12)	(224)	(142)	(5)	(383)
At 30 June 2000	87	829	41	394	1,351
<b>Net Book Value</b>					
At 30 June 2000	250	429	15	152	846
At 1 July 1999	247	487	30	183	947

Other assets incorporate Warehouse and Miscellaneous Equipment.

Included above are assets held under finance leases or hire purchase contracts as follows:

Net Book Value	-	45	13	70	128
Depreciation charge	-	37	9	48	94

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

Analysis of net book value of land and buildings	2000 £000	1999 £000
Freehold	120	123
Short leasehold	130	124
	250	247

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 9. INVESTMENTS - Company

	1 July 1999 £000	Additions £000	30 June 2000 £000
Subsidiary undertakings - cost and net book value	<u>2,233</u>	<u>-</u>	<u>2,233</u>

The company holds 100% of the issued ordinary share capital of the following companies, all of which are incorporated in England and Wales.

Subsidiary undertaking	Principal Activity
Healthcare Logistics Limited	Distribution and warehousing services to the pharmaceutical industry.
Healthcare Product Services Ltd	Provision of sales order processing for customers.
Healthcare Logistics Group Limited	Dormant

On 10 March 1997 Healthcare Services Group Plc acquired Healthcare Logistics Limited for a cash consideration of £2,233,336. Goodwill arising on the acquisition has been capitalised and will be amortised over its expected useful life of 20 years. The total investment is included in the company's balance sheet at its fair value at acquisition.

### 10. STOCK - Group

	2000 £000	1999 £000
Raw materials and consumables	<u>57</u>	<u>31</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 11. DEBTORS

	Group £000	Company £000	1999 Group £000	1999 Company £000
Trade debtors	6,573	-	5,219	-
Corporation Tax	18	18	18	18
Other debtors	144	-	56	-
Prepayments and accrued income	665	-	699	-
	<u>7,400</u>	<u>18</u>	<u>5,992</u>	<u>18</u>

### 12. CREDITORS: Amounts falling due within one year

	2000 Group £000	2000 Company £000	1999 Group £000	1999 Company £000
Bank loans and overdrafts (secured)	157	148	1,220	451
Trade creditors	7,516	-	4,787	-
Net obligations under finance leases and hire purchase contracts	107	-	123	-
Corporation tax	442	1	192	2
Other taxes and social security costs	689	-	521	-
Amounts due to group undertakings	-	1,129	-	1,044
Accruals and deferred income	405	3	325	3
Proposed dividend	14	14	-	-
	<u>9,330</u>	<u>1,295</u>	<u>7,168</u>	<u>1,500</u>

Bank loans and overdrafts amounting to £157,000 (1999: £1,220,000) are secured by a fixed charge over the group's freehold property and a floating charge over its other assets.

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 13. CREDITORS: Amounts falling due after one year

	2000 Group £000	2000 Company £000	1999 Group £000	1999 Company £000
Bank loans and overdrafts (secured)	227	203	32	-
Net obligations under finance leases and hire purchase contracts	24	-	122	-
	<u>251</u>	<u>203</u>	<u>154</u>	<u>-</u>

Bank loans and overdrafts amounting to £227,000 (1999: £32,000) are secured by a fixed charge over the group's freehold property and a floating charge over its other assets.

### 14. BORROWINGS

The borrowings are repayable as follows:

	2000 Group £000	2000 Company £000	1999 Group £000	1999 Company £000
Within one year	<u>157</u>	<u>148</u>	<u>1,220</u>	<u>451</u>
Within one to two years	160	150	9	-
Within two to five years	67	53	23	-
	<u>227</u>	<u>203</u>	<u>32</u>	<u>-</u>
Total Borrowings	<u>384</u>	<u>351</u>	<u>1,252</u>	<u>451</u>

### 15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS - Group

	2000 £000	1999 £000
The group's obligations are repayable as follows:		
Within one year or on demand	107	123
In two to five years	<u>24</u>	<u>122</u>
Total net obligations	<u>131</u>	<u>245</u>

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 16. PROVISIONS FOR LIABILITIES AND CHARGES - Group

	2000	1999
	£000	£000
Deferred taxation (see below)		
Balance at 1 July 1999	5	12
Transferred from profit and loss account	1	(7)
	<u>6</u>	<u>5</u>

	Fully Provided	
	2000	1999
	£000	£000
Deferred tax is calculated at 30% (1999: 30%) analysed over the following timing differences:		
On the excess of capital allowances over depreciation	<u>6</u>	<u>5</u>

### 17. CALLED UP SHARE CAPITAL - Group and Company

	2000	1999
	£000	£000
<u>Authorised:</u>		
Equity interests:		
3,600,000 Ordinary shares of 50p each	1,800	1,800
Non-equity interests:		
200,000 Preference shares of £1 each	200	200
	<u>2,000</u>	<u>2,000</u>
<u>Allotted, called up and fully paid:</u>		
Equity interests:		
523,733 Ordinary shares of 50p each	<u>262</u>	<u>262</u>

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Profit & Loss a/c £000	Total £000
<b>Group</b>					
Profit for the period	-	-	-	784	784
Dividends	-	-	-	(77)	(77)
Net addition to shareholders' funds	-	-	-	707	707
Opening shareholders' funds	262	469	7	539	1,277
Closing shareholders' funds	262	469	7	1,246	1,984
<b>Company</b>					
Profit for the period	-	-	-	79	79
Dividends	-	-	-	(77)	(77)
Net addition to shareholders' funds	-	-	-	2	2
Opening shareholders' funds	262	469	7	13	751
Closing shareholders' funds	262	469	7	15	753

### 19. CONTINGENT LIABILITIES

There were contingent liabilities in respect of bank guarantees for rent amounting to £318,606 (1999 £318,606)

# HEALTHCARE SERVICES GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JULY 1999 TO 30 JUNE 2000 - continued

### 20. REVENUE COMMITMENTS - Group

At period end the group was committed to making the following payment during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	2000 £000	1999 £000	2000 £000	1999 £000
Within one year	154	149	154	51
More than one and less than five years	28	381	1,171	1,440
More than five years	341	341	93	-
	<u>523</u>	<u>871</u>	<u>1,418</u>	<u>1,491</u>

### 21. RELATED PARTY DISCLOSURES

Exemption is taken under Financial Reporting Standard 8 Section 3(c) from the requirement to report related party transactions with other members of the group.

At 30 June 2000 the company owed the following balances to group companies:

	2000 £000	1999 £000
Healthcare Logistics Limited	<u>1,129</u>	<u>1,044</u>

### 22. CONTROL

The company is controlled by A J Fall, a director of the company, as he owns more than 50% of the issued share capital.