

Adams Healthcare Limited

Report and accounts
for the 9 month period ended 31 December 2000

Registered number: 3319706



Directors' report

For the period ended 31 December 2000

The directors present their annual report, together with the accounts and auditors' report, for the 9 month period ended 31 December 2000.

Principal activities

The principal activities of the company are the manufacturing and distribution of pharmaceutical products to the hospital and industrial markets; distribution of surgical instruments to hospital markets and practice equipment to General Practitioners. On 4 May the Thackray Instruments Practice and Practice Plus, distribution segment of the company, was sold to Cellpath plc for consideration of £650,000. Net assets sold represented stock with the book value of £160,000.

Results and dividends

The audited results for the 9 month period ended 31 December 2000 are set out on pages 5 to 21. The profit for the period after taxation was £1,232,000 (prior year - £260,000).

On 4 May 2000 the company was acquired by Medical Solutions plc for consideration comprising the issue of 12,354,079 new ordinary shares of 0.5 pence at issue price of 16 pence, 6,451,613 warrants of 0.5 pence and cash of £10,523,349.

Change of accounting date

As a result of the acquisition of the company on 4 May 2000 by Medical Solutions plc, the company's accounting date was changed from 31 May to 31 December in line with group policy. The company informed Companies House of this change on 4 May 2000.

Directors

The directors who served during the period were as follows:

Dr R.H. Adams

A.D. Longstaffe

D.E. Seymour

J.F. Adey (resigned 4 May 2000)

A. Ferguson (resigned 4 May 2000)

R.M. Bloxham

P. Addison

A.D. Newsam

Directors' report (continued)

Directors (continued)

The directors who held office at 31 December 2000 had the following interests in the shares of the company:

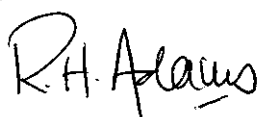
Ordinary shares of 1 pence each		Held at 30 December 2000 Number	Held at 1 April or at date of appointment Number
Class			
Dr R.H. Adams	"B"	-	9,900
	"C"	-	53,100
A.D. Longstaffe	"B"	-	8,100
	"C"	-	18,900
R.M. Bloxham	"B"	-	6,750
	"C"	-	6,750
P. Addison	"B"	-	5,250
	"C"	-	5,250
A.D. Newsome	"B"	-	6,750
	"C"	-	6,750

Auditors

As a result of the acquisition by Medical Solutions plc, the company's previous auditors, KPMG, were replaced as auditors by Arthur Andersen.

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for ensuing year.

By order of the Board



Dr R.H. Adams
Director

Lotherton Way
Garforth
Leeds
LS25 2JY

18 October 2001

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period 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 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 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 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.

To the Shareholders of Adams Healthcare Limited:

We have audited the accounts on pages 5 to 21 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

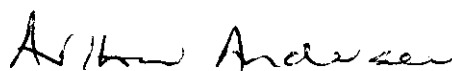
Basis of opinion

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 financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 2000 and of the company's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

18 October 2001

Profit and loss account

For the period ended 31 December 2000

	Notes	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
Turnover	2	6,718	8,984
Cost of sales		(3,745)	(5,054)
Gross profit		2,973	3,930
Distribution costs		(1,287)	(1,783)
Administration expenses		(1,191)	(1,393)
Operating profit		495	754
Sale of fixed assets	3	978	-
Interest charges (net)	4	(177)	(268)
Profit on ordinary activities before taxation	5	1,296	486
Tax on profit on ordinary activities	8	(64)	(226)
Profit on ordinary activities after taxation		1,232	260
Dividends	9	(139)	(276)
Retained profit (loss) for the year		1,093	(16)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses in either period other than those stated in the profit and loss account above.

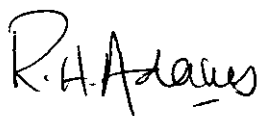
There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet
31 December 2000

	Notes	31 December 2000 £'000	27 March 2000 £'000
Fixed assets			
Intangible assets	10	4,953	5,036
Tangible assets	11	1,780	1,739
		<u>6,733</u>	<u>6,775</u>
Current assets			
Stock	12	903	977
Debtors	13	2,755	1,313
Cash at bank and in hand		21	256
		<u>3,679</u>	<u>2,546</u>
Creditors: Amounts falling due within one year	14	<u>(2,614)</u>	<u>(2,127)</u>
Net current assets		<u>1,065</u>	<u>419</u>
Total assets less current liabilities		<u>7,798</u>	<u>7,194</u>
Creditors: Amounts falling due after more than one year	15	<u>(1,487)</u>	<u>(1,976)</u>
Provisions for liabilities and charges	17	<u>(299)</u>	<u>(299)</u>
Net assets		<u>6,012</u>	<u>4,919</u>
Capital and reserves			
Called-up share capital	18	4,679	4,679
Share premium account	19	240	240
Profit and loss account	19	1,093	-
Equity shareholders' funds	20	<u>6,012</u>	<u>4,919</u>

The accounts on pages 4 and 5 were approved by the board of directors on 18 October 2001 and signed on its behalf by:



Dr. R.H. Adams
Director

18 October 2001

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

31 December 2000

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

a) Basis of accounting

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

The company is exempt from the requirement of FRS1 (revised 1996) to present a cash flow statement because it is a wholly owned subsidiary of Medical Solutions plc which prepares consolidated accounts which are publicly available.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

b) Intangible assets – goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is twenty years. Provision is made for any impairment.

Goodwill arising on acquisitions in the year ended 31 December 1997 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standards the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal of closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

Know-how is included at cost and depreciated in equal annual instalments over a period of twenty years which is their estimated useful economic life. Provision is made for any impairment.

c) Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

d) Research and development

Research and development expenditure is charged to profits in the period in which it is incurred.

e) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Notes to accounts (continued)

1 Accounting policies (continued)

e) *Tangible fixed assets (continued)*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	- 50 years
Fixtures, fittings and equipment	- 5 to 10 years
Plant and machinery	- 5 to 10 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

f) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes material, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

g) *Deferred taxation*

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is possible that a liability or asset will crystallise.

h) *Pension costs*

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

i) *Leases*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

j) *Patents, licences and trademarks*

Expenditure on patents, licences and trademarks is written off against profit in the period in which is incurred.

k) *Foreign currency translation*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate, at the forward contract rate. Transactions in foreign currencies are recorded at the date of the transaction or, if hedged, at the forward contract rate. All differences are taken to the profit and loss account.

Notes to accounts (continued)

2 Turnover

An analysis of turnover by geographical market is given below:

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
United Kingdom	5,381	7,683
Europe, Far East, Middle East and Africa	1,337	1,301
	<u>6,718</u>	<u>8,984</u>

3 Sale of fixed assets include two items

In May 2000 the Thackray Instruments and Practice Plus, medical instruments distribution, were sold to Cellpath plc. Sales proceeds amounted to £650,000, with £160,000 book value of assets disposed, resulting in £490,000 profit.

In December 2000 the company sold the rights to distribute its licensed povidone iodene product 'Videne' in certain overseas territories to SSL. The company has not carried out the distribution of the product within concerned areas and there were no plans of future expansion.

The profit from the sale amounted to £488,000.

4 Finance charges (net)

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
Interest receivable and similar income	394	289
Bank loans and overdrafts	(538)	(531)
Finance leases and hire purchase contracts	(30)	(23)
Default interest on late payment of preference dividend	(3)	(3)
	<u>(177)</u>	<u>(268)</u>

Notes to accounts (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
Depreciation and amounts written off tangible fixed assets		
- owned	130	166
- held under finance leases and hire purchase contracts	59	61
Research and development expenditure	192	230
Amortisation of know-how	108	200
Amortisation of goodwill	115	96
Operating lease rentals		
- plant and machinery	118	156
- other	9	23
Auditors remuneration		
- audit services	13	15
- non-audit services	11	9
	<hr/>	<hr/>

6 Staff costs

The average monthly number of employees (including directors) was:

	9 months ended 31 December 2000 Number	Year ended 27 March 2000 Number
Administration	51	46
Production and distribution	35	31
	<hr/>	<hr/>
	86	77
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
Wages and salaries	1,332	1,556
Social security costs	126	144
Other pension costs (note 23)	61	61
	<hr/>	<hr/>
	1,519	1,761
	<hr/>	<hr/>

Notes to accounts (continued)

7 Directors' remuneration

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
Emoluments	300	285
Payment of restrictive covenant	358	-
Company contributions to money purchase pension scheme	13	12
Fees paid to third parties in respect of directors' services	9	15
	<u>680</u>	<u>312</u>

Four directors are members of money purchase schemes (prior year - 4).

Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
Emoluments	90	115
Payment of restrictive covenant	177	-
Company contributions to money purchase pension scheme	6	8
	<u>273</u>	<u>123</u>

8 Tax on profit on ordinary activities

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
UK Corporation tax	210	135
Deferred taxation	-	71
	<u>210</u>	<u>206</u>
Adjustments in respect of prior periods	(146)	20
	<u>64</u>	<u>226</u>

Notes to accounts (continued)

9 Dividends

	9 months ended 31 December 2000 £'000	Year ended 27 March 2000 £'000
Non-equity preference shares		
- paid	139	187
- proposed	-	73
Equity "B" ordinary shares		
- proposed	-	16
	<u>139</u>	<u>276</u>

10 Intangible fixed assets

	Know-how £'000	Goodwill £'000	Total £'000
Cost			
At 28 March 2000	4,000	1,924	5,924
Additions	-	140	140
Fair value adjustment on acquisition by Medical Solutions plc	(1,000)	1,000	-
At 31 December 2000	<u>3,000</u>	<u>3,064</u>	<u>6,064</u>
Depreciation			
At 28 March 2000	600	288	888
Charge for the year	108	115	223
At 31 December 2000	<u>708</u>	<u>403</u>	<u>1,111</u>
Net book value			
At 31 December 2000	<u>2,292</u>	<u>2,661</u>	<u>4,953</u>
At 28 March 2000	<u>3,400</u>	<u>1,636</u>	<u>5,036</u>

Notes to accounts (continued)

11 Tangible fixed assets

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 28 March 2000	859	862	580	2,301
Additions	32	125	73	230
At 31 December 2000	<u>891</u>	<u>987</u>	<u>653</u>	<u>2,531</u>
Depreciation				
At 28 March 2000	76	251	235	562
Charge for the year	26	81	82	189
At 31 December 2000	<u>102</u>	<u>332</u>	<u>317</u>	<u>751</u>
Net book value				
At 31 December 2000	<u>789</u>	<u>655</u>	<u>336</u>	<u>1,780</u>
At 28 March 2000	<u>783</u>	<u>611</u>	<u>345</u>	<u>1,739</u>

Leased assets included above:

	Plant and machinery £'000
Net book amount at 31 December 2000	<u>383</u>
Net book amount at 27 March 2000	<u>396</u>

12 Stocks

	31 December 2000 £'000	27 March 2000 £'000
Raw materials and consumables	487	411
Work in progress	34	55
Finished goods and goods for resale	<u>382</u>	<u>511</u>
	<u>903</u>	<u>977</u>

Notes to accounts (continued)

13 Debtors

	31 December 2000 £'000	27 March 2000 £'000
Trade debtors	2,246	1,283
Amounts owed by group undertaking	448	-
Prepayments and accrued income	61	30
	<u>2,755</u>	<u>1,313</u>

14 Creditors: Amounts falling due within one year

	31 December 2000 £'000	27 March 2000 £'000
Obligations under finance leases and hire purchase contracts	56	87
Bank loans and overdrafts	767	616
Trade creditors	816	552
Amounts owed to group undertakings	291	-
UK corporation tax	210	170
Other taxation and social security	180	166
Accruals and deferred income	294	447
Proposed dividends		
- equity	-	16
- non-equity	-	73
	<u>2,614</u>	<u>2,127</u>

The bank overdraft and loans are secured by a floating charge over the company's assets.

The payment received on account are secured on the book debts of the company.

Notes to accounts (continued)

15 Creditors: Amounts falling due after more than one year

	31 December 2000 £'000	27 March 2000 £'000
Obligations under finance leases and hire purchase contracts	158	185
Bank loans	1,329	1,791
	<u>1,487</u>	<u>1,976</u>

The bank loan is repayable in equal instalments and bears interest at a fixed rate of 9.5% per annum. The bank loan is secured by a fixed and floating charge over the company's assets.

Borrowings are repayable as follows:

	31 December 2000 £'000	27 March 2000 £'000
Bank loans		
Between one and two years	1,210	605
Between two and five years:	120	1,186
On demand or within one year	616	616
	<u>1,946</u>	<u>2,407</u>

	31 December 2000 £'000	27 March 2000 £'000
Finance leases		
Between one and two years	175	211
On demand or within one year	72	105
	<u>247</u>	<u>316</u>
Less future finance charges	(33)	(44)
	<u>214</u>	<u>272</u>

Notes to accounts (continued)

16 Derivatives and other financial instruments

The numerical disclosures in this note deal with financial assets and financial liabilities as defined in Financial Reporting Standard 13 *Derivatives and Other Financial Instruments: Disclosures (FRS 13)*. Certain financial assets such as investments in subsidiary and associated companies are excluded from the scope of these disclosures.

As permitted by FRS 13, short-term debtors and creditors have been excluded from the disclosures, other than the currency disclosures.

Liquidity

The company's overall objective is to ensure that it is, at all times, able to meet its financial commitments as and when they fall due.

Interest rate profile

The company's exposure to interest rate fluctuations is managed by fixing interest rates in the short to medium term on borrowings. The interest rate profiles on cash and borrowings are shown below. The fair value of financial assets and liabilities is not materially different from their carrying values.

Cash

The balance of £21,000 is deposited in non-interest bearing current accounts.

Currency exposure

Where possible the company invoices in sterling to mitigate currency exposure. In situations where invoices are raised in other currencies, the company seeks to minimise its risk by its pricing policy.

17 Provisions for liabilities and charges

Deferred taxation

	£'000
At 28 March 2000	299
Released during the year	-
At 31 December 2000	<u>299</u>

Deferred taxation is provided in full.

Notes to accounts (continued)

18 Called-up share capital

	31 December 2000 £'000	27 March 2000 £'000
<i>Authorised,</i>		
Equity		
4,686,640 ordinary shares £1.00 each	4,687	-
225,000 'A' ordinary shares at 1 pence each	-	2
51,750 (1999 - 150,000) 'B' ordinary shares at 1 pence each	-	1
398,250 'B' ordinary shares of 2 pence each	-	8
98,250 'C' ordinary shares of 1 pence each	-	1
Non-equity		
4,657,000 cumulative redeemable preference shares of £1 each	-	4,675
	<u>4,687</u>	<u>4,687</u>
<i>Allotted, called-up and fully paid</i>		
Equity		
4,678,675 ordinary shares £1.00 each	4,679	-
225,000 'A' ordinary shares at 1 pence each	-	2
44,250 (1999 - 142,500) 'B' ordinary shares at 1 pence each	-	1
98,250 'C' ordinary shares of 1 pence each	-	1
Non-equity		
4,657,000 cumulative redeemable preference shares of £1 each	-	4,675
	<u>4,679</u>	<u>4,679</u>

On 4 May 2000 all classes 'A', 'B' and 'C' of ordinary shares together with all cumulative redeemable preference shares were acquired by Medical Solutions plc.

On the same date a special resolution was passed ruling that all shares of classes 'A', 'B', and 'C' were reclassified and consolidated into 11,640 ordinary shares of £1 each, and all cumulative redeemable preference shares were reclassified as ordinary shares of £1 each.

Rights and restrictions of ordinary shares of £1 each are set out in the new Articles of Association.

Notes to accounts (continued)

18 Called-up share capital (continued)

Rights attaching to shares

a) Income

£1.00 ordinary shares

Shareholders rights are set out by Articles of Association.

Preference shares

The holders of the preference shares shall be entitled to receive, in priority to the holders of any other class of shares, a cumulative preferential dividend ("the Preference Dividend").

The preference dividend shall accrue from 1 April 1998 and shall for the financial year ending 27 March 2000 be an amount equal to 8% (1999 - 6%) of the subscription price. For subsequent financial periods the rate of the preference dividend shall continue to be 8%.

'A' ordinary shares

Subject to the payment of the preference dividend holders of the 'A' ordinary shares shall be entitled to receive a cumulative participating dividend ("the participating dividend").

The participating dividend shall be paid as follows:

Financial year ending	Percentage of net profit
27 March 2000	10%
31 March 2001	15%

'B' ordinary shares

No dividend shall be declared or paid on 'B' ordinary shares in respect of any financial year of the company.

b) Capital

£1.00 ordinary shares

Shareholders rights are set out by Articles of Association.

b) Capital (continued)

In the event of a winding up of the company or other return of capital the assets of the company remaining after payment of its debts and liabilities shall be applied in the following manner and order of priority.

- 1) Unpaid and accrued preference dividend
- 2) Preference shares (subscription price plus any redemption premium)
- 3) Unpaid and accrued participating dividend
- 4) "A" ordinary shares (subscription price including premium paid)
- 5) "B" ordinary shares (paid up nominal value)
- 6) The balance of such assets shall be distributed amongst the holder of the equity shares *pari passu*.

Notes to accounts (continued)

18 Called-up share capital (continued)

c) Redemption

£1.00 ordinary shares

Shareholders rights are set out by Articles of Association.

Preference shares

1) The preference shares shall be redeemed

Date of redemption	Number of preference shares redeemed
31 March 2000	200,000
31 March 2001	400,000

The holders of the preference shares have formally waived their redemption rights in respect of the tranche due to be redeemed on 31 March 2000.

The preference shares shall be redeemed at the issue price for each on a listing or on a sale.

2) Immediately prior to any redemption of preference sharers the company shall declare a dividend on the shares to be redeemed equal to 20% of the issue price paid.

c) Redemption (continued)

"A" ordinary shares

"A" ordinary shares shall be redeemed on a ratchet basis according to operating profits and rates of return achieved by the holders of "A" ordinary shares and preference shares.

d) Appointment of directors

The holders of more than 50 per cent of "A" ordinary shares have the right to appoint two directors; one non-executive director and one non-executive chairman.

e) Voting

Preference shares

The holders of preference shares shall not be entitled to vote at general meetings unless certain conditions specified in the Articles of Association are met.

"A" ordinary shares and "B" ordinary shares

The holders of "A" ordinary shares and "B" ordinary shares shall be entitled to vote at general meetings.

f) Conversion

In the event of a sale or listing each of the equity shares shall be converted into one fully paid ordinary share ranking pari passu in all respects.

Notes to accounts (continued)

19 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 28 March 2000	240	-	240
Retained profit for year	-	1,093	1,093
At 31 December 2000	<u>240</u>	<u>1,093</u>	<u>1,333</u>

20 Reconciliation of movement in shareholders' funds

	31 December 2000 £	27 March 2000 £
Profit (loss) for the financial year	1,232	260
Dividends	<u>(139)</u>	<u>(276)</u>
Net increase/reduction in shareholders' funds	1,093	(16)
Opening shareholders' funds	<u>4,919</u>	<u>4,935</u>
Closing shareholders' funds	<u>6,012</u>	<u>4,919</u>

Notes to accounts (continued)

21 Financial commitments

a) Capital commitments at 31 December 2000 amounted to £117,000 (27 March 2000 - £25,000).

b) Annual commitments under non-cancellable operating leases are as follows:

	31 December 2000		27 March 2000	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date				
- within 1 year	13	98	11	9
- between two and five years	26	98	-	143

22 Contingent liabilities

There were no contingent liabilities at 31 December 2000.

23 Pension arrangements

The company operates defined contribution pension schemes for the benefit of the directors. The assets of the schemes are administered by trustees in funds independent from those of the company.

24 Ultimate controlling party

The directors regard Medical Solutions plc, a company incorporated in the United Kingdom, as the ultimate parent company and the ultimate controlling party.

Medical Solutions plc is the parent company of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from Lotherton Way, Garforth, Leeds, LS25 2JY.

As a subsidiary undertaking of Medical Solutions plc, the company has taken advantage of the exemptions in FRS8 "Related party disclosures" from disclosing transactions with other members of the group headed by Medical Solutions plc.