

MANA-TECH LIMITED

3543457

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2000



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31 MAY 2000

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The following pages do not form part of the Statutory Financial Statements: -

- 9** Trading and Profit and Loss Account
- 10** Overhead Expenses

MANA-TECH LIMITED

**OFFICERS AND ADVISERS
31 MAY 2000**

DIRECTOR

S W Hinton

SECRETARY

M J Rowbottom

BANKERS

National Westminster Bank plc
9 Church Street
Mansfield
Nottinghamshire
NG18 1AF

AUDITORS

Willis & Co
Chartered Accountants and Registered Auditors
Barclay House
35 Borough Road
Burton upon Trent
Staffordshire
DE14 2DA

REGISTERED OFFICE

Studio 2
Waterside Court
3rd Avenue
Burton upon Trent
Staffordshire
DE14 2WQ

REGISTERED NUMBER

03543457 (England)

DIRECTORS' REPORT
31 MAY 2000

The director presents his Annual Report, together with the Financial Statements for the year ended 31 May 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company throughout the year have been that of the import and distribution of specialist medical equipment.

DIRECTORS

The directors who served during the year and their beneficial interests in the issued share capital of the company were as follows: -

	<u>Ordinary Shares of £1 each</u>	
	<u>31 May 2000</u>	<u>31 May 1999</u>
S W Hinton	100	100

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 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.

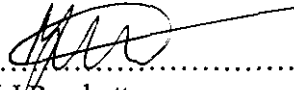
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with section 385 of the Companies Act 1985 a resolution concerning the re-appointment of Willis & Co as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors


.....
M J Rowbottom
Secretary

Approved by the Board: 21/09/2000

AUDITORS' REPORT
31 MAY 2000

Report of the Auditors to the Members of Mana-Tech Limited

We have audited the Financial Statements set out on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 of those Financial 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 31 May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Willis & Co.

WILLIS & CO
Chartered Accountants and Registered Auditors

Barclay House
35 Borough Road
Burton upon Trent
Staffordshire
DE14 2DA

21/09/2000

MANA-TECH LIMITED

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
TURNOVER		1210368	664277
Cost of Sales		643143	300538
		<hr/>	<hr/>
GROSS PROFIT		567225	363739
Distribution Costs		257908	151489
Administrative Expenses		100862	68934
		<hr/>	<hr/>
		358770	220423
		<hr/>	<hr/>
OPERATING PROFIT	2	208455	143316
Interest Receivable		1786	-
Interest Payable		(-)	(434)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		210241	142882
TAXATION	3	51697	30646
		<hr/>	<hr/>
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		158544	112236
Retained Profit at 31 May 1999		112236	-
		<hr/>	<hr/>
Retained Profit at 31 May 2000		270780	112236
		<hr/>	<hr/>

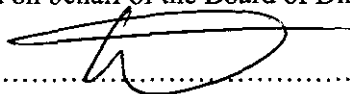
MANA-TECH LIMITED

**BALANCE SHEET
AS AT 31 MAY 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
FIXED ASSETS			
Tangible Assets	4	10752	19815
CURRENT ASSETS			
Stock		86526	69929
Debtors	5	235859	178132
Cash at bank and in Hand		227482	39847
		<u>549867</u>	<u>287908</u>
CREDITORS: amounts falling due within one year	6	289739	195387
		<u>260128</u>	<u>92521</u>
NET CURRENT ASSETS			
		<u>270880</u>	<u>112336</u>
NET ASSETS			
		<u>270880</u>	<u>112336</u>
CAPITAL AND RESERVES			
Called-Up Share Capital	8	100	100
Profit and Loss Account		270780	112236
		<u>270880</u>	<u>112336</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors



.....
S W Hinton
Director

Approved by the Board: 21/09/2000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

1 ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of goods excluding value added tax.

Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets on a reducing balance basis at annual rates estimated to write off the cost less estimated residual value of each asset over the term of its useful life.

The rates presently in use are:-

Equipment	25%
Motor Vehicles	25%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Deferred tax is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the Financial Statements.

Provision is made at current rates for deferred taxation under the liability method in respect of all material timing differences, except to the extent that there is a reasonable probability that the liability will not arise in the foreseeable future.

2 OPERATING PROFIT

2000

1999

£

£

The operating profit is stated after charging:-

Director's Emoluments	74938	27246
Depreciation of Tangible Fixed Assets	10334	6604
Loss on Disposal of Fixed Assets	10362	250
Auditors' Remuneration	1700	1200
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

3 TAXATION	<u>2000</u>	<u>1999</u>
	£	£
Corporation Tax on the profits for the year	51671	30646
Prior year adjustment	26	-
	<hr/>	<hr/>
	51697	30646
	<hr/>	<hr/>
 4 TANGIBLE FIXED ASSETS	 <u>Fixtures and</u>	 <u>Motor</u>
	<u>Equipment</u>	<u>Vehicles</u>
	£	£
		<u>Total</u>
	£	£
 COST		
Balance at 31 May 1999	7270	19149
Additions	9883	38000
Disposals	(1000)	(57149)
	<hr/>	<hr/>
Balance at 31 May 2000	16153	-
	<hr/>	<hr/>
 DEPRECIATION		
Balance at 31 May 1999	1817	4787
Charge for the Year	3834	6500
Relating to Disposals	(250)	(11287)
	<hr/>	<hr/>
Balance at 31 May 2000	5401	-
	<hr/>	<hr/>
 NET BOOK AMOUNT		
As at 31 May 2000	10752	-
	<hr/>	<hr/>
As at 31 May 1999	5453	14362
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

5 DEBTORS	<u>2000</u>	<u>1999</u>
	£	£
Due within one year:-		
Trade Debtors	228199	178132
Other Debtors	7660	-
	<hr/>	<hr/>
	235859	178132
	<hr/>	<hr/>
6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2000</u>	<u>1999</u>
	£	£
Trade Creditors	138064	86621
Taxation and Social Security	50719	28725
Corporation Tax	51671	30646
Other Creditors	49285	49395
	<hr/>	<hr/>
	289739	195387
	<hr/>	<hr/>

7 PROVISION FOR LIABILITIES AND CHARGES

The full potential liability to deferred taxation not required to be provided for in these Financial Statements amounts to £626 (1999 £180).

8 CALLED UP SHARE CAPITAL	<u>2000</u>	<u>1999</u>
	£	£
Authorised		
200000 Ordinary Shares of £1 each	200000	200000
	<hr/>	<hr/>
Allotted, called-up and fully paid		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>

9 RELATED PARTY DISCLOSURES AND TRANSACTIONS WITH DIRECTOR

S W Hinton is the ultimate controlling party of Mana-Tech Limited and Medical Systems (UK) Limited.

During the year the company received a management charge of £60000 (1999 £14500) from Medical Systems (UK) Limited and made sales amounting to £59413 to that company. The sales were made on a normal trading basis.

MANA-TECH LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2000**

	<u>2000</u>		<u>1999</u>	
	£	£	£	£
TURNOVER				
Medical Supplies	1136773		573105	
Other Sales	73595		91172	
		1210368		664277
COST OF SALES				
Opening Stock	69929		-	
Purchases	659740		370467	
Closing Stock	(86526)		(69929)	
		643143		300538
GROSS PROFIT		567225		363739
OVERHEAD EXPENSES				
Establishment	18773		17067	
Administration	138915		69620	
Selling and Distribution	257908		151489	
Financial	3174		1436	
		418770		239612
OPERATING PROFIT BEFORE TAXATION		148455		124127
OTHER INCOME				
Management Charge	60000		18755	
Bank Interest Received	1786		-	
		61786		18755
NET PROFIT BEFORE TAXATION		210241		142882

MANA-TECH LIMITED**OVERHEAD EXPENSES
FOR THE YEAR ENDED 31 MAY 2000**

	<u>2000</u>	<u>1999</u>
	£	£
ESTABLISHMENT		
Rent	8420	7068
Rates and Water	3234	2712
Insurance	723	681
Other Premises Expenses	661	3854
Repairs and Renewals	1651	935
Depreciation, Fixtures and Equipment	3834	1817
Loss on Sale of Fixtures and Equipment	250	-
	<hr/>	<hr/>
	18773	17067
	<hr/>	<hr/>
ADMINISTRATION		
Directors Remuneration	67333	24000
Salaries and National Insurance	45532	26950
Telephone	6739	6167
Printing, Postage and Stationery	7146	7498
Sundries	546	1075
Audit and Accountancy	5311	2428
Legal and Professional Charges	6308	1502
	<hr/>	<hr/>
	138915	69620
	<hr/>	<hr/>
SELLING AND DISTRIBUTION		
Commissions Paid	189649	104137
Travel, Accommodation and Subsistence	27033	21149
UK Entertaining	6911	5124
Overseas Entertaining	1102	6132
Advertising, Promotion and Exhibition Costs	9274	6836
Motor Expenses	7327	3074
Depreciation: Motor Vehicles	6500	4787
Loss on Sale of Motor Vehicles	10112	250
	<hr/>	<hr/>
	257908	151489
	<hr/>	<hr/>
FINANCIAL		
Bank Charges	727	1002
Bank Interest	-	434
Bad Debts	2447	-
	<hr/>	<hr/>
	3174	1436
	<hr/>	<hr/>