Company Registration No 3910212

CROSS TECHNOLOGIES PLC

Report and Financial Statements

31 January 2011

(- 28/07/2011)

CROSS TECHNOLOGIES PLC

REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS

CROSS TECHNOLOGIES PLC

REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Spink
D Broadhead

SECRETARY

M Reeves

REGISTERED OFFICE

5 Lakeside Business Park
Swan Lane
Sandhurst
Berkshire
GU47 9DN

BANKERS

HSBC Bank Plc
70 Pall Mall
London
SW1Y 5EZ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, UK

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 10 months ended 31 January 2011 The company changed its year end date to 31 January 2011 during the period

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is the distribution of specialist radiotherapy, healthcare and medical research equipment, and related maintenance and distribution of radiopharmaceuticals

The directors are satisfied with the results for the period and the state of affairs of the company at the balance sheet date

The company's principal activity is as a distributor with multiple franchises, principally for overseas manufacturers, selling into both the public and private sectors in the United Kingdom and Ireland All areas of business have strong growth potential, and in the nature of a wide franchise portfolio business the company is constantly adjusting product offerings and will therefore both gain and lose franchises The principal risks and uncertainties are the potential loss of franchises, foreign exchange rates at which equipment is purchased, and changes in public sector policy

The key performance indicators are turnover and related margin Turnover for the 10 month period was £6,009,471 (year end 2010 £6,773,286) Gross margin for the 10 month period was 23% (year end 2010 29%)

RESULTS AND DIVIDENDS

The loss for the period amounted to £178,942 (year ended 31 March 2010 £63,566) The directors have not recommended a dividend

DIRECTORS

The directors who held office during the period were as follows

G Spink
D Broadhead
S Pender (resigned 15 October 2010)

DONATIONS

No political or charitable donations were made by the company during the period (year ended 31 March 2010 £nil)

CROSS TECHNOLOGIES PLC

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP were appointed as auditor during the period and have expressed their willingness to continue in office as auditor A resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

G Spink

G Spink

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSS TECHNOLOGIES PLC

We have audited the financial statements of Cross Technologies Plc for the 10 months ended 31 January 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2011 and of its loss of £178,600 for the 10 months then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSS TECHNOLOGIES PLC (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Stuart Henderson (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

29 July 2011

PROFIT AND LOSS ACCOUNT
10 months ended 31 January 2011

	Note	10 months ended 31 January 2011 £	Year ended 31 March 2010 £
TURNOVER	2	6,009,471	6,773,286
Cost of sales		(4,607,694)	(4,801,703)
Gross profit		1,401,777	1,971,583
Administrative expenses		(1,566,658)	(1,809,896)
OPERATING (LOSS) / PROFIT	3	(164,881)	161,687
Interest payable and similar charges	6	(77,975)	(9,408)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(242,856)	152,279
Tax on (loss) / profit on ordinary activities	7	64,256	(88,713)
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD	15	(178,600)	63,566

All activities derive from continuing operations

There are no recognised gains or losses for the current financial period or preceding financial year other than as stated in the profit and loss account Accordingly a statement of recognised gains and losses has not been prepared

BALANCE SHEET
31 January 2011

	Note	31 January 2011 £	31 March 2010 £
FIXED ASSETS			
Intangible assets	8	1,180,887	1,267 717
Tangible assets	9	140,170	184,188
		1,321,057	1,451,905
CURRENT ASSETS			
Stocks	10	776,552	862 427
Debtors	11	2,840,858	3 526 994
Cash at bank and in hand		260 391	-
		3 877,801	4 389 421
CREDITORS amounts falling due within one year	12	(5,311 643)	(5,775,511)
NET CURRENT LIABILITIES		(1,433,842)	(1,386,090)
TOTAL ASSETS LESS CURRENT LIABILITIES		(112 785)	65 815
CAPITAL AND RESERVES			
Called up share capital	14	50 000	50,000
Profit and loss account	15	(162,785)	15 815
SHAREHOLDERS' (DEFICIT) / FUNDS	16	(112,785)	65,815

The financial statements of Cross Technologies Plc, registered number 3910212, were approved by the Board of Directors and authorised for issue on 29 JULY 2011

Signed on behalf of the Board of Directors

G SPINK

Director

NOTES TO THE FINANCIAL STATEMENTS
10 months ended 31 January 2011

1 ACCOUNTING POLICIES

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

Basis of accounting

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

Going concern

Cross Technologies Plc is a trading company in the Elektron plc Group and provides cross guarantees for the bank debt held by the Group The directors have therefore reviewed the Group's forecasts in considering whether the going concern basis of preparation is appropriate for the subsidiaries of the Group In addition to this, the Directors have considered the net liabilities position of the company and have obtained confirmation that intercompany creditor balances will not be recalled for a period of at least 12 months from the date of signing and approving these financial statements, such that the company is able to meet its liabilities as and when they fall due in the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements

The Directors have reviewed current cash flow projections for the group for the coming twelve months taking into account reasonable possible changes in trading performance and existing borrowing facilities and forecast covenants compliance The Directors have no reason to believe that any of the borrowing facilities might be withdrawn or that there would be any other material change in the current financial projections of the Group As a result the Directors formed a judgement when approving these financial statements that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future For this reason, the Directors continue to adopt the going concern basis of preparation in these financial statements

Cash flow statement

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published financial statements

Goodwill

Goodwill arising on consolidation or purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life of 20 years Provision is made for any impairment

Turnover

Turnover comprises amounts charged by the company for goods and services provided to customers and is stated after trade discounts and excluding sales taxes Revenue for goods sold to customers is recognised on despatch of the products Revenue for maintenance contracts is recognised over the period the service is provided Revenue on revenue sharing agreements is recognised in accordance with the terms of the agreement Revenue on installations is recognised when the service has been performed

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Medical equipment	over 7 years
Fixtures and fittings	20% p a on a straight line basis
Motor vehicles	25% p a on a straight line basis
Computer equipment	33% p a on a straight line basis

1 ACCOUNTING POLICIES (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the operating profit

Leases

Assets acquired under finance leases are capitalised and are depreciated over their useful lives The interest element of the obligation is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of repayments outstanding Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Post retirement benefits

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Stocks

Stocks are stated at the lower of cost and net realisable value Cost includes materials, 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 Provision is made for obsolete, slow-moving or defective items where appropriate

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete

NOTES TO THE FINANCIAL STATEMENTS
10 months ended 31 January 2011

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	10 months ended 31 January 2011 £	Year ended 31 March 2010 £
United Kingdom	5,867,105	6,649,362
Rest of Europe	142,366	123,924
	6,009,471	6,773,286

3 OPERATING (LOSS) / PROFIT

	10 months ended 31 January 2011 £	Year ended 31 March 2010 £
Operating (loss) /profit is after charging ·		
Depreciation - owned assets	53,885	47,519
Amortisation of goodwill	86,830	104,196
Operating lease costs		
Hire of land and buildings	65,417	78,500
Hire of vehicles	53,276	75,855
Net loss on foreign currency translation	2,655	5,369
The analysis of auditor's remuneration is as follows		
Fees payable to the company's auditor for the audit of the company's annual accounts	22,199	15,500
Non-audit services	1,526	3,357

4. STAFF COSTS

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	10 months ended 31 January 2011 No	Year ended 31 March 2010 No
Selling and distribution	6	8
Administration	20	21
	26	29

The aggregate payroll costs of these persons were as follows	£	£
Wages and salaries	904,243	1,073,869
Social security costs	113,909	128,975
Other pension costs	43,558	55,955
	1,061,710	1,258,799

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	10 months ended 31 January 2011 £	Year ended 31 March 2010 £
Directors' emoluments	153,850	154,768
Company contributions to money purchase pension schemes	11,419	15,925
	165,269	170,693

The emoluments of the highest paid director are paid by the company's parent, Hartest Holdings Plc, and are disclosed in the Annual Report and Accounts of that company

The number of directors who accrued benefits under company pension schemes was as follows

	10 months ended 31 January 2011 No	Year ended 31 March 2010 No
Money purchase schemes	2	2

6 INTEREST PAYABLE AND SIMILAR CHARGES

	10 months ended 31 January 2011 £	Year ended 31 March 2010 £
On bank loans and overdrafts	7,244	9,408
On inter company loan with Hartest Holdings plc	70,731	-
	77,975	9,408

7. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

Analysis of charge/(credit) in the period

	10 months ended 31 January 2011 £	Year ended 31 March 2010 £
Current tax		
UK Corporation tax based on the results for the period at 28% (year ended 31 March 2010 - 28%)	(40,009)	69,852
Prior year adjustment	(27,206)	-
	(67,215)	69,852
Deferred tax		
Short-term timing differences	3,301	6,651
Prior year adjustment	(342)	12 210
Tax on profit on ordinary activities	(64,256)	88,713

Factors affecting current tax credit

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 28% (year ended 31 March 2010 - 28%) as follows

	10 months ended 31 January 2011 £	Year ended 31 March 2010 £
(Loss) / profit on ordinary activities before taxation	(242,856)	152,279
Tax on (loss) / profit on ordinary activities at standard rate	(68,000)	42,638
Factors affecting the charge		
Expenses not deductible for tax purposes	27 033	33,865
Capital allowances in excess of depreciation	958	(6,651)
Prior year adjustments	(27,206)	-
Total current tax	(67,215)	69,852

NOTES TO THE FINANCIAL STATEMENTS
10 months ended 31 January 2011

7 TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES (continued)

On 23 March 2011 the Government announced that the main rate of corporation tax would reduce to 26% with effect from 1 April 2011, with subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014 These tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 April 2010 and 31 January 2011	2,083,919
Amortisation	
At 1 April 2010	816,202
Charge in the period	86,830
At 31 January 2011	903,032
Net book value	
At 31 January 2011	1,180,887
At 31 March 2010	1,267,717

9 TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 April 2010	368,542	30,748	399,290
Additions	9,867	-	9,867
Disposals	(26,565)	(30,748)	(57,313)
At 31 January 2011	351,844	-	351,844
Accumulated depreciation			
At 1 April 2010	185,707	29,395	215,102
Charge in the period	52,532	1,353	53,885
On disposals	(26,565)	(30,748)	(57,313)
At 31 January 2011	211,674	-	211,674
Net book value			
At 31 January 2011	140,170	-	140,170
At 31 March 2010	182,835	1,353	184,188

10. STOCKS

	31 January 2011 £	31 March 2010 £
Finished goods and goods for resale	776,552	862,427

The directors consider there is no material difference between the book value of stocks and their recoverable amount

11 DEBTORS

	31 January 2011 £	31 March 2010 £
Trade debtors	1,013,704	1,701,150
Amounts owed by other group companies	1,738,923	1,656,868
Other debtors	7,500	11,447
Prepayments and accrued income	64,078	137,917
Deferred taxation (note 13)	16,653	19,612
	2,840,858	3,526,994

All debtors are due within one year

Cross Technologies plc participates in the group invoice discounting facility with its bankers which allows it to draw down funds against the gross debtor balance, while retaining all the risks and rewards At the period end the group had drawn down funds of £1,893,000 (31 March 2010 - £312,065) in relation to this facility

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 January 2011 £	31 March 2010 £
Bank loans and overdrafts	-	2,186
Trade creditors	987,636	1,153,127
Amounts owed to group undertakings	3,487,265	3,612,183
Taxation and social security	242,414	268,858
Accruals and deferred income	594,328	739,157
	5,311,643	5,775,511

NOTES TO THE FINANCIAL STATEMENTS
10 months ended 31 January 2011

13 DEFERRED TAXATION

Deferred taxation has been fully provided for in the year and comprises

	31 January 2011 £	31 March 2010 £
Balance brought forward	(19,612)	(38,472)
Deferred tax charge in profit and loss account for the period	3,301	18,860
Prior year adjustment	(342)	-
Balance carried forward	(16,653)	(19,612)

The deferred tax asset at 31 January 2011 relates to the difference between depreciation and capital allowances on fixed assets The directors have considered the forecast future cashflows of the company and consider the deferred taxation asset to be recoverable

14. CALLED UP SHARE CAPITAL

	31 January 2011 £	31 March 2010 £
Called up, allotted and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

15. PROFIT AND LOSS ACCOUNT

	£
Balance brought forward	15,815
Loss for the financial period	(178,600)
Balance carried forward	(162,785)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT) / FUNDS

	31 January 2011 £	31 March 2010 £
(Loss) / profit for the financial period	(178,600)	63,566
Opening shareholders' funds	65,815	2,249
Closing shareholders' (deficit) / funds	(112,785)	65,815

NOTES TO THE FINANCIAL STATEMENTS
10 months ended 31 January 2011

17. CONTINGENT LIABILITIES

The company has given an unlimited multilateral cross guarantee to HSBC Bank plc, in favour of group companies, against any amounts that may fall due The maximum amount of indebtedness at 31 January 2011 was £1,893,000 (31 March 2010 £149,589) HSBC maintain a fixed and floating charge over the company's debtors

The company has given a guarantee in favour of HM Revenue & Customs for £40,000

18 COMMITMENTS UNDER OPERATING LEASES

At 31 January 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other items	
	31 January 2011 £	31 March 2010 £	31 January 2011 £	31 March 2010 £
Operating leases which expire				
Less than 1 year	-	-	2,191	-
Within 1 to 2 years	-	-	11,578	-
Within 2 to 5 years	38,500	78,500	39,508	75,855
Greater than 5 years	40,000	-	-	-

19 PENSIONS

The company operates a defined contribution personal pension plan The pension costs charge for the period represents contributions payable by the company to the scheme and amounted to £41,486 (year ended 31 March 2010 £55,955) At the period end pension contributions of £3,664 (31 March 2010 £6,748) were outstanding and included within other creditors

20 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption not to disclose transactions with group companies as it is a wholly owned subsidiary of Elektron Plc and its results are included in that company's consolidated financial statements

21 ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent undertaking is Elektron Plc which is registered in England and Wales

Copies of the group financial statements, which include this company, are available from the registered office of this company

The company is a wholly-owned subsidiary undertaking of Hartest Holdings plc, the ultimate parent company is Elektron Plc The largest group in which the results of the company are consolidated is that headed by Elektron Plc The consolidated accounts of this company are available to the public and may be obtained from 5 Lakeside Business Park, Swan Lane, Sandhurst, Berkshire, GU47 9DN No other group accounts include the results of the company