

# **Assura Diagnostics Limited**

## **Report and Financial Statements**

**For the period ended  
31 March 2008**

**Company registration number: 6273803**

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**Management and administration**

**Directors** ID Wiles  
MDT Tennant  
SP Lyster  
JJ Elkabir  
EB Johnson  
Assura Corporate Services Limited

**Secretary** GJ McMahon

**Registered Office** 3300 Daresbury Business Park  
Warrington  
Cheshire  
WA4 4HS

**Registered No.** 6273803

**Auditors** Ernst & Young LLP  
100 Barbirolli Square  
Manchester  
M2 3EY

## Directors' report

The directors present their report and financial statements for the period ended 31 March 2008.

### Principal activities and review of the business

The company was incorporated on 8 June 2007 and began trading on 12 October 2007. The principal activity during the year was that of the hire of diagnostic medical equipment.

### Results and dividends

The results for the period are shown in the profit and loss account on page 6. The directors do not recommend a dividend.

### Directors of the company

The directors as at the date of this report and who served during the period were as follows:

ID Wiles	(appointed 08/06/07)
MDT Tennant	(appointed 08/06/07)
SP Lyster	(appointed 16/07/07)
JJ Elkabir	(appointed 12/10/07)
EB Johnson	(appointed 18/04/08)
Assura Corporate Services Limited	(appointed 09/05/08)

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Re-appointment of auditors

In accordance with s. 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

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

By order of the board



Director of Assura Corporate Services Limited

Date: 28 April 2009

## Statement of directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 UK 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 proper accounting records that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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## **Independent Auditors' report to the members of Assura Diagnostics Limited**

We have audited the company's financial statements for the period ended 31 March 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the statement of Cash Flows, and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. 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 judgments 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.

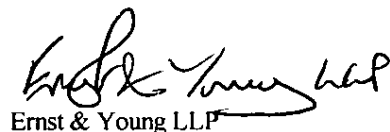
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## **Independent Auditors' report to the members of Assura Diagnostics Limited**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP

Registered auditor

Manchester

29 April 2009

## Profit and loss account

for the period ended 31 March 2008

	Notes	10 months ended 31 March 2008 £
Turnover	2	44,669
Cost of sales		-
Gross profit		<u>44,669</u>
Administrative expenses:		(400,789)
<b>Operating loss</b>	3	<u>(356,120)</u>
Bank interest receivable		969
Interest payable and similar charges	5	<u>(2,499)</u>
<b>Loss on ordinary activities before taxation</b>		(357,650)
Tax on loss on ordinary activities	6	-
<b>Loss for the financial period</b>		<u><u>(357,650)</u></u>

All amounts relate to continuing activities.

## Statement of total recognised gains and losses

There are no other recognised gains and losses other than the losses for the current period.



**Balance sheet**

at 31 March 2008

	Notes	2008 £
<b>Fixed assets</b>		
Intangible assets	7	1,347,253
Tangible fixed assets	8	108,616
		<u>1,455,869</u>
<b>Current assets</b>		
Debtors	9	93,159
Cash at bank and in hand		221,319
		<u>314,478</u>
<b>Creditors:</b> amounts falling due within one year	10	676,797
<b>Net current liabilities</b>		<u>(362,319)</u>
<b>Total assets less current liabilities</b>		<u>1,093,550</u>
<b>Creditors:</b> amounts falling due after more than one year	11	1,450,200
<b>Net Liabilities</b>		<u><u>(356,650)</u></u>
<b>Capital and reserves</b>		
Called up share capital	12	1,000
Profit and loss account	13	(357,650)
<b>Shareholders' deficit</b>	14	<u><u>(356,650)</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2009.



Director of Assura Corporate Services Limited

## Statement of cash flows

at 31 March 2008

	Notes	2008 £
<b>Net cash inflow from operating activities</b>	15	1,766,072
<b>Returns on investments and servicing of finance</b>		
Interest received		969
Interest payable	5	(2,499)
<b>Capital expenditure and financial investment</b>		
Payments to acquire intangible fixed assets	7	(1,418,161)
Payments to acquire tangible fixed assets	8	( 126,062)
<b>Net cash (outflow)/ inflow before management of liquid resources and financing</b>		220,319
<b>Financing</b>		
Issue of ordinary share capital	14	1,000
<b>Increase in cash</b>		221,319

## Notes to the financial statements

at 31 March 2008

### 1. Accounting policies

#### ***Basis of preparation***

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

#### ***Going concern***

The company is dependent on continuing finance being made available by Assura Group Limited, its ultimate parent company, to enable it to continue operating and to meet its liabilities as they fall due.

Assura Group Limited has agreed to provide sufficient funds to the company for these purposes. Assura Group Limited has also agreed not to recall the working capital loan facility advanced to the company which, at 31 March 2008 amounted to £310,000 plus accrued interest (see note 10), until all other creditors have been met. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result should continuing finance cease to be made available. Therefore the financial statements have been prepared on a going concern basis.

#### ***Consolidated financial statements***

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as these financial statements are consolidated in the financial statements of the ultimate parent company, Assura Group Limited, a company registered in Guernsey.

#### ***Income***

Income is included in the financial statements on an accruals basis and is shown gross of any UK income tax.

#### ***Expenses***

Expenses are accounted for on an accruals basis.

#### ***Goodwill***

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisitions and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment in value. Such cost includes replacing part of the asset when that cost is incurred, if the recognition criteria are met.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

- Medical equipment – 3 years straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

at 31 March 2008

### 1. Accounting policies *(continued)*

#### **Deferred tax**

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:

- 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.

### 2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax and arises wholly in the United Kingdom.

### 3. Operating loss

This is stated after charging:	2008
	£
Depreciation of owned assets	17,446
Amortisation of goodwill	70,908
Auditors' remuneration – audit of these financial statements	4,000
	<u><u>          </u></u>

### 4. Staff costs

#### (a) Staff costs

	2008
	£
Wages and salaries	182,962
Social security costs	21,791
	<u><u>204,753</u></u>

The average monthly number of employees during the period was 5.

## Notes to the financial statements

at 31 March 2008

### 4. Staff costs (continued)

	2008
(b) Directors' emoluments	£
Aggregate emoluments in respect of qualifying services	105,192
	2008
	No.
Number of directors who received shares in respect of qualifying services	2

### 5. Interest payable and similar charges

	2008
	£
Group interest payable	2,499
	2,499

### 6. Tax

#### (a) Tax on profit on ordinary activities.

The tax charge is made up as follows:

##### Current tax:

UK corporation tax at 30 %

Total current tax (note 6(b))

##### Deferred tax:

Origination and reversal of timing differences

Tax on profit on ordinary activities

2008  
£

-

-

-

-

#### (b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

	2008
	£
Loss on ordinary activities before tax	(357,650)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(107,295)
Expenses not deductible for tax purposes (including goodwill amortisation)	11,154
Depreciation in excess of capital allowances	26,506
Losses carried forwards	69,635
Total current tax (note 6(a))	-

## Notes to the financial statements

at 31 March 2008

### 6. Tax (continued)

(c) The following deferred tax asset has not been recognised due to uncertainties around future recoverability:

	2008 £
Deferred capital allowances	4,903
Tax losses carried forwards	64,993
	<u>69,896</u>

### 7. Intangible fixed assets

	Total £
<i>Cost:</i>	
At 1 June 2008	1,418,161
Increase during the year	-
At 31 March 2008	<u>1,418,161</u>
<i>Amortisation:</i>	
At 1 June 2008	-
Provided during the year	(70,908)
At 31 March 2008	<u>(70,908)</u>
Net book value at 31 March 2008	<u>1,347,253</u>

On 12 October 2007 Assura Group Limited acquired 80% of the share capital of Urosonics Limited and Cystoscope Hire Limited.

On the same date the trade and assets of these two companies were hived up into Assura Diagnostics Limited, and the company began trading. Goodwill has arisen on the hive up as follows:

	£
Trade and assets acquired:	
Tangible fixed assets	52,085
Trade debtors	22,623
Cash	11,300
Trade creditors	(8,090)
Fair value of net assets hived up	<u>77,918</u>
Goodwill arising on the hive up	<u>1,418,161</u>
	<u>1,496,079</u>
Consideration:	
Intercompany loan with Assura Group Limited	1,451,000
Direct costs associated with the hive up	45,079
	<u>1,496,079</u>

## Notes to the financial statements

at 31 March 2008

### 8. Tangible fixed assets

	<i>Medical equipment</i>	<i>Total</i>
	£	£
<i>Cost:</i>		
Additions	73,977	73,977
Transfer of assets hived up	65,369	65,369
At 31 March 2008	139,346	139,346
<i>Depreciation:</i>		
Provided during the period	17,446	17,446
Transfer of depreciation on assets hived up	13,284	13,284
At 31 March 2008	30,730	30,730
Net book value at 31 March 2008	108,616	108,616

### 9. Debtors

	2008
	£
Trade debtors	22,136
VAT debtor	30,798
Other debtors	16,726
Prepayments and accrued income	23,499
	93,159

### 10. Creditors: amounts falling due within one year

	2008
	£
Trade creditors	19,981
Amounts owed to parent company	312,499
Amounts owed to fellow subsidiaries	282,958
Other taxes and social security costs	12,239
Accruals	49,120
	676,797

Amounts owed to parent company form a working capital loan facility provided by Assura Group Limited. The loan attracts interest at 10% per annum. The interest is capitalised to form part of the loan. The loan is repayable on demand or by 31 March 2013, whichever is the earlier.

## Notes to the financial statements

at 31 March 2008

### 11. Creditors: amounts falling due after more than one year

	2008
	£
Amounts owed to parent company	1,450,200
	<u>1,450,200</u>

Amounts owed to parent company form a term loan agreement which is due for repayment on 31 March 2013. Any interest on the loan is capitalised and forms part of the working capital loan.

### 12. Authorised and issued share capital

<i>Authorised</i>	2008
	£
1,000 Ordinary shares of £1 each	<u>1,000</u>
<i>Allotted, called-up and fully paid</i>	2008
	£
1,000 Ordinary shares of £1 each	<u>1,000</u>

The issued share capital was increased by 1 share on 8 June 2007 and by 999 shares on 3 October 2007 by the allotment of £1 ordinary shares at par.

### 13. Reserves

	<i>Profit and loss account</i>
	£
Loss for the period	(286,742)
At 31 March 2008	<u>(286,742)</u>

### 14. Reconciliation of movement in shareholders' funds

	2008
	£
Loss for the period	(286,742)
Shares issued in the period	1,000
Total movements during the period	<u>(285,742)</u>
Shareholders' deficit at 31 March 2008	<u>(285,742)</u>



## Notes to the financial statements

at 31 March 2008

### 15. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities.

	2008 £
Operating loss	(356,120)
Depreciation of tangible fixed assets	17,446
Amortisation of goodwill	70,908
Increase in debtors	(93,159)
Increase in creditors	2,126,997
Net cash inflow from operating activities	<u>1,766,072</u>

<i>(b) Analysis of net debt</i>	<i>At 08 June 2007</i>	<i>Cash Flow £</i>	<i>At 31 March 2008</i>
Cash at bank and in hand	-	221,319	221,319
Loans	-	(1,450,200)	(1,450,200)
	-	<u>(1,228,881)</u>	<u>(1,228,881)</u>

### 16. Related party transactions

During the year the company entered into transactions, in the ordinary course of the business, with other related parties. Transactions entered into, and trading balances outstanding at 31 March, are as follows:

<i>Related Party</i>	<i>Purchases from related party £</i>	<i>Amounts owed to related party £</i>
Assura Lift Holdings Limited	16,853	16,853
Assura Medical Limited	140,437	266,105
Assura Group Limited	-	<u>1,420,200</u>

Assura Group Limited owns 800 of the ordinary shares (80%) in the company.

JJ Elkabir, a director of the company, owns 100 of the ordinary shares (10%) in the company.

SP Lyster, a director of the company, owns 100 of the ordinary shares (10%) in the company.

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## **Notes to the financial statements**

**at 31 March 2008**

### **17. Ultimate parent company and controlling party**

The ultimate parent company is Assura Group Limited, a company registered in Guernsey. This is the largest group in which the results of the company are consolidated. Copies of the group financial statements are available from PO Box 327, Suite 4, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 3TX.