

**Company Registration No. 07701613 (England and Wales)**

**SIDDALL MEDEQUIP LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2011**



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## **SIDDALL MEDEQUIP LIMITED**

### **DIRECTORS AND ADVISERS**

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Directors	J E McGee BEng	(Appointed 12 July 2011)
	J C Siddall BSc	(Appointed 12 July 2011)
	C P Siddall BSc, FRGS	(Appointed 12 July 2011)
	J A Firth BA, FCA	(Appointed 12 July 2011)
	A J Siddall	(Appointed 12 July 2011)
	P R Siddall MBE	(Appointed 12 July 2011)
Company number	07701613	
Registered office	Siddall Business Park Holmfield Halifax West Yorkshire HX2 9TN	
Independent Auditors	Saffery Champness Sovereign House 6 Windsor Court Clarence Drive Harrogate North Yorkshire HG1 2PE	
Bankers	National Westminster Bank plc 3rd Floor 2 Whitehall Quay Leeds West Yorkshire LS1 4HR	
Solicitors	Eversheds 1 Bridgewater Place Water Lane Leeds West Yorkshire LS11 5QR	

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## **SIDDALL MEDEQUIP LIMITED**

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## **SIDDALL MEDEQUIP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and financial statements for the year ended 31 December 2011

#### **Principal activities and review of the business**

The company was incorporated on 12 July 2011. On 8 September 2011, as part of a group reorganisation, the company acquired 100% of the share capital of Siddall Group Limited from SG Temp Limited in exchange for the issue of new shares.

The principal activity of the company is that of a holding company. Siddall Group Limited is an intermediate holding company with two trading subsidiaries, Medequip Assistive Technology Limited and Manage At Home Limited. The principal activity of Medequip Assistive Technology Limited is the purchase, storage, sale, delivery, and collection of medical assistive technology equipment. The principal activity of Manage At Home Limited is the online retail of healthcare products.

The results for the year show an increase in turnover of 26% whilst operating profit before interest and taxation increased by £235,000 to £3,038,000. The average number of employees increased by 55 to 328.

The Siddall & Hilton group of companies implemented a group reorganisation during the year.

The principal risks and uncertainties are considered to be the general economic climate and spending levels within the NHS.

Whilst the general economic outlook remains uncertain, the outlook for the group remains positive and we are hopeful of improving on this year's result in 2012.

#### **Key performance indicators**

	<b>31 December 2011</b>	<b>31 December 2010</b>
	<b>%</b>	<b>%</b>
Return on turnover	5.1	6.0
On time deliveries	99.12	98.98

Return on turnover is the percentage of profit before interest and taxation to gross turnover.

On time deliveries is the percentage of deliveries achieved within set contractual targets.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

As described in note 1.3 to the financial statements, the consolidated accounts have been prepared under merger accounting principles whereby the figures are presented as if the current group had always existed. Hence comparative group figures are included despite the company only coming into existence during the current year.

Dividends of £2,430,000 (2010: £896,000) were declared by Medequip Assistive Technology Limited in favour of its former parent company, Siddall & Hilton Limited, prior to the group reorganisation. In addition, Siddall Group Limited declared dividends of £2,211,000 to its shareholders in 2010.

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## **SIDDALL MEDEQUIP LIMITED**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **Directors**

The following directors have held office since 12 July 2011

J E McGee BEng	(Appointed 12 July 2011)
J C Siddall BSc	(Appointed 12 July 2011)
C P Siddall BSc, FRGS	(Appointed 12 July 2011)
J A Firth BA, FCA	(Appointed 12 July 2011)
A J Siddall	(Appointed 12 July 2011)
P R Siddall MBE	(Appointed 12 July 2011)

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

The company is working towards recognition as an Investor in People

#### **Disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Auditors**

Saffery Champness were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

## **SIDDALL MEDEQUIP LIMITED**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 group and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required to

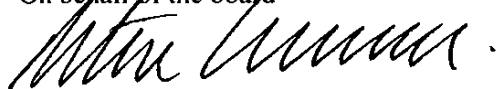
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



P R Siddall MBE

**Director**

23 July 2012

## **SIDDALL MEDEQUIP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIDDALL MEDEQUIP LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Siddall Medequip Limited for the year ended 31 December 2011 set out on pages 6 to 24. 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 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 and of the group's profit for the year 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 year for which the financial statements are prepared is consistent with the financial statements.

**SIDDALL MEDEQUIP LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)  
TO THE MEMBERS OF SIDDALL MEDEQUIP LIMITED**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

**Martin Holden (Senior Statutory Auditor)**  
for and on behalf of Saffery Champness

**Chartered Accountants**  
**Statutory Auditors**

  
Sovereign House  
6 Windsor Court  
Clarence Drive  
Harrogate  
North Yorkshire  
HG1 2PE

31/07/12.





**SIDDALL MEDEQUIP LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £'000	2010 £'000
<b>Turnover</b>	<b>2</b>	59,422	47,006
Cost of sales		<u>(51,842)</u>	<u>(41,068)</u>
<b>Gross profit</b>		7,580	5,938
Distribution costs		(7)	-
Administrative expenses		(4,337)	(3,051)
Exceptional administrative expense in relation to group reorganisation	<b>3</b>	<u>(114)</u>	<u>-</u>
<b>Operating profit before goodwill amortisation</b>	<b>3</b>	3,122	2,887
Goodwill amortisation		<u>(84)</u>	<u>(84)</u>
<b>Operating profit before interest and taxation</b>		3,038	2,803
Investment income	<b>4</b>	-	1,665
Interest payable and similar charges	<b>5</b>	<u>(564)</u>	<u>(488)</u>
<b>Profit on ordinary activities before taxation</b>		2,474	3,980
Tax on profit on ordinary activities	<b>6</b>	<u>(843)</u>	<u>(723)</u>
<b>Profit on ordinary activities after taxation</b>		<u><u>1,631</u></u>	<u><u>3,257</u></u>

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

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 9 to 24 form part of these financial statements



**SIDDALL MEDEQUIP LIMITED**

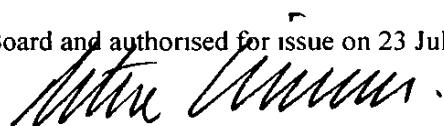
**BALANCE SHEETS  
AS AT 31 DECEMBER 2011**

		<b>Group</b>		<b>Company</b>	
	<b>Notes</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>					
Intangible assets	<b>8</b>	1,230	1,314	-	-
Tangible assets	<b>9</b>	1,575	1,167	-	-
Investments	<b>10</b>	-	-	-	-
		<u>2,805</u>	<u>2,481</u>	<u>-</u>	<u>-</u>
<b>Current assets</b>					
Stocks	<b>11</b>	6,355	5,126	-	-
Debtors	<b>12</b>	6,661	3,938	-	-
Cash at bank and in hand		25	2,879	-	-
		<u>13,041</u>	<u>11,943</u>	<u>-</u>	<u>-</u>
<b>Creditors: amounts falling due within one year</b>	<b>13</b>	(10,620)	(5,925)	-	-
<b>Net current assets</b>		<u>2,421</u>	<u>6,018</u>	<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>5,226</u>	<u>8,499</u>	<u>-</u>	<u>-</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>14</b>	(3,051)	(5,524)	-	-
		<u>2,175</u>	<u>2,975</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>					
Other reserves	<b>18</b>	24	24	-	-
Profit and loss account	<b>18</b>	2,151	2,951	-	-
<b>Shareholders' funds</b>	<b>19</b>	<u>2,175</u>	<u>2,975</u>	<u>-</u>	<u>-</u>

The notes on pages 9 to 24 form part of these financial statements

Approved by the Board and authorised for issue on 23 July 2012

P R Siddall MBE  
Director



Company Registration No. 07701613

**SIDDALL MEDEQUIP LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	£'000	2011 £'000	2010 £'000
<b>Net cash inflow from operating activities</b>	<b>24</b>		3,389	2,594
<b>Returns on investments and servicing of finance</b>				
Interest paid		(564)	(488)	
Dividends received		-	1,665	
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>			(564)	1,177
<b>Taxation</b>			(844)	(797)
<b>Capital expenditure</b>				
Payments to acquire tangible assets		(801)	(737)	
Receipts from sales of tangible assets		11	4	
<b>Net cash outflow for capital expenditure</b>			(790)	(733)
<b>Equity dividends paid</b>			(2,430)	(3,107)
<b>Net cash outflow before management of liquid resources and financing</b>			(1,239)	(866)
<b>Financing</b>				
Other new long term loans		3,817	-	
Movement on long term group balances		(5,524)	804	
Repayment of other long term loans		(200)	-	
Capital element of hire purchase contracts		133	-	
<b>Net cash (outflow)/inflow from financing</b>			(1,774)	804
<b>Decrease in cash in the year</b>	<b>25, 26</b>		(3,013)	(62)

## **SIDDALL MEDEQUIP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

##### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

##### **1.3 Basis of consolidation**

The consolidation of the direct subsidiary company has been accounted for using merger accounting in accordance with FRS 6, Acquisitions and Mergers, whereby the carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value on consolidation. The difference between the nominal value of the shares issued plus the fair value of any consideration given, and the nominal value of the shares received in exchange is shown as a merger reserve. Under merger accounting, the group financial statements are presented as if the group had always existed and hence comparative figures have been included.

The group financial statements combine the financial statements of Siddall Medequip Limited, Siddall Group Limited, Medequip Assistive Technology Limited and Manage At Home Limited. Other than the direct subsidiary company, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary companies acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. The financial statements of the subsidiary companies are prepared to the same accounting date as the parent company. Uniform accounting policies are followed throughout the group. Section 612 of the Companies Act 2006 is utilised wherever applicable.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

##### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

##### **1.5 Goodwill**

Goodwill arising on acquisition of subsidiary undertakings or business are held on the balance sheet and amortised over the estimated useful life of the acquisition up to a maximum of 20 years and is reviewed annually for impairment.

Where assets and liabilities of an acquired subsidiary have been hived up, the directors recognise that the carrying value of the investments in those subsidiaries may be stated in the company's balance sheet at a value in excess of net worth. If, in the opinion of the directors the investment can be justified, the true and fair override provision in the Companies Act 2006 is invoked to transfer the impairment of goodwill. Such goodwill is amortised by equal annual instalments over its estimated useful life, to a maximum of 20 years and is reviewed annually for impairment.

## **SIDDALL MEDEQUIP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **1 Accounting policies**

**(continued)**

##### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold improvements	over the term of the lease
Plant and machinery	20 - 50% per annum
Rental products	20 - 100% per annum
Fixtures, fittings & equipment	33 33% per annum

##### **1.7 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future years. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant annual rate of charge on the net obligation outstanding in each year.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.8 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.9 Stock**

Stock is valued at the lower of cost and net realisable value.

##### **1.10 Revenue recognition**

Revenue is recognised on delivery of goods to the customer, or in the case of service income, completion of the service. Rental income is recognised on a straight line basis over the rental period.

##### **1.11 Pensions**

The group contributes towards defined contribution schemes for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### **1.12 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **2 Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>3 Operating profit</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Operating profit is stated after charging		
Depreciation of tangible assets	583	547
Amortisation of intangible assets	84	84
Operating lease rentals		
- Plant and machinery	729	628
- Other assets	950	907
Fees payable to the group's auditors for the audit of the company's annual accounts	3	-
Fees payable to the group's auditors for other services		
- audit of accounts of subsidiary undertakings	10	9
- audit of accounts of associated pension scheme	1	1
- other services relating to taxation	2	3
- other services	-	1

**Exceptional item (administrative expenses)**

Included within administrative expenses is the company's share of professional fees relating to the group reorganisation of £114,000. Due to its size and nature this has been disclosed separately on the face of the profit and loss account

<b>4 Investment income</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Dividends received	-	1,665

In 2010, dividends of £1,665,000 were received by Siddall Group Limited from former subsidiary Siddall & Hilton Limited

<b>5 Interest payable</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
On amounts payable to group companies	-	488
On bank loans and overdrafts	11	-
Hire purchase interest	2	-
Other interest (see note 27)	551	-
	<u>564</u>	<u>488</u>



**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>6 Taxation</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Domestic current year tax</b>		
UK corporation tax	812	762
Adjustment for prior years	(6)	(58)
Payment in respect of group relief	95	-
Receipt in respect of group relief	(121)	-
	<u>780</u>	<u>704</u>
<b>Current tax charge</b>	<b>780</b>	<b>704</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(12)	(33)
Deferred tax adjustments arising in previous years	75	52
	<u>843</u>	<u>723</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>2,474</u>	<u>3,980</u>
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.50% (2010 - 28.00%)	 <u>656</u>	 <u>1,114</u>
<b>Effects of</b>		
Non deductible expenses	70	9
Depreciation in excess of capital allowances	29	50
Group relief	-	26
Adjustments to previous years	(6)	(58)
Short term timing differences	11	-
Dividends and distributions received	-	(466)
Losses carried forward	-	7
Other tax adjustments	20	22
	<u>124</u>	<u>(410)</u>
<b>Current tax charge</b>	<b>780</b>	<b>704</b>

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**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**7 Result for the financial year**

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The result for the financial year is made up as follows

	2011 £'000	2010 £'000
Holding company's result for the financial year	<u>-</u>	<u>-</u>

**8 Intangible fixed assets  
Group**

	Goodwill £'000
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	<u>1,662</u>
<b>Amortisation</b>	
At 1 January 2011	348
Charge for the year	<u>84</u>
At 31 December 2011	<u>432</u>
<b>Net book value</b>	
At 31 December 2011	<u>1,230</u>
At 31 December 2010	<u>1,314</u>

The goodwill is being amortised over a period of 20 years, being the Directors' estimate of the period over which the benefit of goodwill will be derived

**SIDDALL MEDEQUIP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**9 Tangible fixed assets**

**Group**

	<b>Leasehold improvements £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures, fittings &amp; equipment £'000</b>	<b>Rental products £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2011	1,019	832	2,098	-	3,949
Reclassification from stock	-	-	-	411	411
Additions	125	252	424	-	801
Disposals	-	(54)	-	-	(54)
At 31 December 2011	1,144	1,030	2,522	411	5,107
<b>Depreciation</b>					
At 1 January 2011	672	546	1,564	-	2,782
Reclassification from stock	-	-	-	205	205
On disposals	-	(43)	-	-	(43)
Charge for the year	108	136	344	-	588
At 31 December 2011	780	639	1,908	205	3,532
<b>Net book value</b>					
At 31 December 2011	364	391	614	206	1,575
At 31 December 2010	347	286	534	-	1,167

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

	<b>Motor vehicles £'000</b>
<b>Net book values</b>	
At 31 December 2011	139
<b>Depreciation charge for the year</b>	
31 December 2011	9

**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011****10 Fixed asset investments**

<b>Company</b>	<b>Shares in group undertakings £'000</b>
<b>Cost</b>	
Additions (£228)	-
At 31 December 2011	-
<b>Net book value</b>	
At 31 December 2011	-
At 31 December 2010	-

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Shares held</b>	
		<b>Class</b>	<b>%</b>
<b>Subsidiary undertakings</b>			
Siddall Group Limited	England and Wales	Ordinary	100 00
Medequip Assistive Technology Limited	England and Wales	Ordinary	100 00
Manage At Home Limited	England and Wales	Ordinary	100 00

The principal activity of these undertakings for the last relevant financial year was as follows

	<b>Principal activity</b>
Siddall Group Limited	Intermediate holding company
Medequip Assistive Technology Limited	Healthcare services
Manage At Home Limited	Online retail of healthcare products

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**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**11 Stocks**

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Finished goods and goods for resale	<u>6,355</u>	<u>5,126</u>

Assets rented out on operating leases of £206,000 previously shown within stock have been reclassified as tangible fixed assets during the year

**12 Debtors**

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	5,694	3,434
Other debtors	14	-
Prepayments and accrued income	889	376
Deferred tax asset (see note 15)	<u>64</u>	<u>128</u>
	<u>6,661</u>	<u>3,938</u>

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**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**13 Creditors : amounts falling due within one year**

	<b>Group 2011 £'000</b>	<b>2010 £'000</b>
Bank loans and overdrafts	159	-
Net obligations under hire purchase contracts	43	-
Trade creditors	5,964	4,263
Amounts owed to group undertakings	-	193
Corporation tax	353	392
Other taxes and social security costs	795	561
Other creditors	1,270	-
Other loans	660	-
Accruals and deferred income	1,376	516
	<u>10,620</u>	<u>5,925</u>

The bank overdraft at 31 December 2011 of £17,000 (2010 £nil) is secured by a debenture agreement with National Westminster Bank Plc incorporating a fixed and floating charge over the company and all property and assets, present and future, including goodwill, book debts uncalled and capital assets

The overdraft balance on the invoice financing facility of £142,000 (2010 £nil) is secured by a fixed and floating charge agreement with Euro Sales Finance Plc over the company and its assets

**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011****14 Creditors : amounts falling due after more than one year**

	<b>Group 2011 £'000</b>	<b>2010 £'000</b>
Other loans	2,957	-
Net obligations under hire purchase agreements	94	-
Amounts owed to group undertakings	-	5,524
	<u>3,051</u>	<u>5,524</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments		
Other loans	3,617	-
Included in current liabilities	(660)	-
	<u>2,957</u>	<u>-</u>
Instalments not due within five years	<u>354</u>	<u>-</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	660	-
In more than two years but not more than five years	1,943	-
In more than five years	354	-
	<u>2,957</u>	<u>-</u>
Other loans are described in note 27		
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	43	-
Repayable between one and five years	94	-
	<u>137</u>	<u>-</u>
Included in liabilities falling due within one year	(43)	-
	<u>94</u>	<u>-</u>

**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011****15 Provisions for liabilities**

The deferred tax asset (included in debtors, note 12) is made up as follows:

	<b>Group 2011 £'000</b>	
Balance at 1 January 2011	(128)	
Profit and loss account	64	
	<u>(64)</u>	
Balance at 31 December 2011	<u>(64)</u>	
	<b>Group 2011 £'000</b>	<b>2010 £'000</b>
Decelerated capital allowances	(65)	(116)
Other timing differences	1	(12)
	<u>(64)</u>	<u>(128)</u>

**16 Pension and other post-retirement benefit commitments****Defined contribution**

The group contributes towards defined contribution pension schemes. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

	<b>2011 £'000</b>	<b>2010 £'000</b>
Contributions payable by the group for the year	<u>126</u>	<u>96</u>



**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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<b>17 Share capital</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Allotted, called up and fully paid</b>		
456,790 ordinary shares of 0.1p each (£456)	-	-

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On incorporation the company issued 228,395 ordinary shares at 0.1p each in exchange for cash. As part of a group reorganisation, the company subsequently issued a further 228,395 in exchange for 100% of the share capital of Siddall Group Limited.

**18 Statement of movements on reserves  
Group**

	<b>Merger reserve £'000</b>	<b>Profit and loss account £'000</b>
Balance at 1 January 2011	24	2,951
Profit for the year	-	1,631
Dividends paid	-	(2,430)
Balance at 31 December 2011	24	2,152

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# SIDDALL MEDEQUIP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011

<b>19 Reconciliation of movements in shareholders' funds</b>	<b>2011</b>	<b>2010</b>
<b>Group</b>	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	1,631	3,257
Dividends	(2,430)	(3,107)
Net (depletion in)/addition to shareholders' funds	(799)	150
Opening shareholders' funds	2,975	2,825
Closing shareholders' funds	2,175	2,975

Dividends of £2,430,000 (2010 £896,000) were declared by Medequip Assistive Technology Limited in favour of its former parent company, Siddall & Hilton Limited, prior to the group reorganisation. In addition, Siddall Group Limited declared dividends of £2,211,000 to its shareholders in 2010.

<b>Company</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Result for the financial year	-	-
Proceeds from issue of shares (£456)	-	-
Opening shareholders' funds	-	-
Closing shareholders' funds (£456)	-	-

## 20 Financial commitments

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expiry date				
Within one year	18	60	69	89
Within two to five years	670	728	601	451
In over five years	238	123	-	68
	926	911	670	608

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**SIDDALL MEDEQUIP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**21 Directors' remuneration**

The directors are remunerated through associated companies

**22 Employees****Number of employees**

The average monthly number of employees (including directors)  
during the year was

	<b>2011 Number</b>	<b>2010 Number</b>
Direct operating staff	285	234
Administration and directors	43	39
	<u>328</u>	<u>273</u>

**Employment costs**

	<b>2011 £'000</b>	<b>2010 £'000</b>
Wages and salaries	6,967	5,527
Social security costs	655	548
Other pension costs	126	96
	<u>7,748</u>	<u>6,171</u>

**23 Control**

There is no ultimate controlling party

**SIDDALL MEDEQUIP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>24 Reconciliation of operating inflow from operating activities</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Operating profit	3,122	2,887
Depreciation of tangible assets	588	547
Increase in stocks	(1,435)	(1,187)
Increase in debtors	(2,787)	(473)
Increase in creditors within one year	3,875	820
Group relief	26	-
<b>Net cash inflow from operating activities</b>	<b>3,389</b>	<b>2,594</b>

<b>25 Analysis of net debt</b>	<b>1 January 2011 £'000</b>	<b>Cash flow £'000</b>	<b>Other non- cash changes £'000</b>	<b>31 December 2011 £'000</b>
Net cash				
Cash at bank and in hand	2,879	(2,854)	-	25
Bank overdrafts	-	(159)	-	(159)
	<u>2,879</u>	<u>(3,013)</u>	<u>-</u>	<u>(134)</u>
Finance leases	-	(137)	-	(137)
Debts falling due within one year	-	(60)	(600)	(660)
Debts falling due after one year	(5,524)	1,967	600	(2,957)
	<u>(5,524)</u>	<u>1,770</u>	<u>-</u>	<u>(3,754)</u>
<b>Net debt</b>	<b><u>(2,645)</u></b>	<b><u>(1,243)</u></b>	<b><u>-</u></b>	<b><u>(3,888)</u></b>

<b>26 Reconciliation of net cash flow to movement in net debt</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Decrease in cash in the year	(3,013)	(62)
Cash outflow/(inflow) from decrease/(increase) in debt	1,770	(804)
<b>Movement in net debt in the year</b>	<b>(1,243)</b>	<b>(866)</b>
Opening net debt	(2,645)	(1,179)
<b>Closing net debt</b>	<b><u>(3,888)</u></b>	<b><u>(2,645)</u></b>

## **SIDDALL MEDEQUIP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **27 Related party relationships and transactions**

##### **Group**

The group has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, where the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions. As a consequence, comparative figures have not been shown below as the entities involved were part of the same group for the entirety of the prior year.

AJ Siddall, PR Siddall, JA Firth, Mrs CM Siddall, JC Siddall, and JE McGee are all directors of Sidhil Limited. During the year sales to Sidhil Limited were £131,000, and purchases made from this company were £1,666,000. An amount of £26,000 was receivable from Sidhil Limited in respect of group relief surrendered. At 31 December 2011 a balance of £14,000 was owed from Sidhil Limited and £400,000 was owed to Sidhil Limited.

During the year management charges of £140,000 and a dividend of £2,430,000 were paid to Siddall & Hilton Limited, a company of which AJ Siddall, PR Siddall, JA Firth, Mrs CM Siddall, JC Siddall and JE McGee are all directors. Medequip Assistive Technology Limited and Manage At Home Limited have long term loans with Siddall & Hilton Limited. The balance on the loans at 31 December 2011 was £3,354,000 and £263,000 respectively and interest of £544,000 and £7,000 was payable in the year. The loans are repayable in monthly instalments of £50,000 and £5,000 respectively and carry interest at 10%. In addition, a further short term loan of £850,000 was received by Medequip Assistive Technology Limited from Siddall & Hilton Limited and is included in other creditors.