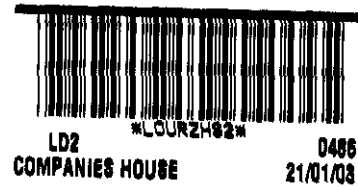


INHEALTH GROUP SA AND SUBSIDIARY COMPANIES
(FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

nm ✓



INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

COMPANY INFORMATION

DIRECTORS

I H Bradbury
J G Rhodes
Sir A D Chessells
A Gibson (appointed 24 July 2001)
P J Whitecross (appointed 5 February 2002)

COMPANY NUMBER

FC0022328

COMPANY SECRETARY

B R Ally

AUDITORS

Ernst & Young LLP
Rolls House
7 Rolls Buildings
Fetter Lane
London
EC4A 1NH

REGISTERED OFFICE

Beechwood Hall
Kingsmead Rd
High Wycombe
Buckinghamshire
HP11 1JL

BANKERS

Barclays Bank Plc
54 Lombard Street
London
EC3P 3AH

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

CONTENTS

	Page
Directors' report	1 – 3
Auditors' report	4
Consolidated profit and loss account	5
Consolidated statement of total recognised gains and losses	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10- 18

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements of the Group for the year ended 31 March 2002.

Results and dividends

The loss after tax for the year amounted to £577k as shown on Page 5.

The directors do not recommend the payment of a dividend, and the policy continues to be to re-invest all profits in future development and growth of the business.

Principal activity, business review and future developments

The principal activity continues to be that of the provision of healthcare services with the Group now established as one of the UK's leading providers of managed healthcare services.

The principal aim of the business is to work as a strategic partner to the NHS and, by working with them, to improve the provision of healthcare in the UK by delivering market leading services that represent value for money and quality to our customers and to the patients they treat.

The Group has continued to grow both organically and through selective acquisitions. The directors are more than satisfied with the results in light of the expansion and significant long term investment being made.

The year was a very active one with significant acquisitions only being completed in the latter part of the financial year, with the result that the impact on both revenue and profit will not be seen until next financial year. Looking specifically at the major trading divisions :

Lister Bestcare

The acquisition of the diagnostic division of Westminster Healthcare in August 2001 added strength to Lister's existing business by both increasing the overall size of the operations and giving it further significant presence in the south of England in particular. The acquisition facilitated rapid growth, not only through the additive contribution for the seven months post acquisition but it also gave rise to opportunities to deliver an even lower cost service through rationalising the combined businesses.

Lister now has a truly national coverage and is the leading provider as partner to the NHS for MRI and CT scanning managed services. With over 10 years of experience operating both mobile and static facilities, they now carry out more than 150,000 scans per annum. The division provides its facilities and staffing on both short and long term arrangements. Static facilities are operated as a fully managed service and our expertise in running such facilities is applied to ensure both efficiency and quality of the highest standards. Other services include a wide range of radiology services including diagnostic assessment and treatment centres. It also has cardiac services and will increasingly work in this area in close collaboration with Cardinal.

The UK still has considerably lower incidences of scanning than most of our European counterparts; waiting lists in this area are still considerable and the use of MRI and CT technology is still expanding. Thus there is an increasing demand on the resources of the NHS and, when coupled with the relative age of much of the equipment within the NHS, Lister is therefore well positioned to be able to work with the NHS to grow capacity, reduce waiting lists and achieve key targets for the delivery of healthcare.

Rociale Medical

Acquired in March 2002, this acquisition gives the Group a new core activity in theatre logistics. This complements the Group strategy of developing a number of key clinical processes across all areas of the health sector and providing both breadth and depth in its provision of healthcare services.

Rociale Medical provides end to end services from procurement, through sterilisation, to delivery and full traceability for dressing packs, theatre packs and surgical instruments. With 25 years practical experience, it has state of the art clean rooms, logistics capability and leading edge sterilisation processes. A pioneer in customised theatre packs it now leads the market. Rociale Medical packs contain all the disposable products surgeons require to perform operations. In addition, it supplies pre-sterilised, disposable and re-usable instruments throughout the NHS.

There is a worldwide trend toward outsourcing of disposable sterilised product and growth in the business is expected to be strong with the division well positioned to be at the forefront of enabling a move within UK theatres towards the wider use of disposable packs. These packs are increasingly popular as they improve nurse productivity whilst reducing hospital stock and inventory control requirements. The contents of these packs are continually extended and increasingly are likely to include some disposable instruments.

Cardinal Healthcare

Also acquired in March 2002, Cardinal is the only non-NHS supplier of mobile and static cardiac catheterisation units to UK hospitals. This business significantly complements the existing cardiac activity already undertaken by Lister, and following the acquisition the two divisions now work closely together and will approach new opportunities offering comprehensive cardiac services.

Cardinal undertakes more the 15% of the total catheterisation procedures carried out in the UK, performing in excess of 12,000 cases per year and has the benefit of more than 10 years of cardiac catheterisation experience. Cardinal Healthcare was also the first UK company to provide invasive cardiac procedures at NHS sites. Its static services increasingly include facilities to deliver more complex cardiac procedures. Cardinal Healthcare operates a fleet of seven mobile cardiac catheterisation units throughout the UK and is the only UK operator able to provide this level and complexity of service.

Cardiovascular disease is the most common cause of premature death in the UK and reducing this is a key government target. Within the NHS there are major initiatives to reduce waiting times and also plans to grow capacity by 90% by 2005. Demand for Cardinal's services is strong and the outlook remains very good with several new units being commissioned. Like Lister, our expertise in operating these units efficiently and to very high standards puts our service in demand.

InHealth Solutions

This division was created through the merger of two newly acquired businesses (Real Software and IBA Health) with the existing ITS business and re branding the combined operation as InHealth Solutions. This created a significant presence in the UK IT health market where the market was extremely fragmented with many small companies lacking the critical mass or financial standing to tackle the size of projects emerging in the market. It also created a company with the full coverage from primary to secondary care.

InHealth Solutions works almost exclusively with the NHS as a major provider of applications management, systems integration and desktop and network management. Its combined operations have fifteen years of experience extending from small contracts to £10m plus PFI projects. The main area of activity is to enhance both primary and secondary care through the provision of better information. InHealth Solutions brings a focus on electronic patient records and the ability to create systems that track patients across the whole health economy, thus providing a basis for improved delivery of integrated healthcare.

Like all of our other divisions, these products are in demand and electronic patient records are high on the agenda. In the NHS it has been an area of underinvestment but recent commitments and high level appointments indicate that growth in this area is about to happen.

Fixed assets

The company continues to invest heavily in growing its capacity often ahead of contracted demand. It also follows a vigorous policy of keeping all of its assets maintained to a high standard including regular upgrades to keep its equipment current with the technology developments.

Movements in fixed assets during the year are set out in the notes to the financial statements.

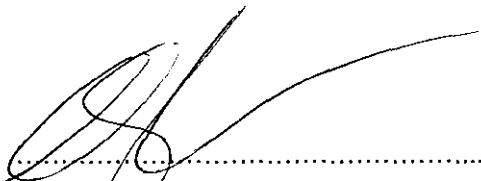
Directors' responsibilities for the financial statements

The directors are responsible for preparing the financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group. 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.

By order of the board



A Gibson
Chief Executive

Date 21 November 2002

AUDITORS' REPORT TO THE MEMBERS

OF INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

We have audited the financial statements on pages 5 to 18 which have been prepared on the basis of and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 the directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

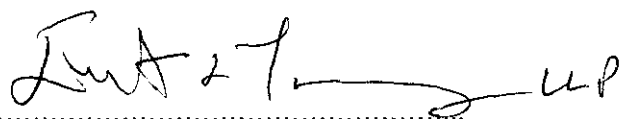
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 accounts for the year ended 31 March 2002 have been properly prepared in accordance with the accounting policies set out on pages 10 and 11.



Ernst & Young LLP
Registered Auditor
London

Date 21 November 2002

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

	Notes	Continuing operations 2002 £'000	Acquisitions 2002 £'000	Total 2002 £'000	Total 2001 £'000
TURNOVER	2	17,810	7,537	25,347	11,361
Cost of sales		<u>(11,771)</u>	<u>(5,233)</u>	<u>(17,004)</u>	<u>(7,876)</u>
GROSS PROFIT		6,039	2,304	8,343	3,485
Administrative expenses					
- amortisation of goodwill		(549)	(760)	(1,309)	(3,899)
- general		<u>(7,457)</u>	<u>(1,472)</u>	<u>(8,929)</u>	<u>(3,221)</u>
Total administration costs		<u>(8,006)</u>	<u>(2,232)</u>	<u>(10,238)</u>	<u>(7,120)</u>
OPERATING LOSS	3	(1,967)	72	(1,895)	(3,635)
Profit on sale of operations		-	-	-	849
Loss on sale of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>(73)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(1,967)	72	(1,895)	(2,859)
Income from investments				3,022	6,670
Interest payable				(157)	(193)
Interest receivable and similar income	5			<u>211</u>	<u>202</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				1,181	3,820
Tax on profit on ordinary activities	6			<u>(1,758)</u>	<u>(3,515)</u>
RETAINED (LOSS) / PROFIT FOR THE FINANCIAL YEAR				<u>(577)</u>	<u>305</u>

ERNST & YOUNG

The notes on pages 10 to 18 form part of these financial statements

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2002 £'000	2001 £'000
Profit for the financial year	(577)	305
Currency translation differences on foreign currency net investments	(411)	9,773
TOTAL RECOGNISED (LOSSES) / GAINS RELATING TO THE YEAR	<u>(988)</u>	<u>10,078</u>

RECONCILIATION OF SHAREHOLDERS' FUNDS

	2002 £'000	2001 £'000
Total recognised (losses) / gains for the year	(988)	10,078
Shareholders' funds brought forward	103,768	93,690
Shareholders' funds carried forward	<u>102,780</u>	<u>103,768</u>

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2002

	Notes	2002 £'000	2001 £'000
FIXED ASSETS			
Intangible assets	7	72,206	12,627
Tangible assets	8	30,934	9,835
Investments	9	2,354	-
		105,494	22,462
CURRENT ASSETS			
Stocks	10	4,684	141
Debtors due within one year	11	16,962	3,597
Cash at bank and in hand		7,691	2,174
Liquid investments	12	2,113	85,145
		31,450	91,057
CREDITORS: Amounts falling due within one year	13	(25,870)	(7,948)
NET CURRENT ASSETS		5,580	83,109
TOTAL ASSETS LESS CURRENT LIABILITIES		111,074	105,571
CREDITORS: Amounts falling due after one year	14	(4,035)	(1,149)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(4,259)	(654)
		102,780	103,768
CAPITAL AND RESERVES			
Called up share capital	17	94,051	94,051
Exchange equalisation reserve	18	9,362	9,773
Profit and loss account	18	(633)	(56)
SHAREHOLDERS' FUNDS		102,780	103,768

Approved by the board

Director

Director

Date 21 November 2002

The notes on pages 10 to 18 form part of these financial statements

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

COMPANY BALANCE SHEET

AS AT 31 MARCH 2002

	Notes	2002 £'000	2001 £'000
FIXED ASSETS			
Intangible assets	7	65,632	12,627
Tangible assets	8	30,814	9,835
Investments	9	76,130	28,342
		<u>172,576</u>	<u>50,804</u>
CURRENT ASSETS			
Stocks	10	4,684	141
Debtors due within one year	11	14,777	3,597
Cash at bank and in hand		7,635	2,174
Liquid investments	12	2,113	85,145
		<u>29,209</u>	<u>91,057</u>
CREDITORS: Amounts falling due within one year	13	<u>(90,430)</u>	<u>(36,290)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(61,221)</u>	<u>54,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>111,355</u>	<u>105,571</u>
CREDITORS: Amounts falling due after one year	14	<u>(4,035)</u>	<u>(1,149)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(4,259)</u>	<u>(654)</u>
		<u>103,061</u>	<u>103,768</u>
CAPITAL AND RESERVES			
Called up share capital	17	94,051	94,051
Exchange equalisation reserve	18	9,362	9,773
Profit and loss account	18	(352)	(56)
SHAREHOLDERS' FUNDS		<u>103,061</u>	<u>103,768</u>

Approved by the board

.....
Director

.....
Director

Date 21 November 2002

The notes on pages 10 to 18 form part of these financial statements

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2002

	Note	2002 £'000	2001 £'000
Net cash inflow from operating activities	20	1,601	1,393
Returns on investments and servicing of finance			
Bank interest paid		(14)	(4)
Interest element of finance lease rental payments		(143)	(189)
Interest received		211	202
Net cash inflow from returns on investments and servicing of finance		54	9
Taxation			
Corporation tax paid		(1,844)	(4,422)
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(10,970)	(5,113)
Proceeds from sale of tangible fixed assets		64	289
Payments to acquire intangible fixed assets		-	(4,733)
Net overdraft acquired with subsidiaries		(254)	-
Payments to acquire subsidiaries and business assets		(71,700)	-
Proceeds from sale of investments (net)		3,022	10,341
Net proceeds from sale of operations		-	776
Net cash inflow/ (outflow) from capital expenditure and financial investment		(79,838)	1,560
Net cash outflow before financing		(80,027)	(1,460)
Financing			
Repayments of capital element of finance lease rentals		(1,258)	(580)
Loan repayments		-	(29)
Other new loans		3,233	-
Cash inflow from sale of current asset investments		82,193	-
Net cash inflow/ (outflow) from financing		84,168	(609)
Increase / (decrease) in cash	20	4,141	(2,069)

ERNST & YOUNG

The notes on pages 10 to 18 form part of these financial statements

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

(a) **Basis of accounting**

These non-statutory accounts are prepared under the historical cost convention and in accordance with the accounting policies set out below. The company's statutory accounts on which an unqualified audit opinion has been given, are prepared in accordance with the generally accepted accounting principles and regulations of the Grand Duchy of Luxembourg and are appended to these financial statements. The accounts have been drawn up in sterling which is the functional currency of the group.

(b) **Basis of consolidation**

The group accounts consolidate the accounts of InHealth Group SA and its subsidiary undertakings drawn up to 31 March each year.

(c) **Goodwill**

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

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

(d) **Depreciation and amortisation**

Depreciation and amortisation are calculated to write off the cost less estimated residual value, of tangible and intangible fixed assets over their estimated useful lives to the business. The annual depreciation and amortisation rates and methods are as follows:

Freehold property	- 40 to 50 years straight line
Leasehold land and buildings	- straight line over the term of the lease
Fixtures and fittings	- 5 to 10 years straight line
Plant and machinery	- 5 to 15 years straight line
Computer equipment	- 2 to 5 years straight line
Motor vehicles	- 4 years straight line
Goodwill	- 5 to 20 years straight line

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

(e) **Fixed asset investments**

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

(f) **Stocks**

Stocks are stated at the lower of cost and net realisable value.

(g) **Pension contributions**

One of the Company's divisions operates a defined contribution pension scheme. The pension charge represents the amounts payable by the group to the scheme in respect of the year.

(h) **Research and development**

Research and development expenditure is written off as incurred.

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

(i) **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Income and charges are translated at the year end rate. All differences are taken to the profit and loss account with the exception of exchange differences on the net investment in overseas businesses which are taken directly to reserves. The accounts have been drawn up in sterling which is the functional currency of the group.

(j) **Government grants**

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Government grants in respect capital expenditure and job creation are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets and the project life by equal annual instalments.

(k) **Deferred taxation**

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable. Deferred tax assets are only recognised if recovery is reasonably certain.

(l) **Liquid investments**

These are stated at the lower of cost or market value.

(m) **Leasing and hire purchase agreements**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Substantially all of the group's sales are made in the United Kingdom.

Profits on systems sales and implementation contracts are recognised following the percentage completion method or as agreed by contracts. Revenue in relation to maintenance contracts is recognised on a straight line basis over the life of the contract.

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:	2002	2001
Administrative expenses including:	£'000	£'000
Amortisation of goodwill	1,309	3,259
Auditors remuneration	127	75
Depreciation of owned fixed assets	2,409	1,252
Operating lease rentals – land & buildings	354	1,616
– plant & machinery	1,750	244
Foreign exchange loss	-	215

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

4. STAFF COSTS

	2002 £'000	2001 £'000
The cost of employing staff, including directors, was:		
Wages and salaries	6,895	3,720
Social security costs	635	369
Pension costs	177	115
	<u>7,707</u>	<u>4,204</u>

	2002	2001
The average monthly number of employees during the year was:		
Product development and sales	44	14
Operations	556	121
Administration	95	33
	<u>695</u>	<u>168</u>

5. INTEREST PAYABLE

	2002 £'000	2001 £'000
Interest on overdraft	14	4
Finance lease interest	143	189
	<u>157</u>	<u>193</u>

6. TAXATION

	2002 £'000	2001 £'000
Based on profit/(loss) for the year:		
Corporation tax	1,043	3,007
Prior year adjustment	726	-
Total current tax	<u>1,769</u>	<u>3,007</u>
Deferred taxation	(11)	508
	<u>1,758</u>	<u>3,515</u>

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	<u>1,181</u>	<u>3,820</u>
Profit on ordinary activities multiplied by standard tax rate (30%)	354	1,146
Effect of:		
Disallowed expenses and non-taxable income	745	1,509
Capital allowances in excess of depreciation	(147)	88
Short term timing differences	28	-
Losses hived up	333	-
Adjustments in respect of previous periods	727	354
Tax losses	(277)	(90)
Miscellaneous	6	-
	<u>1,769</u>	<u>3,007</u>

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

7. INTANGIBLE ASSETS

<i>Goodwill</i>	<i>Group 2002 £'000</i>	<i>Company 2002 £'000</i>
Cost		
At 1 April 2001	15,886	15,886
Additions during the year	60,888	54,226
At 31 March 2002	<u>76,774</u>	<u>70,112</u>
Amortisation		
At 1 April 2001	3,259	3,259
Provided during the year	1,309	1,221
At 31 March 2002	<u>4,568</u>	<u>4,480</u>
Net book value		
At 31 March 2002	<u>72,206</u>	<u>65,632</u>
At 31 March 2001	<u>12,627</u>	<u>12,627</u>

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

8. TANGIBLE FIXED ASSETS

Group

	Leasehold Property	Freehold Property	Plant and Equipment	Motor Vehicles	Fixtures, Fittings, Office Equip & Computers	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2001	4,284	541	7,436	395	611	13,267
Additions	1,425	6,989	3,966	268	562	13,210
Acquisitions of subsidiaries	1,422	2,100	4,714	457	1,669	10,362
Disposals	-	-	-	(188)	(12)	(200)
At 31 March 2002	7,131	9,630	16,116	932	2,830	36,639
Depreciation						
At 1 April 2001	1,489	6	1,452	137	348	3,432
Charge for the year	353	19	1,698	136	203	2,409
Disposals	-	-	-	(127)	(9)	(136)
At 31 March 2002	1,842	25	3,150	146	542	5,705
Net book values						
At 31 March 2002	5,289	9,605	12,966	786	2,288	30,934
At 31 March 2001	2,795	535	5,984	258	263	9,835

Company

	Leasehold Property	Freehold Property	Plant and Equipment	Motor Vehicles	Fixtures, Fittings, Office Equip & Computers	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2001	4,284	541	7,436	395	611	13,267
Additions	1,425	6,989	3,966	268	529	13,177
Hive up of acquisitions	1,422	2,100	4,714	457	1,565	10,258
Disposals	-	-	-	(188)	(12)	(200)
At 31 March 2002	7,131	9,630	16,116	932	2,693	36,502
Depreciation						
At 1 April 2001	1,489	6	1,452	137	348	3,432
Charge for the year	353	19	1,698	136	186	2,392
Disposals	-	-	-	(127)	(9)	(136)
At 31 March 2002	1,842	25	3,150	146	525	5,688
Net book values						
At 31 March 2002	5,289	9,605	12,966	786	2,168	30,814
At 31 March 2001	2,795	535	5,984	258	263	9,835

The net book value of plant, equipment, fixtures and fittings and motor vehicles above includes an amount of £5,113,604 in respect of assets held under finance leases and hire purchase contracts.

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

9. FIXED ASSET INVESTMENTS

Group

*Investment
in subsidiary
undertakings*

Cost	£'000
A 1 April 2001	-
Additions	2,354
At 31 March 2002	<u>2,354</u>

During the year the group acquired share options in IBA Australia and a 50% interest in The London Independent, a joint arrangement.

Company

*Investment
in subsidiary
undertakings*

Cost	£'000
A 1 April 2001	28,342
Additions	52,339
Liquidation of companies post hive-up	(4,551)
At 31 March 2002	<u>76,130</u>

During the year the company acquired the entire share capital of Rocielle Medical Limited, Cardinal Healthcare Limited, Real Software Limited and IBA Health (Europe) Limited.

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the balance sheets.

10. STOCKS

	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Raw materials	2,598	141	2,598	141
Work in progress	89	-	89	-
Finished goods and goods for resale	1,997	-	1,997	-
	<u>4,684</u>	<u>141</u>	<u>4,684</u>	<u>141</u>

11. DEBTORS

	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Trade debtors	11,742	3,441	11,214	3,441
Other debtors	2,124	156	1,819	156
Prepayments and accrued income	3,096	-	1,744	-
	<u>16,962</u>	<u>3,597</u>	<u>14,777</u>	<u>3,597</u>

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

12. INVESTMENTS

Group and Company

Short-term treasury bonds and listed fixed income securities:

	2002 £'000	2001 £'000
At cost	<u>2,113</u>	<u>85,145</u>
Market value at 31 March	<u>2,113</u>	<u>85,599</u>

13. CREDITORS: Amounts falling due within one year

	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Bank overdraft	1,384	8	1,384	8
Shareholder loan	1,096	-	1,095	-
Net obligations under hire purchase agreements (note 15)	541	550	541	550
Trade creditors	7,486	1,436	6,739	1,436
Amounts owed to group undertakings	-	-	67,335	29,443
Corporate taxation	2,687	1,913	2,687	1,913
Other taxation and social security	631	62	502	62
Other creditors	3,819	1,101	2,159	-
Accruals and deferred income	8,226	2,878	7,988	2,878
	<u>25,870</u>	<u>7,948</u>	<u>90,430</u>	<u>36,290</u>

14. CREDITORS: Amounts falling due after more than one year

	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Net obligations under hire purchase agreements (note 15)	1,898	1,149	1,898	1,149
Other loans	2,137	-	2,137	-
	<u>4,035</u>	<u>1,149</u>	<u>4,035</u>	<u>1,149</u>

All other loans have been discharged after the year end.

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Group and company

The maturity of these amounts is as follows:

	2002 £'000	2001 £'000
Amounts payable:		
Within one year	541	550
In two to five years	<u>1,898</u>	<u>1,149</u>
	<u>2,439</u>	<u>1,699</u>

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Deferred tax provision	1,259	654	1,259	654
Deferred purchase consideration	3,000	-	3,000	-
At 31 March 2002	<u>4,259</u>	<u>654</u>	<u>4,259</u>	<u>654</u>

17. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Ordinary shares of \$1 each	<u>282,079</u>	<u>282,079</u>	<u>94,051</u>	<u>94,051</u>

18. RESERVES

<i>Group</i>	Other reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2001	9,773	(56)	9,717
Retained profit for the year	-	(577)	(577)
Exchange equalisation reserve	(411)	-	(411)
At 31 March 2002	<u>9,362</u>	<u>(633)</u>	<u>8,729</u>
<i>Company</i>	Other reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2001	9,773	(56)	9,717
Retained profit for the year	-	(296)	(296)
Exchange equalisation reserve	(411)	-	(411)
At 31 March 2002	<u>9,362</u>	<u>(352)</u>	<u>9,010</u>

19. OTHER FINANCIAL COMMITMENTS

<i>Group</i>	Land and buildings £'000	Other £'000
Annual commitments under operating leases which expire:		
Within one year	31	102
Between two and five years	313	2,300
Over five years	354	-
	<u>698</u>	<u>2,402</u>
<i>Company</i>	Land and buildings £'000	Other £'000
Annual commitments under operating leases which expire:		
Within one year	31	88
Between two and five years	313	2,298
Over five years	354	-
	<u>698</u>	<u>2,386</u>

INHEALTH GROUP SA (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT SA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

20. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating loss to net cash inflow from operating activities	2002	2001
	£'000	£'000
Operating loss	(1,895)	(3,635)
Depreciation	2,409	1,252
Amortisation of goodwill	1,309	3,259
(Increase)/decrease in stocks	(4,543)	(84)
(Increase)/decrease in debtors	(13,365)	(763)
Increase/(decrease) in creditors	12,978	1,364
Increase in provisions	4,708	-
Net cash inflow from operating activities	1,601	1,393

Analysis of changes in net funds

	At 1 April 2001 £'000	Cash flows £'000	Other Changes £'000	At 31 March 2002 £'000
Cash in hand, at bank	2,174	5,517	-	7,691
Overdrafts	(8)	(1,376)	-	(1,384)
	<u>2,166</u>	<u>4,141</u>	<u>-</u>	<u>6,307</u>
Finance leases	(1,699)	1,258	(1,998)	(2,439)
Debt due after 1 year	-	(3,233)	-	(3,233)
Current asset investments	<u>85,145</u>	<u>(82,193)</u>	<u>(839)</u>	<u>2,113</u>
	<u>85,612</u>	<u>(80,027)</u>	<u>(2,837)</u>	<u>2,748</u>

Reconciliation of net cash flow to movement in net funds	2002	2001
	£'000	£'000
Increase/(decrease) in cash in the year	4,141	(2,069)
Cash inflow from increase in debt and lease financing	(1,975)	609
Cash inflow from decrease in liquid resources	(82,193)	(3,890)
Change in net debt resulting from cash flows	(80,027)	(5,350)
New finance leases and finance leases acquired	(1,998)	(81)
Change in current asset investments	(839)	3,811
Translations difference	-	7,890
Movement in net debt in the year	(82,864)	6,270
Net funds at 1 April 2001	85,612	79,342
Net funds at 31 March 2002	2,748	85,612

INHEALTH GROUP S.A. AND SUBSIDIARY COMPANIES
(FORMERLY INTEGRATED HEALTHCARE MANAGEMENT S.A.)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

INHEALTH GROUP S.A. (FORMERLY INTEGRATED HEALTHCARE MANAGEMENT S.A.)

CONTENTS

	Page
Auditors' report	3
Consolidated balance sheet	4
Consolidated profit and loss account	5
Notes to the financial statements	6 - 13

AUDITOR'S REPORT

To the Shareholders of
InHealth Group S.A.
(formerly Integrated Healthcare Management S.A.)
Société Anonyme
Luxembourg

Following our appointment by the Annual General Meeting of the Shareholders on November 5, 2002, we have audited the accompanying consolidated accounts of InHealth Group S.A. for the year ended March 31, 2002 and have read the related management report. These consolidated accounts and the consolidated management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated accounts based on our audit and to check that the consolidated management report is consistent with the consolidated accounts.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall consolidated accounts presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying consolidated accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of InHealth Group S.A. as at March 31, 2002 and of the results of its operations for the year then ended.

The consolidated management report is consistent with the consolidated accounts.

ERNST & YOUNG
Société Anonyme
Réviseur d'Entreprises



Thierry BERTRAND

Luxembourg, November 21, 2002

Bureaux:

7, Parc d'Activité Syrdall
L-5365 Munsbach

6, rue Jean Monnet
L-2180 Luxembourg

INHEALTH GROUP S.A.
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2002

	Notes	2002 £'000
FIXED ASSETS		
Intangible assets	4	72,206
Tangible assets	5	30,934
Investments	6	<u>2,354</u>
		105,494
CURRENT ASSETS		
Stocks	7	4,684
Debtors due within one year	8	16,962
Cash at bank and in hand		7,691
Transferable securities	9	<u>2,113</u>
		31,450
CREDITORS: Amounts falling due within one year	10	<u>(25,870)</u>
CURRENT ASSETS LESS LIABILITIES DUE AND PAYABLE WITHIN ONE YEAR		<u>5,580</u>
TOTAL ASSETS LESS LIABILITIES DUE AND PAYABLE WITHIN ONE YEAR		111,074
CREDITORS: Amounts becoming due and payable after more than one year	11	(4,035)
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>(4,259)</u>
		<u>102,780</u>
CAPITAL AND RESERVES		
Subscribed capital	14	105,291
Reserve for currency fluctuations	15	(1,878)
Deficit brought forward	15	<u>(56)</u>
		103,357
Loss for the financial year		<u>(577)</u>
		<u>102,780</u>

ERNST & YOUNG

The accompanying notes are an integral part of the annual accounts.

INHEALTH GROUP S.A.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

	Notes	Total 2002 £'000
NET TURNOVER		25,347
Cost of Sales		<u>(17,004)</u>
GROSS PROFIT DERIVING FROM TURNOVER		8,343
Administrative expenses		8,929
Amortisation of goodwill	4	1,309
Income from investments		3,022
Interest payable		(157)
Interest receivable and similar income		<u>211</u>
PROFIT ON ORDINARY ACTIVITIES		1,181
Tax on profit on ordinary activities	3	<u>(1,758)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(577)</u>

ERNST & YOUNG

The accompanying notes are an integral part of the annual accounts.

INHEALTH GROUP S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with the generally accepted accounting principles and regulations in force in the Grand Duchy of Luxembourg. On December 2, 2002, the company changed its name from Integrated Healthcare Management S.A. to InHealth Group S.A.

The principal activity of the group is the provision of a variety of healthcare services through a number of branches located in the United Kingdom.

As the functional currency of the company is Sterling, the financial statements have been drawn up in that currency.

(b) Basis of consolidation

The group accounts consolidate the accounts of InHealth Group S.A. and its subsidiary undertakings drawn up to 31 March. In accordance with Article 313 (1) of the law of August 10, 1915 as amended this is the first year in which the Company meets the criteria for the preparation of consolidated accounts. Accordingly, no comparative figures are presented.

The consolidated accounts include the accounts of the subsidiaries listed below:

	<i>Location</i>	<i>Percentage Ownership</i>	<i>Method of consolidation</i>
Lister Healthcare Group Ltd	UK	100	Full
Lister Bestcare Ltd	UK	100	Full
Lister Hospital & Therapeutics Services Ltd	UK	100	Full
Vincent Medical Ltd	UK	100	Full
Mobile Technologies Ltd	UK	100	Full
Lister Rehabilitation	UK	100	Full
Lion Medical	UK	100	Full
Aslam Imaging	UK	100	Full
Rociale Medical Limited	UK	100	Full
Cardinal Healthcare Limited	UK	100	Full
Real Software Ltd	UK	100	Full
IBA (Europe) Limited	UK	100	Full

All of the above undertakings are dormant.

(c) Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of each financial year or if events or changes in circumstances indicate that the carrying value may not be recoverable.

1. ACCOUNTING POLICIES - continued

(d) **Depreciation and amortisation**

Depreciation and amortisation are calculated to write off the cost less estimated residual value, of tangible and intangible fixed assets over their estimated useful lives to the business. The annual depreciation and amortisation rates and methods are as follows:

Freehold property	- 40 to 50 years straight line
Leasehold land and buildings	- straight line over the term of the lease
Fixtures and fittings	- 5 to 10 years straight line
Plant and machinery	- 5 to 15 years straight line
Computer equipment	- 2 to 5 years straight line
Motor vehicles	- 4 years straight line
Goodwill	- 5 to 20 years straight line

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

(e) **Fixed asset investments**

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

(f) **Stocks**

Stocks are stated at the lower of cost and net realisable value.

(g) **Pension contributions**

One of the Company's divisions operates a defined contribution pension scheme. The pension charge represents the amounts payable by the group to the scheme in respect of the year.

(h) **Research and development**

Research and development expenditure is written off as incurred.

(i) **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Income and charges are translated at the year end rate. All differences are taken to the profit and loss account with the exception of exchange differences on the net investment in overseas businesses which are taken directly to reserves. The accounts have been drawn up in sterling which is the functional currency of the group.

(j) **Government grants**

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Government grants in respect capital expenditure and job creation are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets and the project life by equal annual instalments.

INHEALTH GROUP S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES - continued

(k) **Deferred taxation**

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable. Deferred tax assets are only recognised if recovery is reasonably certain.

(l) **Liquid investments**

These are stated at the lower of cost or market value.

(m) **Leasing and hire purchase agreements**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(n) **Net turnover**

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Substantially all of the group's sales are made in the United Kingdom.

Profits on systems sales and implementation contracts are recognised following the percentage completion method or as agreed by contracts. Revenue in relation to maintenance contracts is recognised on a straight line basis over the life of the contract.

INHEALTH GROUP S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

2. STAFF COSTS

	2002
	£'000
The cost of employing staff, including directors, was:	
Wages and salaries	6,895
Social security costs	635
Pension costs	177
	<u>7,707</u>

Directors fees amounting to £ 325,000 were payable during the year.

The average monthly number of employees during the year was:	2002
Product development and sales	44
Operations	556
Administration	95
	<u>695</u>

3. TAXATION

	2002
	£'000
Based on profit for the year:	
Corporation tax	1,043
Prior year adjustment	726
Total current tax	<u>1,769</u>
Deferred taxation	<u>(11)</u>
	<u>1,758</u>

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002
	£'000
Profit on ordinary activities before tax	<u>1,181</u>
Profit on ordinary activities multiplied by standard tax rate (30%)	354
Effect of:	
Disallowed expenses and non-taxable income	745
Capital allowances in excess of depreciation	(147)
Short term timing differences	28
Losses hived up	333
Adjustments in respect of previous periods	727
Tax losses	(277)
Miscellaneous	6
	<u>1,769</u>

INHEALTH GROUP S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

4. INTANGIBLE ASSETS

Goodwill	2002
	£'000
Cost	
At 1 April 2001	15,886
Additions during the year	60,888
At 31 March 2002	<u>76,774</u>
Amortisation	
At 1 April 2001	3,259
Provided during the year	1,309
At 31 March 2002	<u>4,568</u>
Net book value	
At 31 March 2002	<u>72,206</u>
At 31 March 2001	<u>12,627</u>

5. TANGIBLE ASSETS

	Leasehold Property	Freehold Property	Plant and Equipment	Motor Vehicles	Fixtures, Fittings, Office Equip & Computers	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2001	4,284	541	7,436	395	611	13,267
Additions	1,425	6,989	3,966	268	562	13,210
Acquisitions of subsidiaries	1,422	2,100	4,714	457	1,669	10,362
DispoS.A.s	-	-	-	(188)	(12)	(200)
At 31 March 2002	<u>7,131</u>	<u>9,630</u>	<u>16,116</u>	<u>932</u>	<u>2,830</u>	<u>36,639</u>
Depreciation						
At 1 April 2001	1,489	6	1,452	137	348	3,432
Charge for the year	353	19	1,698	136	203	2,409
DispoS.A.s	-	-	-	(127)	(9)	(136)
At 31 March 2002	<u>1,842</u>	<u>25</u>	<u>3,150</u>	<u>146</u>	<u>542</u>	<u>5,705</u>
Net book values						
At 31 March 2002	<u>5,289</u>	<u>9,605</u>	<u>12,966</u>	<u>786</u>	<u>2,288</u>	<u>30,934</u>
At 31 March 2001	<u>2,795</u>	<u>535</u>	<u>5,984</u>	<u>258</u>	<u>263</u>	<u>9,835</u>

The net book value of plant, equipment, fixtures and fittings and motor vehicles above includes an amount of £5,113,604 in respect of assets held under finance leases and hire purchase contracts.

INHEALTH GROUP S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

6. INVESTMENTS

	<i>Investment in subsidiary undertakings</i>
Cost	£'000
At 1 April 2001	-
Additions	2,354
At 31 March 2002	<u>2,354</u>

During the year the group acquired share options in IBA Australia and a 50% interest in The London Independent, a joint arrangement.

7. STOCKS

	2002 £'000
Raw materials	2,598
Work in progress	89
Finished goods and goods for resale	1,997
	<u>4,684</u>

8. DEBTORS (due within one year)

	2002 £'000
Trade debtors	11,742
Other debtors	2,124
Prepayments and accrued income	3,096
	<u>16,962</u>

9. TRANSFERABLE SECURITIES

Short-term treasury bonds and listed fixed income securities:

	2002 £'000
At cost	<u>2,113</u>
Market value at 31 March 2002	<u>2,113</u>

Transferable securities are short term investments stated at the lower of cost or market value.

INHEALTH GROUP S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

10. CREDITORS: Amounts falling due within one year

	2002
	£'000
Bank overdraft	1,384
Shareholder loan	1,096
Net obligations under hire purchase agreements	541
Trade creditors	7,486
Corporate taxation	2,687
Other taxation and social security	631
Other creditors	3,819
Accruals and deferred income	8,226
	<u>25,870</u>

11. CREDITORS: Amounts falling due after more than one year

	2002
	£'000
Net obligations under hire purchase agreements (note 12)	1,898
Other loans	2,137
	<u>4,035</u>

All other loans have been discharged after the year end.

12. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2002
	£'000
The maturity of these amounts is as follows:	
Amounts payable:	
Within one year	541
In two to five years	1,898
	<u>2,439</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2002
	£'000
Deferred tax provision	1,259
Deferred purchase consideration	3,000
	<u>4,259</u>
At 31 March 2002	

INHEALTH GROUP S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

14. SUBSCRIBED CAPITAL

The share capital is denominated in US dollars.

2002
£'000

Issued and fully paid share capital - \$150,040,000

At 1 April	105,900
Foreign currency translation adjustment	(609)
	<u>105,291</u>

Authorised share capital - \$450,000,000	<u>315,789</u>
--	----------------

The Company did not acquire any of its own shares during the year.

15. MOVEMENT ON SHAREHOLDERS' FUNDS AND RESERVES

	Share capital £'000	Currency fluctuations £'000	Profit and loss account £'000	Total £'000
At 1 April 2001	105,900	(2,076)	(56)	103,768
Reserve for currency fluctuations	-	(411)	---	(411)
Foreign currency adjustment on retranslation of share capital	(609)	609	---	---
At 31 March 2002	<u>105,291</u>	<u>(1,878)</u>	<u>(56)</u>	<u>103,357</u>

16. OTHER FINANCIAL COMMITMENTS

	Land and buildings £'000	Other £'000
Annual commitments under operating leases which expire:		
Within one year	31	102
Between two and five years	313	2,300
Over five years	<u>354</u>	<u>-</u>
	<u>698</u>	<u>2,402</u>