

RDG MEDICAL HOLDINGS LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013



Company number 05544009

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Associated with RSM.

Authorised in the UK by the Institute of Chartered Accountants in England and Wales to carry on audit.

Associated offices in

LONDON

• COPENHAGEN

• AARHUS

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2013

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

1 Principal activities and review of the business

The company is a holding company owning Neurotherm Limited. The company operates solely as a holding company.

The results for the year and the financial position at the year end were considered acceptable by the directors.

2 Statements 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 profit or loss of the company of that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013

3 Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this Annual Report as set out beneath confirm that:

- So far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

4 Results and dividends

The Company's profit for the year amounted to £ 525,042 (2012: £ 350,772).
The directors do not recommend the payment of a dividend.

5 Post balance sheet events

No post balance sheet events have occurred since 31 December 2013 which require reporting or disclosing in the accounts.

6 Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

E Bacon (resigned 17 February 2014)

P McEwan

C von Jako

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013

7 Auditors

Krogh & Partners Limited, Chartered Accountants & Registered Auditors have signified their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

429 Brighton Road
South Croydon
Surrey CR2 6EU

19/5/2014

BY ORDER OF THE BOARD



P McEwan
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RDG MEDICAL HOLDINGS LIMITED

We have audited the financial statements of RDG Medical Holdings Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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

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 Reports and Financial Statements for the year ended 31 December 2013 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 company's affairs as at 31 December 2013 and of its profit for the year 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RDG MEDICAL HOLDINGS LIMITED

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.

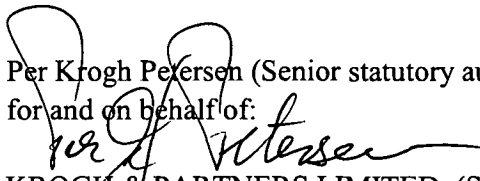
Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

823 Salisbury House
29 Finsbury Circus
London EC2M 5QQ

19/5- 2014


Per Krogh Petersen (Senior statutory auditor)
for and on behalf of:

KROGH & PARTNERS LIMITED, (Statutory Auditor)
Chartered Accountants & Registered Auditors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2013

	Note	2013 GBP	2012 GBP
Turnover		0	0
Cost of sales		<u>0</u>	<u>0</u>
Gross profit		0	0
Administrative expenses		<u>554,957</u>	<u>368,805</u>
Operating profit	2	554,957	368,805
Interest receivable and similar income	5	22,147	37,103
Interest payable and similar charges	6	<u>-61,327</u>	<u>-58,875</u>
Profit on ordinary activities before taxation		515,777	347,033
Taxation	7	<u>9,265</u>	<u>3,739</u>
Profit for the year		<u><u>525,042</u></u>	<u><u>350,772</u></u>

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing activities.

There are no recognised gains and losses in 2013 other than the profit for the year and therefore no separate statement of total recognised gains and losses is presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The accompanying accounting policies and notes form an integral part of these financial statements.

BALANCE SHEET AT 31 DECEMBER 2013

	Note	2013 GBP	2012 GBP
Fixed assets			
Investments	8	<u>3,789,240</u>	<u>3,233,608</u>
		<u>3,789,240</u>	<u>3,233,608</u>
Current assets			
Debtors	9	<u>9,265</u>	<u>5,506</u>
		<u>9,265</u>	<u>5,506</u>
Creditors: amounts falling due within one year	10	<u>-2,262,343</u>	<u>-2,227,994</u>
Net current liabilities		<u>-2,253,078</u>	<u>-2,222,488</u>
Total assets less current liabilities		<u>1,536,162</u>	<u>1,011,120</u>
Net assets		<u>1,536,162</u>	<u>1,011,120</u>
Capital and reserves			
Called-up share capital	12	2,319,285	2,319,285
Profit and loss account		<u>-783,123</u>	<u>-1,308,165</u>
Shareholders' funds	11	<u>1,536,162</u>	<u>1,011,120</u>

These accounts were approved by the Board on 19/5/2014

P McEwan, Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013

1 Accounting policies

Accounting basis and standards

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The Directors consider the going concern basis to be appropriate as they have received confirmation from the parent company, NeuroTherm Incorporated, that it will provide financial support as required for a period of at least 12 months from the date of approval of these financial statements. A summary of the more important accounting policies, which have been applied consistently throughout the year, is set out below:

Interest and similar income and charges

Interest and similar income and charges are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Debtors

Debtors are valued individually and there are made provision according to this valuation.

Creditors

Creditors are carried at payment or settlement amounts. Where the time value of money is material, creditors are carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013

Taxation

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

Deferred taxation is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial

Deferred tax assets are recognised where it is considered more likely than not that future profits will be available for offset.

Cash flow

The company is a wholly owned subsidiary of NeuroTherm Inc. which publishes consolidated financial statements that include a cash flow statement. Consequently, the company has taken advantage of the exemption conferred by Financial Reporting Standard No. 1 (Revised 1996) not to prepare a cash flow statement.

Consolidation

The company and its subsidiaries are a small group. The company has therefore chosen not to prepare group accounts in accordance with the provisions provided in section 398 of the Companies Act 2006.

2 Operating profit

	2013	2012
	GBP	GBP
The operating profit is stated after charging:		
Auditors' remuneration, audit	2,000	2,000
Auditors' remuneration, other services	<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013

3 Employee information

	2013 GBP	2012 GBP
<i>The average monthly number of persons employed by the company during the year was:</i>		
Administration	0	0

4 Directors' emoluments

	2013 GBP	2012 GBP
Aggregate emoluments (including benefits in kind)	0	0
	<u>0</u>	<u>0</u>

The directors are also directors of other group subsidiaries and are not remunerated by the company. No recharge is made to the company for their services as directors. It is not possible to make an accurate apportionment of their remuneration in respect of the company and hence no amounts are disclosed above.

5 Interest receivable and similar income

	2013 GBP	2012 GBP
Exchange gains	22,147	37,103
	<u>22,147</u>	<u>37,103</u>

6 Interest payable and similar charges

	2013 GBP	2012 GBP
Interest expense	1,125	0
Loans owed to group undertakings	60,202	58,875
	<u>61,327</u>	<u>58,875</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013

7 Taxation

	2013 GBP	2012 GBP
<i>Current tax:</i>		
<i>UK corporation tax</i>		
Current tax on income for the period	-9,265	-5,506
Adjustments to prior years	0	1,767
<i>Total current tax</i>	<u>-9,265</u>	<u>-3,739</u>

8 Investments

	2013 GBP	2012 GBP
Cost		
At 1 January	<u>3,975,746</u>	<u>3,975,746</u>
At 31 December	<u>3,975,746</u>	<u>3,975,746</u>
Revaluation		
At 1 January	742,138	1,111,648
Revaluation for the year	<u>-555,632</u>	<u>-369,510</u>
At 31 December	<u>186,506</u>	<u>742,138</u>
Net book value		
At 31 December	<u>3,789,240</u>	<u>3,233,608</u>

The directors of the company believe the value of the investments is supported by their underlying assets.

<i>Representing:</i>	<i>Class of shares held</i>	<i>Proportion of voting rights held</i>	<i>Nature of business</i>
Neurotherm Limited	Ordinary	100%	Supply of medical equipment

9 Debtors

	2013 GBP	2012 GBP
Corporation tax	<u>9,265</u>	<u>5,506</u>
	<u>9,265</u>	<u>5,506</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013

10 Creditors: amounts falling due within one year

	2013 GBP	2012 GBP
Amounts owed to group undertakings	2,262,343	2,227,994
	<u>2,262,343</u>	<u>2,227,994</u>

11 Reconciliation of movements in shareholders' funds

	2013 GBP	2012 GBP
Shareholders' funds at 1 January	<u>1,011,120</u>	<u>660,348</u>
Called-up share capital		
Balance at 1 January	2,319,285	2,319,285
Shares issued in the year	<u>0</u>	<u>0</u>
Balance at 31 December	<u>2,319,285</u>	<u>2,319,285</u>
Profit and loss account		
Balance at 1 January	-1,308,165	-1,658,937
Dividends	<u>0</u>	<u>0</u>
Profit for the year	<u>525,042</u>	<u>350,772</u>
Balance at 31 December	<u>-783,123</u>	<u>-1,308,165</u>
Shareholders' funds at 31 December	<u>1,536,162</u>	<u>1,011,120</u>

12 Share capital

	2013 GBP	2012 GBP
Called-up, allotted and fully paid: 2,319,285 ordinary shares of £1 each	<u>2,319,285</u>	<u>2,319,285</u>

13 Related party transactions

Under the provisions of Financial Reporting Standard No. 8 "Related Party Disclosures", the company is exempt from disclosing transactions and balances with other group companies, as it is a wholly owned subsidiary and its results are included in the group financial

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013

14 Parent undertakings and related parties

The ultimate parent undertaking and controlling party of the company is NT Holding Company, a company incorporated in the USA.

NT Holding Company is the ultimate parent undertaking and controlling party of the company and of the smallest group of undertakings to consolidate these financial statements of 31 December 2013. The consolidated financial statements of NT Holding Company can be obtained from:

NT Holding Company
600 Research Drive
Wilmington, MA 01887
USA