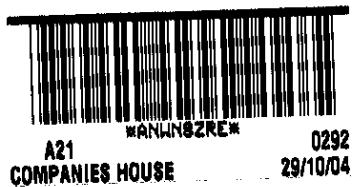


ASHFIELD MEDICAL SYSTEMS LIMITED

Report and Financial Statements

31 December 2003



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

George Landsberg
Nigel Perry
Dominick Arena
Michael I Dobrovic

SECRETARY

Pinsents Company Services Limited

REGISTERED OFFICE

52 Grayhill Road
Westfield Industrial Area
Cumbernauld
G68 9HQ

BANKERS

Barclays Bank plc
26 Silver Street
Bury
Lancashire
BL9 0DJ

SOLICITORS

Pinsents
The Chancery
58 Spring Gardens
Manchester
M2 1EW

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Manchester

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

ACTIVITIES

In the current year and prior year there has been no trading.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors do not expect the company to trade in the future period.

DIVIDENDS AND TRANSFERS FROM RESERVES

There was no trade in the year or the prior year, consequently no profit and loss account is shown.

The directors do not recommend the payment of a dividend (2002 - £Nil)

DIRECTORS AND THEIR INTERESTS

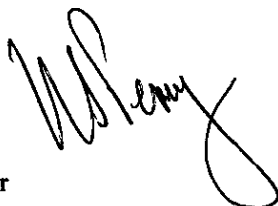
The directors who served during the year and thereafter are disclosed on page 1.

No director had any interest in the shares of the company at any point during the year.

AUDITORS

A resolution for the re-appointment of Deloitte & Touche LLP as auditors of the company is to be proposed at the following Annual General Meeting.

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

A handwritten signature in black ink, appearing to be 'W. Henry', written over a horizontal line.

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHFIELD MEDICAL SYSTEMS LIMITED

We have audited the financial statements of Ashfield Medical Systems Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

29/10/04

BALANCE SHEET
31 December 2003

	Note	£	2003 £	£	2002 £
CURRENT ASSETS					
Debtors due after more than one year	4	641,843		641,843	
NET CURRENT ASSETS			641,843		641,843
			641,843		641,843
CAPITAL AND RESERVES					
Called up share capital - equity	5		88,000		88,000
Profit and loss account			553,843		553,843
Equity shareholders' funds			641,843		641,843

These financial statements were approved by the Board of Directors on. 28/10/2004

Signed on behalf of the Board of Directors



- Director

BALANCE SHEET

31 December 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow

The company has taken advantage of FRS 1 which exempts wholly owned subsidiaries from preparing a cash flow statement where consolidated financial statements of the parent company are publicly available.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any emoluments from the company (2002 – same).

There were no employees in the current year (2002 – nil).

3. PROFIT AND LOSS ACCOUNT

No profit and loss account has been prepared as the company has been dormant in both the current and prior year.

The audit fee for the current year is borne by the parent company Medex Medical Limited.

4. DEBTORS

	2003 £	2002 £
Amounts owed by parent company	641,843	641,843
The amount owed by the parent company at 31 December 2003 is due after more than one year.		

5. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
88,000 Ordinary shares of £1 each	88,000	88,000
Called up, allotted and fully paid		
88,000 Ordinary shares of £1 each	88,000	88,000

6. RELATED PARTY TRANSACTIONS

The company has taken advantage of paragraph 3(c) of FRS 8 in not disclosing transactions with members of the same group.

7. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Medex Medical Limited. Copies of its consolidated financial statements are available from its registered office at St Crispin Way, Haslingdon Rossendale, BB4 4PW.

In the directors opinion at the date of these accounts, the company's ultimate parent undertaking and controlling party is Medvest Holdings, a company incorporated in USA, copies of its group accounts which include the company are available from 2231 Rutherford Road, Carlsbad, CA 92008 USA.