

# **MEDCON UK LIMITED**

**Directors:** M Goldberg  
L T Alley

**Secretary:** G. Afriat-Kurzer

**Registered office:** 37 Broadhurst Gardens  
London  
NW6 3QT

**Registered No:** 4691359 (England & Wales)

**Auditors:** Levy Cohen & Co.  
Registered Auditors  
37 Broadhurst Gardens  
London NW6 3QT

## **Financial statements** **For the year ended 31 March 2011**

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# **MEDCON UK LIMITED**

## **Directors' Report**

The directors present the financial statements of the company for the year ended 31 March 2011

### ***Principal activity***

The principal activity of the company during the year continues to be the distribution of marketing services for its ultimate parent company

### ***Fixed assets***

Changes in tangible fixed assets during the year are detailed in note 7 of the financial statements

### ***Dividend***

The directors do not recommend a distribution of dividend

### ***Directors***

The directors during the year under review were, M Goldberg and L T Alley

None of the above has any beneficial interest in the company's issued ordinary share capital

### ***Directors' responsibilities***

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- follow applicable accounting standards, 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 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 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

The directors confirm that -

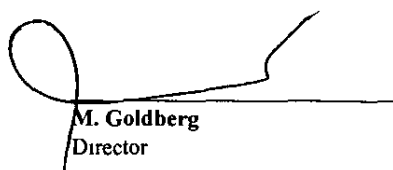
- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware and
- They have taken all the steps that they ought to have taken as directors in order to make themselves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

### ***Auditors***

The auditors Levy Cohen & Co, are deemed to be re-appointed in accordance with Section 487 (2) of the Companies Act 2006

The financial statements have been prepared in accordance with special provision of Part 15 of the Companies Act 2006 relating to small companies, and with Financial Reporting Standard for Smaller Entities (as revised April 2008)

Signed on behalf of the Board



M. Goldberg  
Director

Approved by the Board  
20 April 2011

## **Independent Auditors' Report to the Shareholders Of**

### **MEDCON UK LIMITED**

We have audited the financial statements of Medcon UK Limited for the year ended 31 March 2011 which comprise of 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practise applicable to Smaller Entities).

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, 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 Practises Board's (APB's) Ethical Standards for Auditors, (including "APB Ethical Standards - Provisions available for Small Entities (Revised)", in the circumstances set out in note 1 to the financial statements

#### **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

#### **OPINION**

In our opinion the financial statements

- give a true and fair view of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been properly 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 Director's 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Josef Cohen (Senior statutory auditor)

for and on behalf of LEVY COHEN & CO, Statutory Auditor

37 Broadhurst Gardens, London, NW6 3QT

20 April 2011

# **MEDCON UK LIMITED**

## **Profit and loss account** **For the year ended 31 March 2011**

	<i>Notes</i>	<i>2011</i> <b>£</b>	<i>2010</i> <b>£</b>
<b><i>Turnover</i></b>		2,618,621	2,243,996
Cost of sales		<u>(2,136,219)</u>	<u>(1,824,343)</u>
<b><i>Gross profit</i></b>		482,402	419,653
Operating expenses	2	<u>(403,843)</u>	<u>(353,459)</u>
<b><i>Operating profit</i></b>	3	78,559	66,194
Net financial cost	5	<u>(7,207)</u>	<u>(8,586)</u>
<b><i>Profit before taxation</i></b>		71,352	57,608
Taxation	6	<u>(20,859)</u>	<u>(16,511)</u>
<b>Profit for the year</b>		<b><u>£ 50,493</u></b>	<b><u>£ 41,097</u></b>

### ***Statement of retained profit***

	<i>31 3 2011</i> <b>£</b>	<i>31 3 2010</i> <b>£</b>
At 1 April 2010	465,012	423,915
Profit for the year	<u>50,493</u>	<u>41,097</u>
At 31 March 2011	<b><u>£ 515,505</u></b>	<b><u>£ 465,012</u></b>

There are no recognized gains or losses other than the profit for the above two years

# **MEDCON UK LIMITED**

## **Balance sheet as at 31 March 2011**

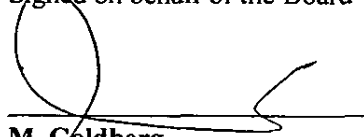
	Notes	31 3 2011		31 3 2010
		£	£	£
<b>Fixed assets</b>				
Tangible assets	7		26,468	30,730
<b>Current assets</b>				
Debtors	8	601,101		918,120
Cash at bank and in hand		<u>606,946</u>		<u>834,691</u>
		1,208,047		1,752,811
<b>Creditors: amounts falling due within one year</b>	9	<u>(696,771)</u>		<u>(1,259,729)</u>
<b>Net current assets</b>			511,276	493,082
<b>Creditors: amounts falling due more than one year</b>	10		<u>(28,350)</u>	<u>(72,796)</u>
			509,394	451,016
<b>Deferred tax asset</b>	11		<u>6,113</u>	<u>13,998</u>
<b>Total net assets</b>		<b>£ 515,507</b>	<b>£ 465,014</b>	

### **Capital and Surplus**

		£	£
Called up share capital	12	2	2
Profit and loss account		<u>515,505</u>	<u>465,012</u>
<b>Shareholders' fund</b>		<b>£ 515,507</b>	<b>£ 465,014</b>

The financial statements have been prepared in accordance with special provision of Part 15 of the Companies Act 2006 relating to small companies, and with Financial Reporting Standard for Smaller Entities (as revised April 2008)

Signed on behalf of the Board

  
**M. Goldberg**  
 Director

# **MEDCON UK LIMITED**

## **Notes to the financial statements - 31 March 2011**

### **1. Accounting policies**

#### **(a) *Basis of accounting***

The financial statements have been under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (Effective on April 2008)

#### **(b) *Turnover and revenue recognition***

Turnover represents net invoiced value of goods and services excluding VAT Turnover attributed to geographical markets outside the UK amounted to 2%,(2010-1%)

The company generates revenues from sales of software and hardware products directly to end users and indirectly through resellers

Revenues from the sales of software are recognized upon delivery when collection is and otherwise fixed or determinable, no significant obligation with regards to implementation and persuasive evidence of an arrangement exists

Revenues included net of any future warranty obligation

Revenue from maintenance agreements are deferred and recognized on straight line basis over the life of the related agreement

#### **(c) *Tangible fixed assets***

Depreciation is provided at the following annual rates in order to write off the assets over their estimated useful lives

Computer and software	33% Straight line
Office equipment	25% straight line

#### **(d) *Deferred taxation***

Deferred taxation is provided using the liability method to take into account timing differences arising from the inclusion of items of expenditure in taxation computations in periods that differ from those in which they are included in the financial statements to the extent that it is probably that a liability or assets will crystallize in the future

Provision for deferred taxation is set off against debit balance of deferred taxation

#### **(e) *Foreign currencies***

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the Balance Sheet date Transaction in Foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction

#### **(f) *Cash flow***

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statement'

#### **(g) *Pension***

Out of the company defined contribution scheme are charged to the profit and loss account in the year which they are payable to the scheme

#### **(h) *Share based payment***

The company operates a share option plane of which employees receive options to buy shares of the ultimate parent company The fair value of the employee services received in exchange for the grant of the option is recognize as expenses throughout the vesting period

## **MEDCON UK LIMITED**

### **Notes to the financial statements - 31 March 2011**

#### **2. Operating expenses**

	<i>2011</i>	<i>2010</i>
	<b>£</b>	<b>£</b>
Marketing and selling costs	189,780	127,515
Administrative expenses	214,063	225,944
	<u>403,843</u>	<u>353,459</u>

#### **3. Operating profit**

	<i>2011</i>	<i>2010</i>
	<b>£</b>	<b>£</b>
<i>The operating profit is stated after charging</i>		
Depreciation on tangible fixed assets	2,011	19,769
Auditors' remuneration	6,500	6,500
Directors' remuneration	<u>-</u>	<u>123,884</u>

#### **4. Director's remuneration**

	<i>2011</i>	<i>2010</i>
	<b>£</b>	<b>£</b>
Number of paid directors	<u>NIL</u>	<u>1</u>
Salary and related costs	-	107,611
Share based payment	-	8,996
Pension	<u>-</u>	<u>7,277</u>
	<u>-</u>	<u>123,884</u>

#### **5. Net financial cost**

	<i>2011</i>	<i>2010</i>
	<b>£</b>	<b>£</b>
Bank interest received	-	9
Other interest paid	2,957	1,209
Exchange rates losses	4,250	7,386
	<u>7,207</u>	<u>8,586</u>

#### **6. Taxation**

	<i>2011</i>	<i>2010</i>
	<b>£</b>	<b>£</b>
Current year	12,932	14,396
Prior tax year	42	-
Deferred tax	7,885	2,115
	<u>20,859</u>	<u>16,511</u>

The tax charge for the period is UK corporation tax at the rate of 28%, (2010-28%)

## **MEDCON UK LIMITED**

### **Notes to the financial statements - 31 March 2011**

#### **7. Tangible fixed assets**

	<i>Computer &amp; Software £</i>	<i>Office Equipment £</i>	<i>Total £</i>
<b>Cost:</b>			
At 1 April 2010	91,359	7,249	98,608
Additions	21,456	-	21,456
Disposals	-	(90)	(90)
At 31 March 2011	<u>112,815</u>	<u>7,159</u>	<u>119,974</u>
<b>Depreciation:</b>			
At 1 April 2010	63,722	4,156	67,878
Charge for the year	23,716	1,912	25,628
At 31 March 2011	<u>87,438</u>	<u>6,068</u>	<u>93,506</u>
<b>Net Book Value:</b>			
At 31 March 2011	<u>25,377</u>	<u>1,091</u>	<u>26,468</u>
At 31 March 2010	<u>27,637</u>	<u>3,093</u>	<u>30,730</u>

#### **8. Debtors**

	<i>31 3 2011 £</i>	<i>31 3 2010 £</i>
Trade debtors	529,999	824,312
Other debtors	4,493	12,047
Corporation tax	-	11,604
Prepayments	66,609	70,157
	<u>601,101</u>	<u>918,120</u>



## **MEDCON UK LIMITED**

### **Notes to the financial statements - 31 March 2011**

**9. Creditors: amounts falling due within one year**

	<i>31 3 2011</i>	<i>31 3 2010</i>
	<i>£</i>	<i>£</i>
Trade creditors	-	7,695
Parent company	2,551	948
Group company	40,407	221,176
VAT	112,619	122,895
Other tax and national insurance	17,469	17,684
Corporation tax	12,932	-
Accruals and deferred income	510,793	889,331
	<u>696,771</u>	<u>1,259,729</u>

**10. Creditors: amounts falling due after more than one year**

	<i>31 3 2011</i>	<i>31 3 2010</i>
	<i>£</i>	<i>£</i>
Deferred income	<u>28,350</u>	<u>72,796</u>

**11. Deferred Tax Asset**

The deferred tax asset relates to timing differences as a result of excess capital allowances over depreciation, and other timing differences relating to the provision for share based payments

	<i>31 3 2011</i>	<i>31 3 2010</i>
	<i>£</i>	<i>£</i>
At 1 April 2010	13,998	16,113
Released to profit and loss account	<u>(7,885)</u>	<u>(2,115)</u>
At 31 March 2011	<u>6,113</u>	<u>13,998</u>

**12. Share capital**

	<i>31 3 2011</i>	<i>31 3 2010</i>
	<i>£</i>	<i>£</i>
<b>Authorized:</b>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid:</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**13. Related party transactions**

*Control*

The company is a wholly owned subsidiary of Medcon Limited a foreign company registered in Israel

The ultimate parent company is McKesson Corporation, a public company registered in USA and listed on the New York Stock Exchange

*Transactions*

In accordance with FRS 8 the company is exempt from disclosure of related party transactions as its financial statement are included in a group financial statements which are publicly available