

**VITALPEAK LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31.12.98**

The Directors present their Report with financial statements of the Company for the year ended 31st December 1998.

**Directors**

The following served as Directors during the year under review:

Dr. A.P. Dehnugara  
Mrs. R.A. Dehnugara

**Statement of Directors' Responsibilities**

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 and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal Activities and Business Review**

The principal activity of the Company continues to be acting as agents/representatives for pharmaceutical and chemical products overseas, consultancy services for marketing and investment activity.

Turnover was up on last year by 160%. Although expenses increased significantly, even so, a profit was made of £11,971 before taxation.

**Appropriation of Profit**

A dividend of £8,000 (net) was paid during the year.

The balance of retained profit for the year amounting to £1,094 is transferred to Revenue Reserves.



**VITALPEAK LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31.12.98**  
**continued**

**Fixed Assets**

Changes in Fixed Assets are shown in Note 1 to the Balance Sheet.

**Directors' Interests**

The Directors had the following beneficial interests in the shares of the Company:

	<u>1998</u>	<u>1997</u>
	<u>Ordinary Shares of £1 each</u>	
Dr. A.P. Dehnugara	50	50
Mrs. R.A. Dehnugara	50	50

There were no changes in these interests in the period up to 31st May 1999.

**Close Company Status**

The Company is a close Company by virtue of Section 414 of the Income and Corporation Taxes Act 1988.

**Auditors**

Messrs. Captain & Co. which acted as auditors during the year have indicated their willingness to continue in office and, in accordance with the Companies Act 1985, it is proposed that they be re-appointed as auditors of the Company for the ensuing year.

This Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board

"Corrigan"  
The Chase  
Coulsdon  
Surrey CR5 2EG

*R.A. Dehnugara*  
 .....  
 Mrs R.A. Dehnugara  
 Secretary

31st May 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
VITALPEAK LIMITED**

We have audited the attached financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

**Respective responsibilities of Directors and Auditors**

As described on page 1, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**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 financial statements give a true and fair view of the Company's affairs at 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 Willow Close  
Bishop's Stortford  
Herts. CM23 2RY



CAPTAIN & CO.  
Registered Auditor &  
Chartered Accountants

31st May 1999

## **VITALPEAK LIMITED**

### **ACCOUNTING POLICIES FOR THE YEAR ENDED 31.12.1998**

The accounting policies that have been adopted for the preparation of these Accounts are stated below and are consistent with those used in previous years.

#### **1. BASIS OF PREPARATION OF ACCOUNTS**

The Accounts have been prepared under the historical cost convention and on a going concern basis and in accordance with applicable Accounting Standards.

#### **2. TURNOVER**

Turnover is derived from ordinary activities of the Company and is stated exclusive of trade discounts and V.A.T.

#### **3. DEPRECIATION**

Depreciation is provided on an annual basis so as to write off the assets over their expected useful lives. Specific rates are applied as follows:

Furniture & Equipment	25% on W.D.V. basis
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#### **4. LEASING & HIRE COSTS**

No such costs were incurred.

#### **5. RESEARCH AND DEVELOPMENT COSTS**

No such costs were incurred.

#### **6. FOREIGN CURRENCIES**

Transactions in foreign currency are recorded at the monthly exchange rates given by the Customs & Excise for VAT purposes. Any gain or loss arising on the change in the rate of exchange at year end date is included as an exchange gain or loss in the Profit & Loss Account.

#### **7. DEFERRED TAXATION**

No provision is made for deferred taxation as the Directors consider that there is no likelihood of the liability crystallising in the foreseeable future.

#### **8. CASH FLOW STATEMENT**

In accordance with FRS1, the Company is exempt, under Sections 247 to 249 of the Companies Act 1985, from preparing a cash flow statement.

**VITALPEAK LIMITED****BALANCE SHEET AS AT 31ST DECEMBER 1998**

<u>1997</u>			<u>Notes</u>		
£	£			£	£
1415		<u>TANGIBLE FIXED ASSETS</u>	1		2551
		<u>CURRENT ASSETS</u>			
	8509	Shares	2	8509	
	839	Debtors & Prepayments	3	1093	
	84553	Cash at Bank		82972	
	<u>93901</u>			<u>92574</u>	
		<u>Deduct: Creditors falling</u>			
	95213	<u>due within one year</u>	4	93118	
	<u>(1312)</u>				<u>(544)</u>
<u>103</u>		<u>NET CURRENT ASSETS/LIABILITIES</u>			<u>2007</u>
		<u>REPRESENTED BY:</u>			
100		<u>CALLED-UP SHARE CAPITAL</u>	5		100
3		<u>PROFIT &amp; LOSS ACCOUNT</u>	6		1907
<u>103</u>		<u>SHAREHOLDERS FUND</u>	7		<u>2007</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and have been prepared in accordance with the Financial Reporting Standard for smaller entities.

.....  
R.A. Dehnugara  
Director

*Adil P. Dehnugara*  
.....  
Dr. A.P. Dehnugara  
Director

31<sup>st</sup> May, 1999

**VITALPEAK LIMITED**

**NOTES TO BALANCE SHEET AS AT 31ST DECEMBER 1998**

1. TANGIBLE FIXED ASSETS

	<u>Balance at</u> <u>1.1.98</u>	<u>Adjustment</u> <u>on Asset</u> <u>Scrapped</u>	<u>Addition</u>	<u>Balance at</u> <u>31.12.98</u>
	£	£	£	£
<u>COST</u>				
<u>TANGIBLE ASSETS (OWNED)</u>				
Furniture & Equipment	<u>3508</u>	<u>(1234)</u>	<u>2322</u>	<u>4596</u>
<u>DEPRECIATION</u>				
<u>Tangible Assets</u>				
Furniture & Equipment (owned)	<u>2093</u>	<u>(539)</u>	<u>491</u>	<u>2045</u>
<u>NET BOOK VALUE</u>	<u>1998 Tangible</u> <u>Owned</u> £		<u>1997 Tangible</u> <u>Owned</u> £	
Furniture & Equipment	<u>2551</u>		<u>1415</u>	

2. INVESTMENTS

	<u>1998</u> £	<u>1997</u> £
Listed investments - cost	8509	8509
- market value	<u>20480</u>	<u>14380</u>

3. DEBTORS & PREPAYMENTS (due within 1 year)

Prepayments	<u>1093</u>	<u>839</u>
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4. CREDITORS (falling due within 1 year)

Other Creditors and Accruals	38199	43995
Other Taxation & Social Security	23456	19755
Directors Loan	<u>31463</u>	<u>31463</u>
	<u>93118</u>	<u>95213</u>

**VITALPEAK LIMITED****NOTES TO BALANCE SHEET AS AT 31ST DECEMBER 1998**

	<u>1998</u> £	<u>1997</u> £
<b>5. <u>SHARE CAPITAL</u></b>		
<u>Authorised</u>		
Ordinary Shares of £1 each	100	100
	—	—
<u>Allotted</u>		
Ordinary Shares of £1 each	100	100
	—	—
<u>Paid and Called-Up Capital</u>		
Ordinary Shares of £1 each	100	100
	—	—
<b>6. <u>PROFIT &amp; LOSS ACCOUNT</u></b>		
Balance at 1.1.98	3	1361
Retained Profit/(Loss) for the Year	1904	(1358)
	—	—
Balance at 31.12.98	<u>1907</u>	<u>3</u>
<b>7. <u>SHAREHOLDERS FUND</u></b>		
As at 1.1.98	103	1461
Profit/(Loss) for the year	1904	(1358)
	—	—
As at 31.12.98	<u>2007</u>	<u>103</u>
<b>8. <u>APPROVAL OF ACCOUNTS</u></b>		

On 31st May 1999, the Board of Directors approved the Accounts for publication.

**VITALPEAK LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED****31ST DECEMBER 1998**

	<u>Notes</u>	1998	1997
		£	£
<u>TURNOVER</u>		262156	100833
<u>Deduct:</u>			
Direct Costs & Consumables		<u>6020</u>	<u>13832</u>
		256136	87001
Gain on sale of Investments		<u>-</u>	<u>4357</u>
		256136	91358
<u>Deduct: Expenses</u>			
Staff Costs	1,2	222817	82087
Depreciation & Amortisation	3	1186	472
Other External Costs	4	<u>26950</u>	<u>13800</u>
		<u>250953</u>	<u>96359</u>
		5183	(5001)
<u>OTHER INCOME</u>	5	<u>6788</u>	<u>3643</u>
<u>Profit/(Loss) on ordinary activity</u> <u>before taxation</u>		11971	(1358)
<u>Deduct: Taxation</u>	6	<u>(2067)</u>	<u>-</u>
<u>Profit/(Loss) on ordinary activities</u> <u>for the year after taxation</u>		9904	(1358)
<u>Dividends</u>	7	<u>(8000)</u>	<u>-</u>
Retained Profit/(Loss) for the Year (Balance Sheet Note 6)		<u>1904</u>	<u>(1358)</u>

**CONTINUING OPERATIONS**

All the above results derive from continuing operations.

**TOTAL RECOGNISED GAINS AND LOSSES**

The Company has no recognised gains or losses other than profit this year and loss in the preceding year.



**VITALPEAK LIMITED****NOTES TO PROFIT AND LOSS ACCOUNT**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
1. <u>STAFF COSTS</u>		
Salaries	-	-
Social Security Costs	<u>4047</u>	<u>4265</u>
Number of Employees	<u>-</u>	<u>-</u>
2. <u>DIRECTORS EMOLUMENTS</u>		
Salaries as Executives	43770	45822
Pension Contributions	<u>175000</u>	<u>32000</u>
	<u>218770</u>	<u>77822</u>
Emoluments to highest paid Director	<u>40470</u>	<u>42650</u>
3. <u>DEPRECIATION &amp; AMORTISATION</u>		
Depreciation	491	472
Loss on asset scrapped	<u>695</u>	<u>-</u>
	<u>1186</u>	<u>472</u>
4. <u>OTHER EXTERNAL COSTS</u>		
Auditors remuneration	1500	1200
Other Expenses	<u>25450</u>	<u>12600</u>
	<u>26950</u>	<u>13800</u>
5. <u>OTHER INCOME</u>		
Dividends received (gross)	437	639
Interest Receivable	<u>6351</u>	<u>3004</u>
	<u>6788</u>	<u>3643</u>
6. <u>TAXATION</u>		
Charge:		
Corporation Tax based on assessable profit	2087	---
Refund prior years	<u>(20)</u>	<u>---</u>
	<u>2067</u>	<u>---</u>
7. <u>DIVIDENDS</u>		
£800 per share	<u>8000</u>	<u>NIL</u>