

**HYGIEIA HEALTHCARE HOLDINGS LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 1994**

**REGISTERED NUMBER: 2672650**



## **HYGIEIA HEALTHCARE HOLDINGS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1994**

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the group are the design, manufacture, distribution and marketing of branded and private label sanitary protection products for UK and export markets.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The group of companies have consolidated their position with the sanitary protection market place. The acquisition of Universal Health Care Products (Canada) Inc enables the company to actively exploit the North American market during 1995 from a secure base.

The company strategy for 1995 will be that of continued investment in products and processes to ensure continued growth and development in both European and North American markets.

#### **RESULTS AND DIVIDENDS**

The results for the year to 31 December 1994 and the transfer from reserves are set out in the profit and loss account on page 4. The directors recommend that no dividend be paid (1993: £nil).

#### **FIXED ASSETS**

The movements in tangible fixed assets during the year are set out in note 9 to these financial statements.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who have served during the year and their interest in the shares of the company are as follows:

		<u>31 December 1994</u>	
		<u>and 31 December 1993</u>	
C Wilkinson		-	
K Tweedie		4,125	Ordinary
		5,344	Preference
D Wells		-	
P Brenikov		-	
H G Eastman	(resigned 28 April 1994)	-	
J C A Ware	(appointed 20 April 1995)	-	
R P Maxwell	(appointed 26 April 1994)	-	
P G Neeson	(appointed 4 January 1995)	-	

## **HYGIEIA HEALTHCARE HOLDINGS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires 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 and loss of the company for that period. In preparing those financial statements, the directors are required to:

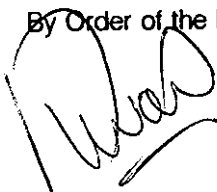
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements;
- prepare the financial 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 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.

#### **AUDITORS**

A resolution concerning the reappointment of Price Waterhouse will be proposed at the Annual General Meeting.

By Order of the Board



JCA Ware  
Company Secretary

2 June 1995

*Price Waterhouse*



## **AUDITORS' REPORT TO THE MEMBERS OF HYGIEIA HEALTHCARE HOLDINGS LIMITED**

We have audited the financial statements on pages 4 to 26 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

### **Respective responsibilities of directors and auditors**

As described on page 2, 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 state of the group and company's affairs as at 31 December 1994 and of the group's loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**PRICE WATERHOUSE**

Chartered Accountants  
and Registered Auditors

2 June 1995

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>1994</u>	<u>1993</u>
<b>TURNOVER</b> (Note 1(c))	8,864,883	6,028,189
Cost of sales	<u>(6,691,806)</u>	<u>(4,357,053)</u>
<b>GROSS PROFIT</b>	2,173,077	1,671,136
Distribution costs	(996,257)	(425,277)
Administrative expenses	(1,802,107)	(1,504,140)
Other operating income (Note 2)	<u>-</u>	<u>265,000</u>
<b>OPERATING (LOSS)/PROFIT</b> (Note 22)	(625,287)	6,719
Income from interest in associated undertaking	-	93,215
Interest receivable and similar income	24,380	34,674
Interest payable and similar charges (Note 3)	<u>(239,933)</u>	<u>(95,710)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 4)	(840,840)	38,898
Taxation (Note 6)	<u>11,468</u>	<u>-</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	(829,372)	38,898
Minority interest	<u>2,278</u>	<u>(30,197)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b> (Note 20)	<u>£(827,094)</u>	<u>£8,701</u>

There is no difference between reported and historical cost profits and losses.

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET - FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>1994</u>	<u>1993</u>
<b>FIXED ASSETS</b>		
Intangible fixed assets (Note 7)	2,211,969	1,215,442
Tangible fixed assets (Note 9)	4,064,109	2,608,836
Interest in associated undertaking (Note 10)	<u>-</u>	<u>377,635</u>
	6,276,078	4,201,913
<b>CURRENT ASSETS</b>		
Stocks (Note 11)	1,036,562	484,308
Debtors (Note 12)	2,013,138	1,493,386
Cash at bank and in hand	<u>15,914</u>	<u>913,503</u>
	3,065,614	2,891,197
<b>CREDITORS (amounts falling due within one year) (Note 13)</b>	<u>(3,317,433)</u>	<u>(2,286,786)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<u>(251,819)</u>	<u>604,411</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	6,024,259	4,806,324
<b>CREDITORS (amounts falling due after more than one year) (Note 14)</b>	(1,597,074)	(920,140)
<b>PROVISION FOR LIABILITIES AND CHARGES (Note 16)</b>	<u>(67,415)</u>	<u>-</u>
	£4,359,770	£3,886,184
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 17)	3,608,029	3,608,029
Share premium account (Note 18)	443,220	443,220
Merger reserve (Note 18)	17,103	84,008
Profit and loss account (Note 18)	(1,281,889)	(281,770)
Loan stock	<u>1,500,000</u>	<u>-</u>
	4,286,463	3,853,487
Minority interest	<u>73,307</u>	<u>32,697</u>
	£4,359,770	£3,886,184

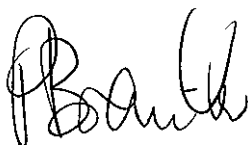
# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## BALANCE SHEET - FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>1994</u>	<u>1993</u>
<b>FIXED ASSETS</b>		
Investments (Note 8)	975,907	975,907
<b>CURRENT ASSETS</b>		
Debtors (Note 12)	4,352,270	2,227,910
Cash at bank and in hand	1,072	888,807
	<u>4,353,342</u>	<u>3,116,717</u>
<b>CREDITORS (amounts falling due within one year) (Note 13)</b>	<u>(122,689)</u>	<u>(109,927)</u>
<b>NET CURRENT ASSETS</b>	<u>4,230,653</u>	<u>3,006,790</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>£5,206,560</u>	<u>£3,982,697</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 17)	3,608,029	3,608,029
Share premium (Note 18)	443,220	443,220
Profit and loss account (Note 18)	(344,689)	(68,552)
Loan stock	<u>1,500,000</u>	<u>-</u>
	<u>£5,206,560</u>	<u>£3,982,697</u>

The financial statements on pages 4 to 26 were approved by the directors on 2 June 1995 and are signed on their behalf by:

P Brenikov  
Director



# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1994

	Year ended 31 December 1994	Year ended 31 December 1993
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b> (Note 22)	201,569	142,575
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	24,380	34,674
Interest paid	(175,727)	(46,096)
Interest element of finance lease rentals	<u>(64,206)</u>	<u>(29,367)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	(215,553)	(40,789)
<b>INVESTING ACTIVITIES</b>		
Purchase of associated undertaking	-	(5,105)
Purchase of subsidiary undertakings (net of cash and cash equivalents) (Note 27)	(1,816,493)	-
Purchase of tangible fixed assets	(1,232,670)	(1,340,708)
Sale of tangible fixed assets	<u>15,747</u>	<u>50</u>
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<u>(3,033,416)</u>	<u>(1,345,763)</u>
<b>NET CASH OUTFLOW BEFORE FINANCING</b>	(3,047,400)	(1,243,977)
<b>FINANCING ACTIVITIES</b>		
Issue of loan stock	1,500,000	-
New loans received (Note 25)	977,064	475,000
Loans repaid	(367,854)	(45,758)
Legal fees raising finance	-	(9,750)
Issue of Preference share capital (Note 25)	-	1,000,000
Issue of Ordinary share capital (Note 25)	-	500,000
Capital element of finance lease rentals (Note 25)	<u>(97,467)</u>	<u>(116,283)</u>
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<u>2,011,743</u>	<u>1,803,209</u>
<b>(DECREASE)/INCREASE IN CASH HOLDINGS</b> (Notes 23 and 24)	<u>£(1,035,657)</u>	<u>£559,232</u>



**HYGIEIA HEALTHCARE HOLDINGS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 1994**

	<u>1994</u>	<u>1993</u>
(Loss)/profit for the financial year	(827,094)	8,701
Fair value adjustments on acquisition of subsidiary	(128,847)	-
Exchange rate adjustment	(111,083)	(8,899)
	<hr/>	<hr/>
Total recognised losses for the year	£(1,067,024)	£(198)
	<hr/>	<hr/>

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994

### 1 ACCOUNTING POLICIES

#### (a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### (b) Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiary undertakings for the year 31 December 1994. The results of subsidiary undertakings acquired during the period are included in the consolidated financial statements from the effective date of acquisition.

#### (c) Turnover

Turnover is stated net of value added taxation and financial discounts.

#### (d) Foreign currency translation

Transactions in foreign currencies have been translated at the rate applicable on the date of the invoice. Differences in exchange arising between that date and the date of payment have been taken to the profit and loss account.

#### (e) Depreciation

Depreciation is charged to the profit and loss account at rates anticipated to write off the cost of assets over their expected useful life. The principal rates in use are:

Plant and machinery	10 years
Motor vehicles	4 years
Fixtures and fittings	7 years
Office equipment	7 years
Leasehold improvements	Over the term of the lease

#### (f) Intangible fixed assets

Intangible fixed assets, including purchased goodwill, are stated at cost less amortisation. These balances are being written off over 20 years, which the directors estimate to be the period over which the benefits may be reasonably expected to accrue.

## HYGIEIA HEALTHCARE HOLDINGS LIMITED

### NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

(g) Investments

Fixed asset investments are stated at cost less any provisions for permanent diminution in value.

(h) Stocks

Stocks are stated at the lower of cost, including an appropriate allocation of overheads and net realisable value.

(i) Deferred taxation

Provision is made for deferred taxation where there is a reasonable expectation that a liability will arise in the foreseeable future.

(j) Grants

Grant income received is credited to the profit and loss account over the life of the project for which the grant has been given.

(k) Hire purchase and leased assets

Tangible fixed assets purchased under hire purchase or finance lease agreements are capitalised in the balance sheet and the related liability included in creditors. Finance charges are charged to the profit and loss account over the period of the agreement. Any such assets are depreciated over their estimated useful lives (see note 1 (e) above). Operating lease rentals are charged to the profit and loss account as incurred.

## 2 OTHER OPERATING INCOME

	Year ended 31 December 1994	Year ended 31 December 1993
Regional Selective Assistance Grant release	£-	£265,000

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 3 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 1994	Year ended 31 December 1993
Interest on bank overdraft	42,530	12,470
ECSC loan interest	47,145	35,878
Other charges	70,622	7,636
Hire purchase interest	64,206	30,727
Interest on bank loan	<u>15,430</u>	<u>8,999</u>
	<u>£239,933</u>	<u>£95,710</u>

### 4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging the following amounts:

	Year ended 31 December 1994 £	Year ended 31 December 1993 £
Depreciation of tangible fixed assets	420,321	164,214
- Owned	86,003	64,816
- Held under finance leases and hire purchase contracts	122,875	66,905
Amounts written off intangible fixed assets - Goodwill	-	620
- Premium on acquisition	12,000	10,400
Auditors remuneration	2,133,765	1,468,437
Staff costs (Note 5)	1,209	50
Loss on disposal of tangible fixed assets	<u>          </u>	<u>          </u>

### 5 STAFF COSTS

- a) The average number of persons employed by the group during the year was 164 (1993 - 131), and the costs relating to their employment were as follows:

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 5 STAFF COSTS (continued)

	Year ended 31 December 1994	Year ended 31 December 1993
Wages and salaries	1,945,220	1,340,934
Social security costs	169,591	113,578
Other pension costs	<u>18,954</u>	<u>13,925</u>
	<u>£2,133,765</u>	<u>£1,468,437</u>

#### b) Directors' remuneration

	Year ended 31 December 1994	Year ended 31 December 1993
Fees as directors (including pension contributions)	55,923	99,663
Amounts paid to third parties for directors' services	<u>165,662</u>	<u>148,396</u>
	<u>£221,585</u>	<u>£248,059</u>
Directors' remuneration shown above (excluding pension contributions) included:		
Highest paid director	<u>£79,634</u>	<u>£72,645</u>
Directors received emoluments (excluding pension contributions) in the following ranges:		
	<u>Number</u>	<u>Number</u>
£0 to £5,000	2	1
£25,001 to £30,000	1	1
£40,001 to £45,000	-	1
£50,001 to £55,000	2	2
£75,001 to £80,000	1	1
	<u>      </u>	<u>      </u>

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 6 TAXATION

The taxation credit for the year comprises:

	<u>1994</u>	<u>1993</u>
Canadian income tax recoverable	£11,468	£-
	<hr/>	<hr/>

### 7 INTANGIBLE FIXED ASSETS - GROUP

	<u>Goodwill</u>
<u>Cost</u>	
At 1 January 1994	1,338,101
Additions (Note 26)	1,107,618
Transfer from premium on acquisition of associate	11,784
	<hr/>
At 31 December 1994	2,457,503
	<hr/>
<u>Amortisation</u>	
At 1 January 1994	122,659
Amounts written off during the year	122,875
	<hr/>
At 31 December 1994	245,534
	<hr/>
<u>Net book amounts</u>	
At 31 December 1994	£2,211,969
	<hr/>
At 31 December 1993	£1,215,442
	<hr/>

### 8 FIXED ASSET INVESTMENTS

	<u>Company</u> <u>1994</u>	<u>Company</u> <u>1993</u>
Shares in subsidiary undertakings	£975,907	£975,907
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# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

Additional information in respect of investments is as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Cost £</u>	<u>Holding</u>	<u>Percentage of ordinary share capital held</u>
Hygieia Healthcare Limited	England	878,363	Direct	100%
Advanced Absorbent Products Holdings Limited	England	97,500	Direct	75%
Advanced Absorbent Products Limited	England	-	Indirect	75%
Hygieia Holdings (Canada) Inc	Canada	44	Direct	100%
Universal Health Care Products (Canada) Inc	Canada	2,011,417	Indirect	95.2%

The principal activities of each of the above investments are the design, manufacture, distribution and marketing of branded and private label sanitary protection products.

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 9 TANGIBLE FIXED ASSETS

Group	<u>Leasehold improvements</u>	<u>Plant and machinery</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
<b>Cost</b>					
At 1 January 1994	-	2,837,346	330,919	49,762	3,218,027
On acquisition of subsidiary	106,645	1,334,837	75,453	5,401	1,522,336
Additions	5,552	1,122,044	105,074	-	1,232,670
Disposals	-	-	-	(38,612)	(38,612)
Exchange rate adjustments	(10,910)	(139,593)	(7,720)	(553)	(158,776)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 1994	101,287	5,154,634	503,726	15,998	5,775,645
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>					
At 1 January 1994	-	519,510	65,705	23,976	609,191
On acquisition of subsidiary	20,057	625,972	40,420	1,620	688,069
Charge for the year	11,973	433,089	57,508	3,754	506,324
Disposals	-	-	-	(21,656)	(21,656)
Exchange rate adjustments	(2,053)	(64,038)	(4,136)	(165)	(70,392)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 1994	29,977	1,514,533	159,497	7,529	1,711,536
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Book Amount</b>					
At 31 December 1994	£71,310	£3,640,101	£344,229	£8,469	£4,064,109
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 1993	£-	£2,317,836	£265,214	£25,786	£2,608,836
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

Leased assets included in the above:

### Net Book Amount

31 December 1994	£-	£710,866	£-	£6,046	£716,912
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company has not held any tangible fixed assets during the year.

### 10 INTEREST IN ASSOCIATED UNDERTAKING

	<u>1994</u>	<u>1993</u>
Universal Healthcare Products (Canada) Inc (i)	-	372,530
Hygieia Pacific Holdings Inc	5,105	5,105
	<u>          </u>	<u>          </u>
	5,105	377,635
Less provisions	(5,105)	-
	<u>          </u>	<u>          </u>
	£-	£377,635
	<u>          </u>	<u>          </u>

(i)

	<u>Group share of net assets of related undertaking</u>	
	<u>1994</u>	<u>1993</u>
Share of net assets at the date of acquisition	-	207,135
Premium on acquisition (to the extent that it has not been written off)	<u>          </u>	<u>11,784</u>
	-	218,919
Share of profits retained to date	-	118,215
Exchange gains to date	<u>          </u>	<u>35,396</u>
	£-	£372,530
	<u>          </u>	<u>          </u>

- (ii) As at 31 December 1993 the company owned 25% of Universal Health Care Products (Canada) Inc. On 1 January 1994 the company acquired a further 70.2% of the share capital of Universal Health Care Products (Canada) Inc, and on that date the company became a subsidiary undertaking (see Note 26).

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 11 STOCKS

	Group <u>1994</u>	Company <u>1994</u>	Group <u>1993</u>	Company <u>1993</u>
Raw materials and consumables	314,718	-	309,655	-
Work in progress	33,178	-	42,258	-
Finished goods for resale	<u>688,666</u>	<u>-</u>	<u>132,395</u>	<u>-</u>
	£1,036,562	£-	£484,308	£-

### 12 DEBTORS

	Group <u>1994</u>	Company <u>1994</u>	Group <u>1993</u>	Company <u>1993</u>
Trade debtors	1,529,999	-	1,047,982	-
Prepayments and other debtors	483,139	-	115,329	-
Amounts owed by group undertakings	-	4,352,270	-	2,277,900
Amounts owed by related undertaking	<u>-</u>	<u>-</u>	<u>330,075</u>	<u>-</u>
	£2,013,138	£4,352,270	£1,493,386	£2,277,900

### 13 CREDITORS (amounts falling due within one year)

	Group <u>1994</u>	Company <u>1994</u>	Group <u>1993</u>	Company <u>1993</u>
Bank overdraft	517,853	-	379,785	15
Trade creditors	1,495,509	-	1,007,391	-
Amount due to group undertaking	-	79,912	-	79,908
Amount due to related undertaking	-	-	20,420	-
Taxation and social security	110,063	-	66,830	-
Accruals and deferred income	401,513	42,777	421,866	30,004
Obligations under finance lease and hire purchase contracts (Note 15)	134,666	-	133,502	-
ECSC loans (Note 14)	141,250	-	141,250	-
Other loans from banks (Note 14)	128,085	-	115,742	-
Other creditors	<u>388,494</u>	<u>-</u>	<u>-</u>	<u>-</u>
	£3,317,433	£122,689	£2,286,786	£109,927

The bank overdraft is repayable on demand and is secured by a fixed and floating charge over the assets of the individual companies in the group.

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 14 CREDITORS (amounts falling due after more than one year)

	Group <u>1994</u>	Company <u>1994</u>	Group <u>1993</u>	Company <u>1993</u>
Taxation	1,198	-	-	-
ECSC loans (see below)	515,625	-	405,000	-
Obligations under finance leases and hire purchase agreements (Note 15)	125,110	-	182,890	-
Other loans from banks	955,141	-	332,250	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,597,074	£-	£920,140	£-
	<hr/>	<hr/>	<hr/>	<hr/>

£363,125 of the ECSC loans bears interest at 7% net of rebate, becoming repayable in instalments between May 1994 and May 1998. The remaining £293,750 bears interest at 8.25% and 4.22% net of rebate being repayable quarterly over a four year period commencing July 1993 and July 1998.

The other bank loans are:

£100,000 bearing interest at a variable rate and is repayable over a period of three years commencing 1 January 1996.

£232,250 bearing interest at 4.84% and is repayable quarterly commencing 31 December 1993.  
Can \$ 2,001,334 bearing interest at 1.5% above the lenders prime rate repayable annually over a period of 5 years commencing in 1996.

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 15 FINANCE LEASE AND HIRE PURCHASE AGREEMENTS

	Group <u>1994</u>	Company <u>1994</u>	Group <u>1993</u>	Company <u>1993</u>
Finance leases and hire purchase agreements are as follows:				
Within twelve months	156,208	-	165,091	-
Twelve to sixty months	139,488	-	199,320	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	295,696	-	364,411	-
Less: Finance charges to be allocated to future periods	(35,920)	-	(48,019)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net obligation	£259,776	£-	£316,392	£-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Falling due within one year (Note 13)	134,666	-	133,502	-
Falling due after one year (Note 14)	125,110	-	182,890	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	£259,776	£-	£316,392	£-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 16 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation comprises

	Group <u>1994</u>	Company <u>1994</u>	Group <u>1993</u>	Company <u>1993</u>
Capital Allowances	£67,145	£-	£-	£-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

As at 31 December 1994 a deferred tax asset of £687,000 (1993: £554,000) exists within the group.

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 17 CALLED UP SHARE CAPITAL

		<u>1994</u>	<u>1993</u>
Company			
Authorised:			
<u>Equity share capital:</u>			
Ordinary shares of £1 each		543,899	543,899
<u>Non-equity share capital:</u>			
Preference shares of £1 each		<u>3,064,130</u>	<u>3,064,130</u>
		£3,608,029	£3,608,029
		<hr/>	<hr/>
Allotted and fully paid:			
<u>Equity share capital:</u>			
Ordinary shares of £1 each	'A' class	310,566	310,566
	'B' class	233,333	233,333
<u>Non-equity share capital:</u>			
Preference shares of £1 each	'A' class	2,185,500	2,185,500
	'B' class	<u>878,630</u>	<u>878,630</u>
		£3,608,029	£3,608,029
		<hr/>	<hr/>

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 18 RESERVES

As permitted by Section 230(1) of the Companies Act 1989, the parent undertaking has not presented its own profit and loss account. The amount of results dealt with in the accounts of the parent undertaking is a loss of £276,137

	<u>Group</u>			<u>Company</u>	
	<u>Share Premium Account</u>	<u>Merger Reserve</u>	<u>Profit &amp; Loss Account</u>	<u>Share Premium Account</u>	<u>Profit &amp; Loss Account</u>
Balance at 31 December 1994	443,220	84,008	(281,770)	443,220	(68,552)
Loss for the year	-	-	(827,094)	-	(276,137)
Unrealised exchange loss	-	-	(111,083)	-	-
Fair value adjustments on acquisition of subsidiary	-	-	(128,847)	-	-
Transfer during the year	-	(66,905)	66,905	-	-
	<u>£443,220</u>	<u>£17,103</u>	<u>£(1,281,889)</u>	<u>£443,220</u>	<u>£(344,689)</u>

The merger reserve was established on the purchase of the entire issued share capital of Hygieia Healthcare Limited which is being transferred to profit and loss at annual amounts equal to the amortisation of the goodwill arising on the acquisition of subsidiary undertakings.

### 19 CAPITAL COMMITMENTS

Capital commitments at 31 December 1994 were as follows:

	<u>Group</u>	<u>Company</u>
Authorised not contracted	£nil	£nil
Contracted not accrued	£288,904	£nil

## HYGIEIA HEALTHCARE HOLDINGS LIMITED

### NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

#### 20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>1994</u>	<u>1993</u>
(Loss)/profit for the financial year	(827,094)	8,701
New share capital issued	-	1,500,000
New loan stock subscribed	1,500,000	-
Legal expenses written off against share premium account	-	(9,750)
Fair value adjustments on acquisition of subsidiary	(128,847)	-
Exchange loss in year	<u>(111,083)</u>	<u>(8,899)</u>
Net addition to shareholders' funds	432,976	1,490,052
Opening shareholders' funds	<u>3,853,487</u>	<u>2,363,435</u>
Closing shareholders' funds	<u>£4,286,463</u>	<u>£3,853,487</u>

#### 21 CONTINGENT LIABILITIES

The group has total guarantees of £25,000 in favour of HM Customs & Excise, and a further £15,000 in favour of Berisford Leasing Limited.

The company has entered into a composite guarantee in respect of the bank borrowings of its subsidiary undertakings. As at 31 December 1994 the liability in this respect amounted to £517,853 (1993: £379,770).

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 22 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u>	<u>1993</u>
Operating (loss)/profit	(625,287)	6,719
Depreciation charges	443,626	229,030
Amounts written off intangible fixed assets	122,875	67,525
Loss on disposal of tangible fixed assets	1,209	50
Amounts written off investments in associates	5,105	-
Transfer to subsidiary undertaking	372,530	-
Exchange losses/(gains)	74,445	(42,044)
Increase in stocks	(552,254)	(108,593)
Increase in debtors	(519,752)	(456,341)
Increase in creditors	879,072	446,229
	<hr/>	<hr/>
Net cash inflow from operating activities	£201,569	£142,575
	<hr/>	<hr/>

### 23 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

	<u>1994</u>	<u>1993</u>
Balance at 1 January 1994	533,718	(25,514)
Net cash (outflow)/inflow during the year	<u>(1,035,657)</u>	<u>559,232</u>
Balance at 31 December 1994	£501,939	£533,718
	<hr/>	<hr/>

### 24 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1994</u>	<u>1993</u>	<u>Change</u>	<u>1993</u>	<u>1992</u>	<u>Change</u>
Cash at bank and in hand	15,914	913,503	(897,589)	913,503	515,824	397,679
Bank overdrafts	(517,853)	(379,785)	(138,068)	(379,785)	(541,338)	161,553
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£(501,939)	£533,718	£(1,035,657)	£533,718	£(25,514)	£559,232
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 25 ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD

	<u>1994</u>		<u>1993</u>	
	Ordinary share capital (including premium on issue)	Preference share capital	Ordinary share capital (including premium on issue)	Preference share capital
Balances at 1 January 1994	1,071,127	3,064,130	647,782	2,064,130
Cash inflows from financing	-	-	500,000	1,000,000
Write off of legal expenses	-	-	(9,750)	-
Transfer from profit and loss account	(66,905)	-	(66,905)	-
	<u>£1,004,222</u>	<u>£3,064,130</u>	<u>£1,071,127</u>	<u>£3,064,130</u>

	<u>1994</u>		<u>1993</u>	
	Ordinary share capital (including premium on issue)	Preference share capital	Ordinary share capital (including premium on issue)	Preference share capital
Disclosed as:				
Allotted and fully paid				
Ordinary shares of £1 each:				
'A' class	310,566	-	310,566	-
'B' class	233,333	-	233,333	-
Preference shares of £1 each:				
'A' class	-	2,185,500	-	2,185,500
'B' class	-	878,630	-	878,630
Share Premium Account	443,220	-	443,220	-
Merger Reserve	17,103	-	84,008	-
	<u>£1,004,222</u>	<u>£3,064,130</u>	<u>£1,071,127</u>	<u>£3,064,130</u>

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 25 ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD (continued)

	<u>Loan stock</u>	<u>Bank loans</u>	<u>1994 Finance Lease obligations</u>	<u>Loan stock</u>	<u>Bank loans</u>	<u>1993 Finance Lease obligations</u>
Balance at 1 January 1994	-	994,242	316,392	-	565,000	183,016
Cash inflow/(outflow) from financing	1,500,000	-	(97,467)	-	-	(116,283)
Finance lease obligations of subsidiary acquired during the period	-	-	40,851	-	-	-
Bank loans of subsidiary acquired during the period	-	423,569	-	-	-	-
Inception of finance lease contracts	-	-	-	-	-	249,659
Capital elements of bank loans received during period	-	977,064	-	-	475,000	-
Capital elements of bank loans repaid during period	-	(367,854)	-	-	(45,758)	-
Exchange differences	-	(161,810)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 1994	£1,500,000	£1,865,211	£259,776	£-	£994,242	£316,392
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# HYGIEIA HEALTHCARE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

### 26 PURCHASE OF SUBSIDIARY UNDERTAKINGS

Net assets acquired

	834,267
Tangible fixed assets	888,125
Stocks	548,014
Debtors	(756,958)
Creditors	(24,615)
Bank overdrafts	(464,420)
Loans and finance leases	(49,684)
Deferred taxation	(70,930)
Minority shareholders' interests	(219,539)
Existing investment by the group	_____
	684,260

Goodwill

1,107,618

£1,791,878

Satisfied by cash

£1,791,878

The subsidiary undertaking acquired during the year utilised £290,910 from operating activities, provided £969,249 in respect of financing activities and utilised £907,040 for investing activities.

### 27 ANALYSIS OF THE NET OUTFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF THE PURCHASE OF SUBSIDIARY UNDERTAKINGS

	1,791,878
Cash consideration	
	24,615
Bank overdrafts of acquired subsidiary undertakings	_____
	£1,816,493