

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED
(REGISTERED NUMBER 2261477)

DIRECTORS' REPORT AND ACCOUNTS

31 October 1994



SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1994

The directors present their report and the accounts for the year ended 31 October 1994.

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:

- 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 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 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.

ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENT

The principal activity of the company, which it expects to continue, is to provide marketing, training, technical and information services to fellow group undertakings. The principal activity of the company's subsidiary undertaking, SSI Medical Services Limited is the provision of medical services in wound care therapy in the United Kingdom.

RESULTS AND DIVIDENDS

The results for the period are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend and accordingly the retained profit of £96,000 has been added to reserves.

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1994 (CONTINUED)

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period are given below:

MJ Clancy
DR Newman
P Stevenson

No director held a beneficial interest in the company during the period.

FIXED ASSETS

The movement in tangible fixed assets during the period are set out in note 6 on page 8.

LIABILITY INSURANCE

The company has maintained insurance in respect of certain liabilities of Directors and Officers in relation to the company as permitted by Section 310(3) of the Companies Act 1985.

AUDITORS

A resolution to re-appoint the auditors, Price Waterhouse, will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Dr Newman', with a long horizontal flourish extending to the right.

DR NEWMAN
Secretary

28 August 1995

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 state of the company's affairs as at 31 October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

28 August 1995

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 1994**

	<u>1994</u>	<u>1993</u>
	£'000	£'000
TURNOVER (Note 2)	1,754	1,384
Staff costs: (Note 3)		
Wages and salaries	362	404
Social security costs	37	46
Other pension costs	32	36
Depreciation of tangible fixed assets (Note 6)	31	27
Other operating charges	<u>1,122</u>	<u>726</u>
	<u>(1,584)</u>	<u>(1,239)</u>
OPERATING PROFIT	170	145
Interest payable (Note 5)	<u>(28)</u>	<u>(33)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 4)	142	112
Taxation (Note 6)	<u>(46)</u>	<u>(49)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	96	63
Retained profit at 1 November 1993	<u>384</u>	<u>321</u>
RETAINED PROFIT AT 31 OCTOBER 1994	<u>480</u>	<u>384</u>

There are no recognised gains or losses other than those reflected in the profit and loss account shown above. All turnover and profits have been generated from continuing operations.

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

BALANCE SHEET - 31 OCTOBER 1994

	<u>1994</u>		<u>1993</u>	
	£'000	£'000	£'000	£'000
FIXED ASSETS				
Tangible assets (Note 7)		103		96
Investments (Note 8)		<u>5,360</u>		<u>3,360</u>
		5,463		3,456
CURRENT ASSETS				
Debtors (Note 9)	1,085		898	
Cash at bank and in hand	<u>18</u>		<u>-</u>	
	1,103		898	
CREDITORS (amounts falling due within one year) (Note 10)		<u>(6,086)</u>		<u>(3,970)</u>
NET CURRENT LIABILITIES		<u>(4,983)</u>		<u>(3,072)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		480		384
		<u>480</u>		<u>384</u>
CAPITAL AND RESERVES				
Called up share capital (Note 12)		-		-
Profit and loss account		<u>480</u>		<u>384</u>
TOTAL FUNDS ATTRIBUTABLE TO SHAREHOLDERS		<u>480</u>		<u>384</u>

Approved by the Board on
and signed on its behalf

DR Newman
DIRECTOR



28 August 1995

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1994

1 ACCOUNTING POLICIES

(1) Accounting convention

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards.

(2) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets in equal annual instalments over their estimated useful lives. The rate of depreciation is 20% per annum.

(3) Deferred taxation

Deferred taxation relating to capital allowances and other timing differences is provided in the accounts only as far as a liability is likely to arise in the foreseeable future. Deferred tax assets are not recognised in the accounts unless their recovery in the foreseeable future is likely.

(4) Foreign currency

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. At the balance sheet date, all monetary assets and liabilities denominated in a foreign currency are translated at the rate ruling at that date or that at which it is contracted to settle the transaction in the future. Exchange differences are taken to the profit and loss account.

(5) Operating leases

The cost of using equipment under operating leases is charged to the profit and loss account in accordance with the lease terms.

(6) Pensions

Pension costs relate to contributions made to a defined contribution pension scheme. The contributions are charged to the profit and loss account as they fall due.

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1994 (CONTINUED)

2 TURNOVER

Turnover represents amounts charged to group companies during the period and is exclusive of Value Added Tax. All of the company's turnover arises in one class of business. Turnover may be analysed geographically as follows:

	<u>1994</u>	<u>1993</u>
	£'000	£'000
UK	1,019	747
Rest of Europe	<u>735</u>	<u>637</u>
	1,754	1,384
	<u>=====</u>	<u>=====</u>

3 STAFF COSTS

Directors' emoluments, including taxable benefits and pensions amounted to £197,149 (1993 - £233,196).

Two of the directors of the company, one of whom is the Chairman and highest paid director, are also directors of the immediate parent undertaking. Their remuneration is disclosed in that company's accounts. The remuneration of the remaining director, excluding pension contributions, during the period for which he was a director fell within the following bands:

	<u>1994</u>	<u>1993</u>
£45,001 - £50,000	1	-
£60,001 - £65,000	-	1
	<u>=====</u>	<u>=====</u>

The average number of persons employed during the year was 16 (1993 - 15).

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Auditors' remuneration	5	6
Non-audit related fees paid to auditors	5	5
Amounts paid under operating leases for hire of plant and machinery	46	65
Amounts paid under other operating leases	52	52
Exchange losses/(gains)	(7)	(13)
	<u>=====</u>	<u>=====</u>

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1994 (CONTINUED)

5 INTEREST PAYABLE

	<u>1994</u> £'000	<u>1993</u> £'000
Intra-group interest	11	-
Interest payable on bank and other external borrowings wholly repayable within 5 years	<u>17</u>	<u>33</u>
	28	33
	<u> </u>	<u> </u>

6 TAXATION

Corporation tax charge based on the profit the period at 33% (1993 - 33%)	52	35
Adjustment in respect of prior periods	<u>(6)</u>	<u>14</u>
	46	49
	<u> </u>	<u> </u>

7 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £'000
Cost	
At 1 November 1993	272
Additions	38
Disposals	<u>(135)</u>
At 31 October 1994	175
Depreciation	
At 1 November 1993	176
Charge for the year	31
Disposals	<u>(135)</u>
At 31 October 1994	72
Net book value	
At 31 October 1994	103
	<u> </u>
At 31 October 1993	96
	<u> </u>

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1994 (CONTINUED)

8 INVESTMENTS

The movement in the investments balance during the year is as follows:

	<u>1994</u> £'000
Cost of investment as at 1 November 1993	3,360
Further shares acquired during the year	<u>2,000</u>
	5,360
	<u>=====</u>

The above represents the cost of the company's investment in the whole of the issued share capital of SSI Medical Services Limited, a company incorporated in the United Kingdom. The principal activity of this business is the provision of medical services in wound care therapy in the United Kingdom.

9 DEBTORS

	<u>1994</u> £'000	<u>1993</u> £'000
Amounts owed by group undertakings	1,018	778
VAT recoverable	32	34
Other debtors	<u>35</u>	<u>86</u>
	1,085	898
	<u>=====</u>	<u>=====</u>

10 CREDITORS (amounts falling due within one year)

	<u>1994</u> £'000	<u>1993</u> £'000
Bank overdraft	78	48
Trade creditors	22	45
Amounts owed to group undertakings	5,918	3,793
Accruals and deferred income	69	36
Corporation tax	<u>(1)</u>	<u>48</u>
	6,086	3,970
	<u>=====</u>	<u>=====</u>

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1994 (CONTINUED)

11 DEFERRED TAXATION

Deferred taxation is provided in full at the UK tax rate of 33% (1993 - 33%) using the liability method and amounts to £Nil at 31 October 1994 (1993 - £Nil). There are no unprovided timing differences.

12 CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Authorised:		
Ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>
Allotted and fully paid:		
Ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Opening shareholders' funds	384	321
Profit for the financial year	<u>96</u>	<u>63</u>
Closing shareholders' funds	<u>480</u>	<u>384</u>

14 CAPITAL COMMITMENTS

Capital expenditure authorised by the Board for which contracts have been placed	<u>£-</u>	<u>£-</u>
Capital expenditure authorised by the Board for which contracts have not been placed	<u>£-</u>	<u>£-</u>

SUPPORT SYSTEMS INTERNATIONAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1994 (CONTINUED)

15 OPERATING LEASES

At the balance sheet date there were annual commitments under non-cancellable operating leases which expire as follows:

	<u>1994</u>		<u>1993</u>	
	<u>Buildings</u>	<u>Other</u>	<u>Buildings</u>	<u>Other</u>
	£'000	£'000	£'000	£'000
Within one year	-	5	-	14
Between one and five years	-	44	-	27
After five years	<u>54</u>	<u>-</u>	<u>52</u>	<u>-</u>
	54	49	52	41
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for certain employees, the costs of which are charged to income in the period in which they are incurred. The total of such costs in 1994 was £32,106 (1993 - £35,874).

17 ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Hillenbrand Industries Inc., a company incorporated in the United States of America. Hillenbrand Industries Inc. is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Support Systems International Finance Ltd is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member. Support Systems International Finance Ltd is incorporated in the United Kingdom.

Copies of the annual report and accounts of Hillenbrand Industries Inc. are available from Hillenbrand Industries Inc, Highway 46, Batesville, Indiana 47006, USA.

Copies of the annual report and accounts of Support Systems International Finance Ltd are available from Support Systems International, 3 The Courtyard, Warwick Road, Solihull, West Midlands.