

2090807

Report of the Directors and
Financial Statements
for the Year Ended 30 June 2000
for
New Splint Plc



New Splint Plc

Contents of the Financial Statements
for the Year Ended 30 June 2000

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	10
Trading and Profit and Loss Account	17

New Splint Plc

Company Information
for the Year Ended 30 June 2000

DIRECTORS:

L N Salter
P H Virgin
H D Link

SECRETARY:

O Salter

REGISTERED OFFICE:

9 Murrell Green Business Park
London Road
Hook, NR Basingstoke
Hampshire
RG27 9GR

REGISTERED NUMBER:

2090807

AUDITORS:

Pridie Brewster
Chartered Accountants
Anstey Park House
Anstey Road
Alton
Hants GU34 2RL

New Splint Plc

Report of the Directors for the Year Ended 30 June 2000

The directors present their report with the financial statements of the company for the year ended 30 June 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the wholesale and retail distribution of orthopaedic and other health care products.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of 3.20 per share.

The total distribution of dividends for the year ended 30 June 2000 will be £160,000.

DIRECTORS

The directors during the year under review were:

L N Salter
P H Virgin
H D Link

The beneficial interests of the directors holding office on 30 June 2000 in the issued share capital of the company were as follows:

	30.6.00	1.7.99
Ordinary £1 shares		
L N Salter	20,000	20,000
P H Virgin	20,000	20,000
H D Link	10,000	10,000

YEAR 2000 COMPLIANCE

The company has been taking steps to ensure that the company is year 2000 compliant. No substantial costs are expected to be incurred in the future to modify existing hardware or software. It is not expected that the year 2000 problem will impinge on operational activities.

INTRODUCTION OF THE EURO

The potential impact and the costs of the changeover to the Euro are not expected to be significant.

CREDITOR PAYMENT POLICY

It is the Company's policy to agree terms of transactions, including payment terms, with suppliers and, provided suppliers perform in accordance with the agreed terms, it is the Company's normal practice that payment is made accordingly.

The number of days outstanding between receipt of invoices and date of payment calculated by reference to the amount owed to trade creditors at the year end as a proportion of amounts invoiced by suppliers during the year was 94 days.

New Splint Plc

Report of the Directors
for the Year Ended 30 June 2000

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

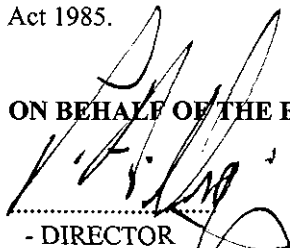
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The auditors, Pridie Brewster, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



- DIRECTOR

Dated:

10 Nov '00

New Splint Plc

Report of the Auditors to the Shareholders of
New Splint Plc

We have audited the financial statements on pages five to sixteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page three 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.

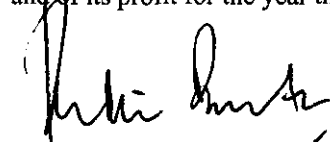
Basis of opinion

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 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Pridie Brewster
Chartered Accountants
Anstey Park House
Anstey Road
Alton
Hants GU34 2RL

Dated: 14. Nov. 2000.

New Splint Plc

Profit and Loss Account
for the Year Ended 30 June 2000

		30.6.00	30.6.99
	Notes	£	£
TURNOVER		3,545,703	3,126,106
Cost of sales		<u>1,646,224</u>	<u>1,673,770</u>
GROSS PROFIT		1,899,479	1,452,336
Administrative expenses		<u>1,545,777</u>	<u>1,145,165</u>
OPERATING PROFIT	3	353,702	307,171
Interest receivable and similar income		<u>9,697</u>	<u>11,569</u>
		363,399	318,740
Interest payable and similar charges	4	<u>12,788</u>	<u>14,630</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		350,611	304,110
Tax on profit on ordinary activities	5	<u>80,355</u>	<u>84,903</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		270,256	219,207
Dividends	6	<u>160,000</u>	<u>160,000</u>
		110,256	59,207
Retained profit brought forward		<u>286,233</u>	<u>227,026</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£396,489</u></u>	<u><u>£286,233</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

New Splint Plc

Balance Sheet

30 June 2000

		30.6.00		30.6.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		332,504		299,444
CURRENT ASSETS:					
Stocks	8	519,040		410,502	
Debtors	9	562,212		623,970	
Cash at bank and in hand		396,992		420,148	
		1,478,244		1,454,620	
CREDITORS: Amounts falling due within one year	10	1,258,032		1,335,259	
NET CURRENT ASSETS:			220,212		119,361
TOTAL ASSETS LESS CURRENT LIABILITIES:			552,716		418,805
CREDITORS: Amounts falling due after more than one year	11		106,227		82,572
			£446,489		£336,233
CAPITAL AND RESERVES:					
Called up share capital	15		50,000		50,000
Profit and loss account			396,489		286,233
SHAREHOLDERS' FUNDS:	17		£446,489		£336,233

ON BEHALF OF THE BOARD:

.....
- DIRECTOR

.....
- DIRECTOR

Approved by the Board on

10 Nov '00

New Splint Plc

Cash Flow Statement
for the Year Ended 30 June 2000

		<u>30.6.00</u>		<u>30.6.99</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		317,812		440,579
Returns on investments and servicing of finance	2		(3,091)		(3,061)
Taxation			(86,113)		(35,175)
Capital expenditure	2		(23,531)		(3,793)
Equity dividends paid			(160,000)		(160,000)
			<u>45,077</u>		<u>238,550</u>
Financing	2		(68,233)		(75,589)
(Decrease)/Increase in cash in the period			<u><u>£(23,156)</u></u>		<u><u>£162,961</u></u>
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(23,156)		162,961	
Cash outflow from decrease in debt and lease financing		<u>68,233</u>		<u>75,588</u>	
Change in net funds resulting from cash flows			45,077		238,549
New finance leases			(79,590)		(68,320)
Movement in net funds in the period			<u>(34,513)</u>		<u>170,229</u>
Net funds at 1 July			<u>253,412</u>		<u>83,183</u>
Net funds at 30 June			<u><u>£218,899</u></u>		<u><u>£253,412</u></u>

The notes form part of these financial statements

New Splint Plc

Notes to the Cash Flow Statement
for the Year Ended 30 June 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.6.00 £	30.6.99 £
Operating profit	353,702	307,171
Depreciation charges	90,636	80,224
Loss on sale of fixed assets	-	4,550
Profit on sale of fixed assets	(20,575)	-
Increase in stocks	(108,538)	(90,472)
Decrease/(Increase) in debtors	61,758	(249,027)
(Decrease)/Increase in creditors	(59,171)	388,133
Net cash inflow from operating activities	<u>317,812</u>	<u>440,579</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.6.00 £	30.6.99 £
Returns on investments and servicing of finance		
Interest received	9,697	11,569
Interest paid	(2,450)	(4,308)
Interest element of hire purchase payments	(10,338)	(10,322)
Net cash outflow for returns on investments and servicing of finance	<u>(3,091)</u>	<u>(3,061)</u>
Capital expenditure		
Purchase of tangible fixed assets	(122,106)	(23,243)
Sale of tangible fixed assets	98,575	19,450
Net cash outflow for capital expenditure	<u>(23,531)</u>	<u>(3,793)</u>
Financing		
New loan taken out in year	60,000	-
Loan repayments in year	(39,000)	(15,917)
Capital element of hire purchase rental payments	(89,233)	(59,672)
Net cash outflow from financing	<u>(68,233)</u>	<u>(75,589)</u>

The notes form part of these financial statements

New Splint Plc

Notes to the Cash Flow Statement
for the Year Ended 30 June 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.99 £	Cash flow £	Other non-cash changes £	At 30.6.00 £
Net cash:				
Cash at bank and in hand	420,148	(23,156)		396,992
	<u>420,148</u>	<u>(23,156)</u>		<u>396,992</u>
Debt:				
Hire purchase	(127,736)	89,233	(79,590)	(118,093)
Debts falling due within one year	(7,800)	(7,200)	-	(15,000)
Debts falling due after one year	(31,200)	(13,800)	-	(45,000)
	<u>(166,736)</u>	<u>68,233</u>	<u>(79,590)</u>	<u>(178,093)</u>
Total	<u>253,412</u>	<u>45,077</u>	<u>(79,590)</u>	<u>218,899</u>
Analysed in Balance Sheet				
Cash at bank and in hand	420,148			396,992
Hire purchase				
within one year	(76,364)			(56,866)
after one year	(51,372)			(61,227)
Debts falling due within one year	(7,800)			(15,000)
Debts falling due after one year	(31,200)			(45,000)
	<u>253,412</u>			<u>218,899</u>

New Splint Plc

Notes to the Financial Statements
for the Year Ended 30 June 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Fixtures & Fittings	- 20% on cost
Motor vehicles	- 33% on cost
Office Equipment	- 20% on cost

Depreciation has not been provided on the Freehold Property as the building is maintained to a standard that no depreciation is required. In the Directors opinion any depreciation would be immaterial because the expected residual value and market value is not less than the book value.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. STAFF COSTS

	30.6.00	30.6.99
	£	£
Wages and salaries	899,310	663,840
Social security costs	104,660	83,601
Other pension costs	178,985	127,058
	1,182,955	874,499

New Splint Plc

Notes to the Financial Statements
for the Year Ended 30 June 2000

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	30.6.00	30.6.99
Directors	3	3
Administration	4	2
Sales	13	8
	<u>20</u>	<u>13</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.6.00	30.6.99
	£	£
Depreciation - owned assets	16,415	4,811
Depreciation - assets on hire purchase contracts	74,221	75,413
(Profit)/Loss on disposal of fixed assets	(20,575)	4,550
Auditors' remuneration	5,973	5,060
Directors' pensions	139,257	101,616
	<u>477,600</u>	<u>376,800</u>

Information regarding the highest paid director is as follows:

	30.6.00	30.6.99
	£	£
Emoluments etc	238,800	188,400

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.6.00	30.6.99
	£	£
Bank interest	2,450	4,308
Hire purchase interest	10,338	10,322
	<u>12,788</u>	<u>14,630</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.00	30.6.99
	£	£
UK corporation tax	80,355	84,903

UK corporation tax has been charged at 30% (1999 - 27.90%).

6. DIVIDENDS

	30.6.00	30.6.99
	£	£
Equity shares:		
Final Dividend Paid	160,000	160,000

New Splint Plc

Notes to the Financial Statements
for the Year Ended 30 June 2000

7. **TANGIBLE FIXED ASSETS**

	Freehold property	Improvem- ents to property	Fixtures & Fittin- gs
	£	£	£
COST:			
At 1 July 1999	225,048	-	19,219
Additions	-	27,600	3,810
At 30 June 2000	225,048	27,600	23,029
DEPRECIATION:			
At 1 July 1999	-	-	14,121
Charge for year	-	5,520	4,606
At 30 June 2000	-	5,520	18,727
NET BOOK VALUE:			
At 30 June 2000	225,048	22,080	4,302
At 30 June 1999	225,048	-	5,098

	Motor vehicles	Office Equipment	Totals
	£	£	£
COST:			
At 1 July 1999	226,291	27,559	498,117
Additions	166,399	3,887	201,696
Disposals	(170,000)	-	(170,000)
At 30 June 2000	222,690	31,446	529,813
DEPRECIATION:			
At 1 July 1999	166,718	17,834	198,673
Charge for year	74,221	6,289	90,636
Eliminated on disposals	(92,000)	-	(92,000)
At 30 June 2000	148,939	24,123	197,309
NET BOOK VALUE:			
At 30 June 2000	73,751	7,323	332,504
At 30 June 1999	59,573	9,725	299,444

New Splint Plc

Notes to the Financial Statements
for the Year Ended 30 June 2000

7. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
At 1 July 1999	226,291
Additions	166,399
Disposals	(170,000)
At 30 June 2000	222,690
DEPRECIATION:	
At 1 July 1999	166,718
Charge for year	74,221
Eliminated on disposals	(92,000)
At 30 June 2000	148,939
NET BOOK VALUE:	
At 30 June 2000	73,751
At 30 June 1999	59,573

8. **STOCKS**

	30.6.00	30.6.99
	£	£
Stock For Resale	457,910	362,693
Stock On Permanent Loan	61,130	47,809
	519,040	410,502

9. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.6.00	30.6.99
	£	£
Trade debtors	561,639	600,621
Other debtors	573	19,799
Prepayments	-	3,550
	562,212	623,970

New Splint Plc

Notes to the Financial Statements
for the Year Ended 30 June 2000

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.6.00	30.6.99
	£	£
Bank loans and overdrafts (see note 12)	15,000	7,800
Hire purchase contracts (see note 13)	56,866	76,364
Trade creditors	430,686	575,158
Directors current accounts	22,796	22,796
Dividends proposed	160,000	160,000
V.A.T.	122,740	136,511
Other taxes & Social Security	23,464	19,080
Taxation	79,145	84,903
Accrued expenses	347,335	252,647
	<u>1,258,032</u>	<u>1,335,259</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.6.00	30.6.99
	£	£
Bank loans (see note 12)	45,000	31,200
Hire purchase contracts (see note 13)	61,227	51,372
	<u>106,227</u>	<u>82,572</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	30.6.00	30.6.99
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>15,000</u>	<u>7,800</u>
Amounts falling due between one and two years:		
Bank loans	<u>15,000</u>	<u>31,200</u>
Amounts falling due between two and five years:		
Bank loans	<u>30,000</u>	<u>-</u>

New Splint Plc

Notes to the Financial Statements
for the Year Ended 30 June 2000

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	30.6.00 £	30.6.99 £
Gross obligations repayable:		
Within one year	64,515	87,237
Between one and five years	69,838	61,607
	134,353	148,844
Finance charges repayable:		
Within one year	7,649	10,873
Between one and five years	8,611	10,235
	16,260	21,108
Net obligations repayable:		
Within one year	56,866	76,364
Between one and five years	61,227	51,372
	118,093	127,736

The following payments are committed to be paid within one year:

	Operating leases	
	30.6.00 £	30.6.99 £
Expiring:		
Within one year	2,717	-
Between one and five years	17,042	-
	19,759	-

14. SECURED DEBTS

The following secured debts are included within creditors:

	30.6.00 £	30.6.99 £
Bank loans	60,000	39,000

The long term bank loan is secured on the company's freehold property and by a fixed and floating charge over the company's assets.

New Splint Plc

Notes to the Financial Statements
for the Year Ended 30 June 2000

15. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal	30.6.00	30.6.99
		value:	£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	30.6.00	30.6.99
		value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

16. **TRANSACTIONS WITH DIRECTORS**

H D Link is a shareholder in a company which supplies a substantial proportion of New Splint plc's stock. Purchases from this supplier amounted to £1,803,656 during the year (1999 - £1,830,078).

17. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.6.00	30.6.99
	£	£
Profit for the financial year	270,256	219,207
Dividends	<u>(160,000)</u>	<u>(160,000)</u>
Net addition to shareholders' funds	110,256	59,207
Opening shareholders' funds	<u>336,233</u>	<u>277,026</u>
Closing shareholders' funds	<u>446,489</u>	<u>336,233</u>
Equity interests	<u>446,489</u>	<u>336,233</u>