

G & M Procter Limited

Report and Abbreviated Accounts

31 December 2002

Registered No.: 117113

 **ERNST & YOUNG**



Contents

	<i>Page</i>
Directors and advisers	3
Directors' report	4-5
Auditors' report to the company	6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9-14

Directors

Martin C Procter
Gloria E Procter
Ian C Hixon
Michael J Smith
Iain P Miller
Hermann G Fuellbrunn
Michael D Housham

Secretary

Iain P Miller

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh
EH2 2DZ

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Registered Office

8 Arran Place
North Muirton Industrial Estate
Perth
PH1 3RN

Directors' report

The directors present their report and financial statements for the year ended 31 December 2002.

Results for the year

The profit for the year after taxation amounts to £299,823, (9 months 2001: £193,390). No dividend is proposed and the balance has been transferred to reserves.

Principal activity

The company's principal activity during the year was the manufacture and supply of ready prepared/pre poured micro-biological culture media.

Directors and their interests

The directors who served during the year ended 31 December 2002 and their interests in the share capital of the company were as follows:

	<i>Ordinary shares</i>	
	<i>2002</i>	<i>2001</i>
Martin C Procter	-	-
Gloria E Procter	-	-
Ian C Hixon	-	-
Michael J Smith	-	-
Iain P Miller	-	-
Hermann G Fuellbrunn	-	-
Michael D Housham	-	-

Mr Smith and Mr Fuellbrunn were directors of the ultimate parent undertaking at 31 December 2001 and at 31 December 2002 and their shareholdings in that company are disclosed in the directors' report of that company. Mr and Mrs Procter and Mr Miller do not hold any shares in the ultimate parent undertaking. At 31 December 2001 and at 31 December 2002 Mr Hixon held 10,000 'B' ordinary shares and Mr Housham held 11,200 'B' ordinary shares in the ultimate parent undertaking. Both Mr Hixon and Mr Housham owned 308,266 preference shares in the ultimate parent undertaking at 31 December 2001 and 31 December 2002.

Auditors

In accordance with Section 386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors has been passed. Accordingly Ernst & Young LLP shall be deemed to be re-appointed as auditors at the forthcoming Annual General Meeting.

On behalf of the Board



Secretary

30 October 2003

Statement of directors' responsibilities in respect of the financial statements

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; and
- 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.

Independent auditors' report

to G & M Procter Limited under Section 247b of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18 which have been prepared in accordance with applicable United Kingdom Law, together with the company's financial statements for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include *examining or dealing with events after the date of our report on the financial statements.*

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.

A handwritten signature in black ink, appearing to read 'Ernst & Young' followed by a stylized signature.

Registered Auditor
Edinburgh

30 October 2003

Abbreviated Profit and loss account

for the year ended 31 December 2002

		<i>Nine months ended</i>	
	<i>Notes</i>	<i>31 December</i>	
		<i>2002</i>	<i>2001</i>
		<i>£</i>	<i>£</i>
Gross profit		1,767,898	1,207,662
Distribution costs		173,054	185,258
Administrative expenses		1,150,743	749,898
Operating profit	3	444,101	272,506
Interest payable and similar charges	7	850	2,831
Profit on ordinary activities before taxation		443,251	269,675
Tax on profit on ordinary activities	8	143,428	76,285
Profit retained for the financial period		299,823	193,390

Abbreviated Balance sheet

at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	9	886,004	932,345
Current assets			
Stocks		479,143	407,933
Debtors	10	841,055	933,893
Cash at bank and in hand		-	85,866
		1,320,198	1,427,692
Creditors: amounts falling due within one year	11	(762,901)	(972,999)
Net current assets		557,297	454,693
Total assets less current liabilities		1,443,301	1,387,038
Creditors: amounts falling due after more than one year	12	(168,742)	(426,982)
Provisions for liabilities and charges	13	(110,021)	(95,341)
		1,164,538	864,715
Capital and reserves			
Called up share capital	15	37,422	37,422
Capital redemption reserve		75,000	75,000
Share premium account		6,258	6,258
Profit and loss account	16	1,045,858	746,035
Shareholders' funds		1,164,538	864,715

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Director

M. C. Procter

30 October 2003

Notes to the Abbreviated Accounts

at 31 December 2002

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and equipment	-	3-14 years
Fixtures & fittings	-	3-14 years
Motor vehicles	-	4 years

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

The company contributes to certain employees' Personal Pension Plans.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised by the Directors if they consider it more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Previously the provision for deferred tax was accounted for under Statement of Standard Accounting Practice (SSAP) 15. It is now accounted for under FRS 19 which was issued on 7 December 2002 and is mandatory for all accounting periods ending on or after 23 January 2002.

2. Turnover

Turnover which is stated net of value added tax, represents amounts derived from the provision of goods and services, to third parties, which fall within the company's ordinary activities.

Notes to the Abbreviated Accounts

at 31 December 2002

3. Operating profit

This is stated after charging and (crediting):

	<i>Year ended 31 December 2002</i>	<i>9 month period ended 31 December 2001</i>
Depreciation of owned fixed assets	146,311	77,607
Depreciation of assets held under finance leases and hire purchase contracts	16,038	8,147
Auditors' remuneration	4,500	4,325
(Gain) on disposal of fixed assets	-	(600)
Operating lease rentals – land and buildings	92,873	59,155
Operating lease rentals – other	10,511	7,874

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	<i>Year ended 31 December 2002 £</i>	<i>9 month period ended 31 December 2001 £</i>
Aggregate emoluments	164,139	113,072
Value of company pension contributions to money purchase schemes	5,432	5,274
	<u>169,571</u>	<u>117,986</u>

The number of directors who are accruing benefits under company pension schemes are as follows:

	<i>2002 No</i>	<i>2001 No</i>
Money purchase schemes	3	3

5. Staff costs

	<i>2002 £</i>	<i>2001 £</i>
Wages and salaries	668,144	433,943
Social security costs	54,894	36,606
Other pension costs	10,569	8,388
	<u>733,607</u>	<u>478,937</u>

Notes to the Abbreviated Accounts

at 31 December 2002

6. Staff numbers

The average number of persons employed during the period, including directors was as follows:

	2002	2001
	No	No
Management and administration	6	6
Production	28	26
	<u>34</u>	<u>32</u>

7. Interest payable and similar charges

	2002	2001
	£	£
Bank overdraft and loan interest	580	900
Finance charges payable under hire purchase contracts	270	1,931
	<u>850</u>	<u>2,831</u>

8. Tax on profit on ordinary activities

	Year ended 31 December 2002 £	9 month period ended 31 December 2001 £
UK Corporation tax	125,256	63,288
Adjustment in respect of prior year	3,492	-
Total current tax	<u>128,748</u>	<u>63,288</u>
Increase in deferred tax provision (note 13)	14,680	12,997
	<u>143,428</u>	<u>76,285</u>

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities is lower than the standard rate of corporation tax in the UK. The differences are explained below:

Profit on ordinary activities before tax	443,251	269,673
At 30%	<u>132,975</u>	<u>80,902</u>
Effect of:		
Disallowed expenses and non-taxable income	314	(795)
Depreciation in excess of capital allowances	(8,033)	(16,819)
Adjustment in respect of prior year	3,492	-
Short term timing differences		
Total current tax	<u>128,748</u>	<u>63,288</u>

Notes to the Abbreviated Accounts

at 31 December 2002

9. Tangible fixed assets

	<i>Laboratory equipment</i>	<i>Fixtures & fittings</i>	<i>Office equipment</i>	<i>Total</i>
	£	£	£	£
Cost				
At 31 December 2001	911,154	465,523	55,528	1,432,205
Additions	110,277	25,718	2,633	138,628
Disposals	(39,606)	-	-	(39,606)
At 31 December 2002	981,825	491,241	58,161	1,531,227
Depreciation:				
At 31 December 2001	239,906	227,453	32,501	499,860
Provided during the year	76,308	60,766	9,237	146,311
Disposals	(948)	-	-	(948)
At 31 December 2002	315,266	288,219	41,738	645,223
Net book value:				
At 31 December 2002	666,559	203,022	16,423	886,004
At 31 December 2001	671,248	238,070	23,027	932,345

Hire purchase and finance lease agreements

At 31 December 2002, there were no assets held under finance lease (2001: net book value - £16,038).

10. Debtors

	2002	2001
	£	£
Amounts due from parent undertaking	817,242	868,452
Trade debtors	-	13,321
Other debtors	23,813	52,120
	841,055	933,893

11. Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	108,093	-
Trade creditors	306,144	449,498
Amounts due to parent undertaking	259,649	381,821
Corporation tax	64,804	55,610
Other taxation and social security	15,428	31,863
HP and finance leases	-	2,096
Accruals and deferred income	8,783	52,111
	762,901	972,999

Notes to the Abbreviated Accounts

at 31 December 2002

12. Creditors: amounts falling due after more than one year

	2002 £	2001 £
Amount due to parent company	168,742	426,982

13. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2002 £	2001 £
Provision brought forward	95,341	82,344
Increase in provision	14,680	12,997
Provision carried forward	110,021	95,341
The provision for deferred taxation consists of the tax effect of timing differences in respect of:		
Excess of taxation allowances over depreciation on fixed assets	110,021	95,521
Other timing differences	-	(180)
	110,021	95,341

14. Commitments under operating leases

At 31 December 2002, the company had aggregate annual commitments under non-cancellable operating leases as set out below:

	<i>Land and Buildings</i>		<i>Other</i>	
	2002	2001	2002	2001
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	2,563	-
Within 2-5 years	41,288	41,288	7,720	10,511
After more than 5 years	51,585	51,585	-	-
	92,873	92,873	10,283	10,511

Notes to the Abbreviated Accounts

at 31 December 2002

15. Share capital

	2002	<i>Authorised</i> 2001
	£	£
141,000 Ordinary shares of £1 each	141,000	141,000

	2002	<i>Allotted, called up and fully paid</i> 2001
	£	£
Ordinary shares	37,422	37,422

16. Profit and loss account

	2002	2001
	£	£
Balance brought forward	746,035	552,645
Retained profit for the financial period	299,823	193,390
Balance carried forward	1,045,858	746,035

17. Related party transactions

The company is exempt from disclosing transactions with group companies as it is a wholly owned subsidiary undertaking.

18. Parent undertaking and controlling party

The company's immediate parent undertaking is Oxoid Limited. The ultimate parent undertaking is Oxoid Group Holdings Limited, a company registered in England.