

# In safe hands



Half-Year Report 2011

**Vindon**

creating storage solutions



# Vindon provides speciality storage services to UK and international pharmaceutical, healthcare, biopharma, cryogenic and heritage sectors

## Contents

### About the Company

- 1 Business highlights and financial highlights
- 2 What we do
- 3 Where we do it
- 4 Focused on the future

### Business Review

- 6 Chairman's statement
- 8 Consolidated statement of comprehensive income
- 9 Consolidated balance sheet
- 10 Consolidated cash flow statement
- 11 Consolidated statement of changes in equity
- 12 Notes (forming part of the half-year financial statements)
- 15 Advisers and registered office



## Business Highlights

### UK

- Significant increase in revenues from equipment sales
- Continuing strong cash generation
- Further partner agreements signed for cryogenic stem cell storage

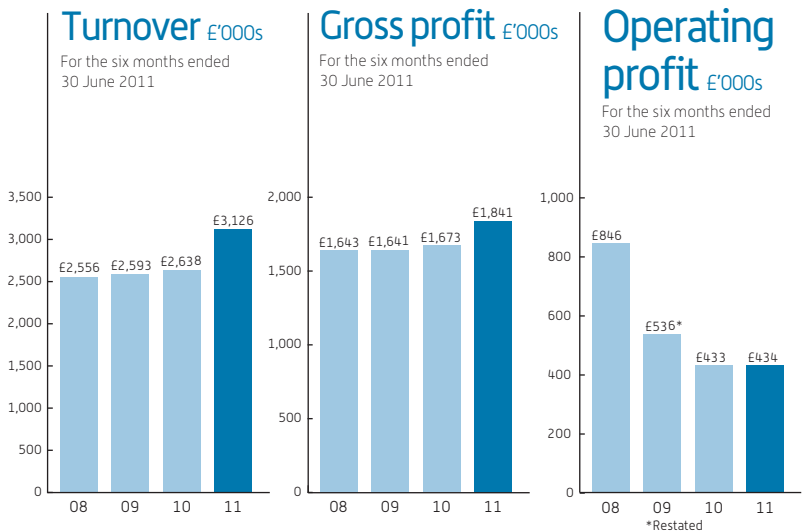
### Ireland

- Storage capacity at Tramore facility trebled
- Irish operation now accounts for 18% of the Group's £4.2 million contracted future income

### United States

- Turnover increased and costs reduced
- Storage contracts secured with 5 customers
- Vindon brand reinforced with name change to Vindon Scientific (USA) Inc.

## Financial Highlights



# What we do

## Storage



### Stability storage ● ▲ ■

Vindon has 20 million cubic litres of space dedicated to the storage of pharmaceutical products in temperature and humidity controlled conditions. Our state of the art storage suites are used for storing pharmaceutical products under controlled temperature and humidity conditions. Vindon provides security for customers' clinical trial material. Outsourcing their storage enables them to concentrate their internal resources on their core business of drug development as well as bringing cost benefit to their bottom lines.

### Cryobank ●

Vindon's HTA licensed Cryobank provides secure storage and real time tracking of tissues and cells intended for human application. Our Bio-repository uses Vapour phase technology to minimise the risk of sample contamination. Our facility provides secure storage for umbilical cord stem cells, umbilical tissue, bone marrow, adipose tissue and dental pulp.

### Heritage ●

Fashioned with the guidance of preservation experts Vindon's conservation storage facility is custom built for the preservation of historic artefacts and vulnerable film-based media. We provide storage at a variety of conditions to protect the artefacts' integrity, thereby avoiding the need for other preventative measures.

### Ultra-low storage ●

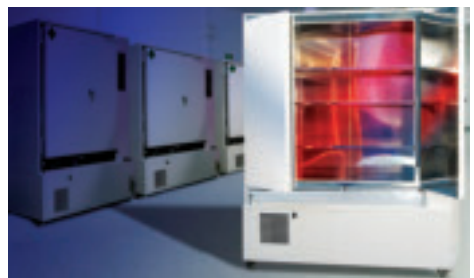
Vindon provides primary and secondary storage in GMP compliant conditions for storing vaccines, tissues, clinical materials and laboratory research material. To meet the demands of our clients we have the capacity to store large volumes of material for long periods in our ultra-low temperature storage freezers.

## Equipment and support services

For more than 40 years Vindon has been manufacturing controlled environment equipment combining the highest standards in design with a flexibility that ensures our products exceed our customers' demanding requirements. Vindon electronic control systems allow almost unlimited programming of temperature and humidity profiles within each chamber, thereby promoting the Vindon brand as a sign of quality around the world.

Vindon's validation department offers comprehensive on-site validation services for environmental rooms and cabinets, which have been designed to satisfy all regulatory guidelines. Our validation department also offers comprehensive training on all aspects of equipment operation.

Service and maintenance from Vindon is designed from the ground up to each customer's individual requirements ensuring our equipment is always operating optimally, and continues to meet regulatory obligations.

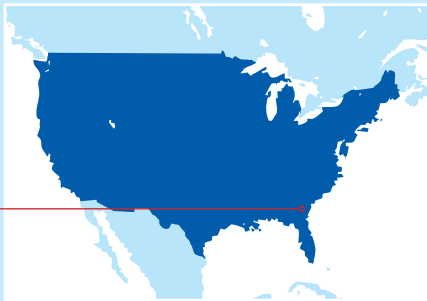


# Where we do it

## ■ United States of America

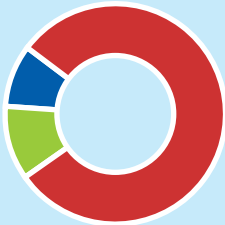
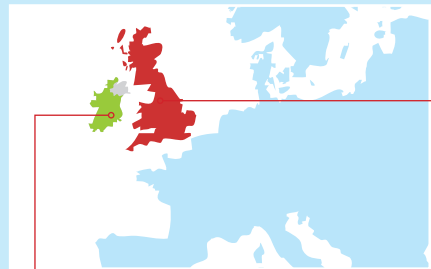
Operating from a purpose designed storage facility in Kennesaw near Atlanta, Vindon Scientific (USA) Inc. provides pharmaceutical storage services to the same high levels from which Vindon's European customers have benefited for over 15 years.

Our US operation also distributes Vindon's controlled environment rooms, cabinets and other equipment to the pharmaceutical research, manufacturing and healthcare markets in North America as well as providing service, maintenance and validation for all Vindon's equipment.



## ● United Kingdom

Vindon specialises in the simulation of environmental conditions and provides equipment and services designed to solve specific environmental testing and storage needs for pharmaceutical stability testing. Our UK facility on the prestigious Kingsway Business Park accommodates storage suites for pharmaceutical products, biologics, film media and stem cells. Vindon engineers are rigorously trained in-house to ensure the quality of the validation service is of the highest standard. We execute approved protocols, analyse and interpret data and resolve any deviations before preparing final validation reports for submittal.



### Revenue by point of origin

■ United Kingdom	£2.51m
■ Eire	£0.34m
■ United States of America	£0.28m
	<b>£3.13m</b>

## ▲ Ireland

Offering over 500m<sup>3</sup> of storage for stability testing of pharmaceutical products and clinical trial materials, Vindon Scientific (Ireland) Ltd provides ultra-low temperature and the full range of ICH climatic zones for pharmaceutical and bio-technology customers who wish to outsource their storage.

Service and validation engineers based in Ireland provide a full and comprehensive service to Irish customers who buy Vindon equipment for in-house use.

## Focused on the future



Vindon has been manufacturing environmentally controlled cabinets and rooms for over 40 years and our own surveys show that pharmaceutical companies in the UK only rarely source their equipment from other suppliers.

In order to secure and extend our revenues in this important market we are investing in product development to offer increased functionality, such as tighter temperature tolerances and equipment that will safely store more hazardous substances. As with the rest of our equipment offer this will give us the opportunity to develop revenues not just from storage contracts but from sales of equipment to those customers who prefer to store in-house.

We also recognise that winning orders for manufactured equipment, particularly overseas, sometimes requires the supply of a more basic type of equipment, which nonetheless meets all necessary quality standards and regulations. Vindon is committed to developing solutions for these types of customers without compromising quality or the Vindon brand.

**Vindon is collaborating with customers to provide innovative and cost effective solutions to their current and future storage problems.**



The pharmaceutical market is truly global, so Vindon is researching opportunities to extend its services into Asia in the longer term.

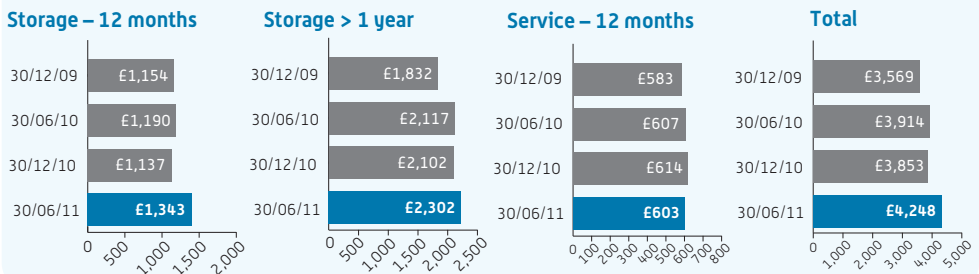
**Vindon Cryobank is developing partnerships with ‘front end’ procurers and processors of stem cells**

The increasing use of stem cells in regenerative medicine to replace or rebuild tissue or organ functions has resulted in new and existing healthcare companies setting up operations to capitalise on the business opportunities that are emerging.

In the early days of stem cell therapies, the supply of stem cells was principally from umbilical cord blood. However, in recent years several new and effective methods have emerged for harvesting stem cells from adults, such as from adipose tissue and peripheral blood. This has considerably increased the potential number of customers for stem cell extraction and banking and has further added to the attractiveness of this still relatively new market.

Vindon’s experience is that companies entering this market are primarily interested in the revenues and profits from harvesting and processing stem cells. They see storage as a part of the operation that is best dealt with through outsourcing. Vindon is therefore a natural partner for such companies. We are therefore capitalising on our lengthy experience in this field and assisting several companies with the marketing of their stem cell services.

**Vindon Healthcare plc – total contracted future income (£’000)**



## Chairman's statement

Equipment manufacturing orders are at their highest for 4 years and results from our Atlanta operation are improving. Additional storage capacity at Tramore will enable us to benefit from significant new orders, and we are developing beneficial relationships with key partners in cryogenic storage. The conditions are in place to drive increasing revenues and profits from all aspects of the Group's activities.



On behalf of the Board of Vindon, I am pleased to present the half year results for the six months ended 30 June 2011.

The Group has increased revenue and gross profit in the six months to 30 June 2011 as a result of increased equipment sales and the maintenance of high levels of contracted storage revenue despite challenging market conditions in the pharmaceutical sector.

### Financial highlights

The Group increased sales by £488,000 compared with the corresponding period last year to achieve revenues of £3,126,000 for the half year to 30 June 2011.

During the first six months of the year we secured substantial orders for installation of environmentally controlled chambers for customers in Ireland. This made a significant contribution to sales of manufactured equipment, which were ahead of management's expectations for the period.

Gross profit was £1,841,000 for the first six months of the year (2010: £1,673,000). The Group achieved a gross margin of 58.9%, down from the 63.4% for the first half of 2010 and the 61.2% for 2010 as a whole. Margins were adversely affected by costs resulting from the development of new methods of site installation.

Administrative expenses were higher than for the first half of 2010 due to increased costs associated with our Irish operations, and costs for professional fees relating to potential acquisitions.

The rise in turnover was largely offset by reduced margins and increased administration and depreciation costs. Operating profit was £434,000 (2010: £433,000), with operating profit margin reduced from 16.4% to 13.9%.

Cash generated from operations before working capital movements was £660,000 (2010: £636,000). The receipt of substantial advance payments on new storage contracts contributed to total cash of £1,055,000 being generated from all aspects of the Group's operations. This enabled the Group to fund a significant investment in new storage facilities in Ireland (which accounted for £346,000 of the net cash outflow from investing activities of £467,000) and to meet all other financial obligations, whilst adding £121,000 to cash and cash equivalents.

### UK storage market

The Group provides storage services in four main markets. We have maintained a strong presence in the UK stability storage market and revenues from stability storage trials remain a very significant contributor to overall turnover and profits. The Group has also maintained its position as a leading supplier of storage at ultra low temperatures to specialist biotech and biopharma companies.

The market in regenerative medicine is developing, with increasing numbers of companies offering 'front end' collection and processing of stem cell samples. We are developing relationships with such companies to be their cryogenic storage partner of choice. The Group continues to maintain a high profile in the heritage market and during the first half of the year hosted a seminar on the cold storage of film and other media, which was attended by UK and international curators of film archives. Both cryogenic and heritage storage are significant contributors to contracted future income.

### Manufacturing and support services

The Group also manufactures equipment for customers who wish to manage their own stability storage. Customer requirements range from small standard cabinets to the installation of large stability chambers customised to meet exacting standards

and configurations. The validation and servicing of equipment provides a further important revenue stream for the Group. As at 30 June 2011 annual service contracts accounted for 14% of contracted future income.

The demand for manufactured equipment has followed a familiar pattern during the early part of the year, with a very slow start followed by a significant ramp up in order intake value by the end of June. By 30 June 2011 the Group's order intake, at £1.2m, was higher than the equivalent value in 2010 of £1.1m and the highest it has been for the first half year in any of the last 4 years.

### Irish market

During the first six months of 2011 the storage suite at Tramore was trebled in size in response to substantial new orders. Contracted future income attributable to storage in Ireland has more than doubled from 30 June 2010 to 30 June 2011 and now accounts for 18% of the total for the Group. Operating profit for the Irish company was £142,000 (2010: £155,000) as a result of the costs of the increased storage capacity, which will be utilised to a greater extent in the second half of this year.

### US market

We continue to make steady progress at our North American subsidiary. Turnover for the six months to 30 June 2011 was £280,000, compared with £212,000 in 2010, for the 5 month period following acquisition. Cost control has been significantly improved with administrative costs now running at 60% of the level inherited at acquisition. Following the opening of the stability storage suite in late 2010, orders have been secured with 5 customers. The Vindon name is now more established in the North American market, and, our American subsidiary will now trade as Vindon Scientific (USA) Inc.

### Employees

We have taken steps to strengthen our team in key areas. A new head of manufacturing has been recruited to ensure we maintain excellent product quality and customer service as our equipment sales increase. This change has released time for the Directors to support growth in our American operation. We benefit from low staff turnover and the loyalty and commitment of our workforce are important factors underpinning the Group's strength.

### Business development and future prospects

We are committed to improving the profitability of the Group through the expansion of the business

organically, and we continue to evaluate strategic acquisition targets. The Group's prospects are enhanced by contractual commitments made by customers on storage and service contracts in the UK, Ireland and USA. As at 30 June 2011 the contracted future income amounted to £4.2m (2010: £3.9m), the highest this figure has been for 4 years.

Margins are likely to remain under pressure in our markets. We have on-going initiatives to improve profitability by improving efficiency whilst maintaining the quality of our products and services. Significant product development is also planned to widen the range of equipment offered to our existing and potential customers.

I am confident that the increasing quality, diversity and value of our product and service offering will deliver long-term, profitable growth.



Liam Ferguson  
Chairman

7 September 2011

## Strategy

### → Protect and extend recurring revenue

Provide a high quality offer to customers outsourcing stability storage to grow our customer base and extend the visibility of our future revenues.

### → Develop and extend satellite operations

Utilise additional capacity in Ireland to increase revenues and capitalise on full product and service offer in North America.

### → Exploit manufacturing capability

Showcase storage facilities in the UK, Ireland and North America to drive sales of equipment and support services.

### → Continue development of new income streams

Secure partnerships to deliver increasing revenue from Cryobank and develop new types of storage service to increase visible income.

## Consolidated statement of comprehensive income

for the six months ended 30 June 2011

	Note	Unaudited Six months to 30 June 2011 £'000	Unaudited Six months to 30 June 2010 £'000	Audited year ended 31 December 2010 £'000
<b>Revenue</b>	3	<b>3,126</b>	2,638	5,933
Cost of sales		<b>(1,285)</b>	(965)	(2,303)
<b>Gross profit</b>		<b>1,841</b>	1,673	3,630
Administrative expenses		<b>(1,183)</b>	(1,044)	(2,191)
Depreciation and amortisation expense		<b>(224)</b>	(196)	(400)
<b>Operating profit</b>		<b>434</b>	433	1,039
Financial income		–	1	1
Financial expenses		<b>(18)</b>	(22)	(42)
<b>Net financing costs</b>		<b>(18)</b>	(21)	(41)
<b>Profit before tax</b>		<b>416</b>	412	998
Income tax expense	4	<b>(127)</b>	(119)	(225)
<b>Profit for the year attributable to owners of the parent</b>		<b>289</b>	293	773
<b>Other comprehensive income</b>				
Exchange differences on translating foreign operations		<b>(7)</b>	(8)	(28)
<b>Other recognised income and expense for the period, net of tax</b>		<b>(7)</b>	(8)	(28)
<b>Total comprehensive income attributable to owners of the parent</b>		<b>282</b>	285	745
<b>Earnings per share</b>				
Basic	7	<b>0.33p</b>	0.34p	0.89p
Diluted	7	<b>0.33p</b>	0.33p	0.87p

# Consolidated balance sheet

as at 30 June 2011

	Note	Unaudited as at 30 June 2011 £'000	Unaudited as at 30 June 2010 £'000	Audited as at 31 December 2010 £'000
<b>Non-current assets</b>				
Property, plant and equipment	5	5,698	5,321	5,457
Intangible assets		2,760	2,741	2,760
Deferred tax assets		242	107	216
<b>Total non-current assets</b>	3	<b>8,700</b>	8,169	8,433
<b>Current assets</b>				
Inventories		216	480	211
Trade and other receivables		2,288	1,679	1,905
Cash and cash equivalents		152	–	38
		2,656	2,159	2,154
Assets classified as held for sale		313	–	313
<b>Total current assets</b>		<b>2,969</b>	2,159	2,467
<b>Total assets</b>		<b>11,669</b>	10,328	10,900
<b>Current liabilities</b>				
Bank overdraft		–	(55)	–
Other interest-bearing loans and borrowings		(289)	(288)	(288)
Trade and other payables		(508)	(489)	(574)
Current tax liabilities		(217)	(148)	(225)
Accruals and deferred income		(1,442)	(447)	(593)
Obligations under finance leases		–	(20)	(7)
Other liabilities		(14)	(10)	(14)
<b>Total current liabilities</b>		<b>(2,470)</b>	(1,457)	(1,701)
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings		(1,554)	(1,835)	(1,694)
Deferred tax liabilities		(219)	(209)	(218)
<b>Total non-current liabilities</b>		<b>(1,773)</b>	(2,044)	(1,912)
<b>Total liabilities</b>		<b>(4,243)</b>	(3,501)	(3,613)
<b>Net assets</b>		<b>7,426</b>	6,827	7,287
<b>Equity</b>				
Share capital		889	889	889
Treasury shares		–	–	–
Translation reserve		(52)	(25)	(45)
Share premium		1,950	1,950	1,950
Retained earnings		4,639	4,013	4,493
<b>Total equity attributable to equity shareholders</b>		<b>7,426</b>	6,827	7,287

## Consolidated cash flow statement

for the six months ended 30 June 2011

	Unaudited Six months to 30 June 2011 £'000	Unaudited Six months to 30 June 2010 £'000	Audited year ended 31 December 2010 £'000
Note			
<b>Cash flows from operating activities</b>			
Profit attributable to equity shareholders	289	293	773
Adjustments for:			
Depreciation	224	196	400
Financial income	–	(1)	(1)
Financial expense	18	22	42
Loss on sale of property, plant and equipment	2	7	15
Taxation	127	119	225
<b>Operating profit before changes in working capital</b>	<b>660</b>	636	1,454
(Increase)/decrease in trade and other receivables	(383)	(38)	2
(Increase)/decrease in inventories	(5)	(251)	17
Increase/(decrease) in trade and other payables	783	(19)	(71)
<b>Cash generated from operations</b>	<b>1,055</b>	328	1,402
Tax paid	(160)	(160)	(288)
<b>Net cash inflow from operating activities</b>	<b>895</b>	168	1,114
<b>Cash flows from investing activities</b>			
Interest received	–	1	1
Acquisition of property, plant and equipment	(471)	(51)	(719)
Proceeds from disposal of property, plant and equipment	4	2	11
Acquisition of subsidiary undertaking	–	(110)	(110)
<b>Net cash outflow from investing activities</b>	<b>(467)</b>	(158)	(817)
<b>Cash flows from financing activities</b>			
Dividends paid	6	(143)	(143)
Interest paid	(18)	(22)	(42)
Repayment of loans	(139)	(132)	(273)
Payment of finance lease liabilities	(7)	(23)	(36)
<b>Net cash outflow from financing activities</b>	<b>(307)</b>	(320)	(494)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>121</b>	(310)	(197)
Opening cash and cash equivalents	38	263	263
Effect of foreign exchange rate changes	(7)	(8)	(28)
<b>Closing cash and cash equivalents</b>	<b>152</b>	(55)	38

## Consolidated statement of changes in equity

for the six months ended 30 June 2011

Unaudited 30 June 2011	Share capital £'000	Share premium £'000	Treasury shares £'000	Translation £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2011</b>	889	1,950	–	(45)	4,493	7,287
Profit for the period	–	–	–	–	289	289
Other comprehensive income for the period	–	–	–	(7)	–	(7)
<b>Total comprehensive income for the period</b>	–	–	–	(7)	289	282
Dividends paid	–	–	–	–	(143)	(143)
<b>Balance at 30 June 2011</b>	<b>889</b>	<b>1,950</b>	<b>–</b>	<b>(52)</b>	<b>4,639</b>	<b>7,426</b>
<hr/>						
Unaudited 30 June 2010	Share capital £'000	Share premium £'000	Treasury shares £'000	Translation £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2010</b>	889	1,950	–	(17)	3,863	6,685
Profit for the period	–	–	–	–	293	293
Other comprehensive income for the period	–	–	–	(8)	–	(8)
<b>Total comprehensive income for the period</b>	–	–	–	(8)	293	285
Dividends paid	–	–	–	–	(143)	(143)
<b>Balance at 30 June 2010</b>	<b>889</b>	<b>1,950</b>	<b>–</b>	<b>(25)</b>	<b>4,013</b>	<b>6,827</b>
<hr/>						
Audited 31 December 2010	Share capital £'000	Share premium £'000	Treasury shares £'000	Translation £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2010</b>	889	1,950	–	(17)	3,863	6,685
Profit for the year	–	–	–	–	773	773
Other comprehensive income for the year	–	–	–	(28)	–	(28)
<b>Total comprehensive income for the year</b>	–	–	–	(28)	773	745
Dividends paid	–	–	–	–	(143)	(143)
<b>Balance at 31 December 2010</b>	<b>889</b>	<b>1,950</b>	<b>–</b>	<b>(45)</b>	<b>4,493</b>	<b>7,287</b>

## Notes

(forming part of the half-year financial statements)

### 1 Basis of preparation

This half-year report for the period ended 30 June 2011 has been prepared on the basis of the accounting policies set out in Vindon Healthcare's annual report and financial statements 2010 and in accordance with the International Financial Reporting Standards as adopted by the European Union and IAS34, 'half-year financial reporting'.

The half-year report was approved by the Board of Directors on 7 September 2011.

The half-year report does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006.

It does not include all of the information and disclosures required for full annual financial statements, and should be read in conjunction with the annual report and financial statements for the year ended 31 December 2010.

The financial information contained in this half-year report in respect of the year ended 31 December 2010 has been produced from the annual report and financial statements for that year which have been filed with the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The half-year results for the current and comparative periods are unaudited.

### 2 Accounting policies

The accounting policies applied by the Group in this half-year report are the same as those applied by the Group in the annual report and financial statements for the year ended 31 December 2010.

### 3 Segmental reporting

IFRS 8 requires consideration of the Chief Operating Decision Maker ('CODM') within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Board of Directors, who review internal monthly management reports, budget and forecast information as part of this. Accordingly, the Board of Directors is deemed to be the CODM.

The Group's only class of business activity is the manufacture of environmental control products for the pharmaceutical industry, life sciences and food sectors together with the provision of related services.

The Board does not review assets and liabilities on a segmental basis given the similar nature of each segment as defined under the aggregation criteria per IFRS 8. The operating segments exhibit similar long-term financial performance because they have similar economic characteristics. This is highlighted by applying IFRS 8 criteria in respect of the following points:

- the nature of the products and services are similar, being for environmental control purposes;
- the nature of the production process is the same for each product;
- the type or class of customer for each product and service are similar; and
- the methods used to distribute the products or provide the services are similar

In the opinion of the Directors, the Group's activities meet the aggregation criteria per IFRS 8 and therefore the Group only has one reportable segment.

The Group's key operating segments are geographical, and are located in the United Kingdom, Ireland and the USA. These geographical regions are the basis on which the Group reports its segment information.

A geographical segment is engaged in providing products or services within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments. A geographical analysis of turnover and the related non-current assets is given below:

	Unaudited Six months to 30 June 2011 £'000	Unaudited Six months to 30 June 2010 £'000	Audited year ended 31 December 2010 £'000
<b>Net sales by point of origin:</b>			
United Kingdom	2,510	2,115	4,972
Ireland	336	311	606
USA	280	212	355
	<b>3,126</b>	2,638	5,933
	Unaudited Six months to 30 June 2011 £'000	Unaudited Six months to 30 June 2010 £'000	Audited year ended 31 December 2010 £'000
<b>Non-current assets:</b>			
United Kingdom	7,395	7,854	7,546
Ireland	607	172	185
USA	456	36	486
Deferred tax	242	107	216
	<b>8,700</b>	8,169	8,433

#### 4 Taxation

The tax charge is based on the estimated tax rate for the year ending 31 December 2011.

#### 5 Property, plant and equipment

Group	Total £'000
<b>Cost at 1 January 2011</b>	<b>6,973</b>
Additions	471
Disposals	[22]
<b>At 30 June 2011</b>	<b>7,422</b>
<b>Depreciation at 1 January 2011</b>	<b>1,516</b>
Charge for the period	224
On disposals	[16]
<b>At 30 June 2011</b>	<b>1,724</b>
<b>Carrying value</b>	
<b>At 30 June 2011</b>	<b>5,698</b>
At 1 January 2011	5,457

## Notes continued

(forming part of the half-year financial statements)

### 6 Dividends

As advised in the annual report and financial statements for the year ended 31 December 2010 and in accordance with the resolution passed at the Company's Annual General Meeting on 27 May 2011 a dividend of 0.165p per Ordinary Share, totalling £143,303 was paid on 30 June 2011 in respect of the financial year ended 31 December 2010.

### 7 Earnings per share

The calculation of the basic earnings per share is based on the profit after taxation divided by the weighted average number of Ordinary Shares in issue in the period ended 30 June 2011, being 86,850,000 (period ended 30 June 2010: 86,850,000; year ended 31 December 2010: 86,850,000). The diluted earnings per share takes the weighted average number of Ordinary Shares in issue during the period and adjusts this for dilutive share options existing at the period end. The diluted weighted average number of Ordinary Shares in the period ended 30 June 2011 was 88,850,000 (period ended 30 June 2010: 88,850,000; year ended 31 December 2010: 88,850,000). The Company holds 2,000,000 shares in an employee benefit trust.

### 8 Capital commitments

The Company is committed to capital expenditure of £37,000 (period ended 30 June 2010: £360,000; year ended 31 December 2010: £nil).

### 9 Related party transactions

Zeus Capital Limited is a connected party by reason of R I Hughes's interest in both Zeus Capital Limited and Vindon Healthcare plc.

The Company has entered into a consultancy agreement with Zeus Capital Limited dated 14 February 2005 under which the Company have appointed Zeus Capital Limited to act as financial advisers. The Company has agreed to pay Zeus Capital Limited a fee of £15,000 plus VAT per annum for this service.

During the period, fees totalling £7,500 were paid to Zeus Capital Limited, and the total amount owing to them at 30 June 2011 was £nil.

HQC Ltd was a connected party during the period by reason of M L Ferguson's interest in both HQC Ltd and Vindon Healthcare plc. Mr Ferguson's interest in HQC Ltd terminated on 28 February 2011. During the two months up to 28 February 2011 the Company placed orders totalling £14,780 for goods from HQC Ltd to be used in the assembly of Vindon's products.

Carter Scopes is a connected party by reason of J E Scopes's interest in both Carter Scopes and Vindon Healthcare plc. During the period the Company placed orders totalling £3,000 for training services from Carter Scopes. The total amount owing to Carter Scopes at 30 June 2011 was £nil.

Key management personnel are considered to be Executive and Non-Executive Directors.

### 10 Communication with shareholders

This statement will be posted to shareholders on Monday 26 September 2011. Copies will also be available to the public, free of charge from the Company's registered office at John Boyd Dunlop Drive, Kingsway Business Park, Rochdale, Lancashire, OL16 4NG and can be downloaded from the Company's website at [www.vindonhealthcare.com](http://www.vindonhealthcare.com).

## Advisers and registered office

### Bankers

The Co-operative Bank plc  
1 Balloon Street  
Manchester  
M60 4EP

### Legal Advisers

Hill Dickinson LLP  
50 Fountain Street  
Manchester  
M2 2AS

### Auditors

RSM Tenon Audit Limited  
Statutory Auditor  
Sumner House  
St Thomas's Road  
Chorley  
Lancashire  
PR7 1HP

### Financial Advisers

Zeus Capital Limited  
3 Ralli Courts  
West Riverside  
Manchester  
M3 5FT

### Broker and Nominated Adviser

W H Ireland Limited  
11 St James's Square  
Manchester  
M2 6WH

### Registrars

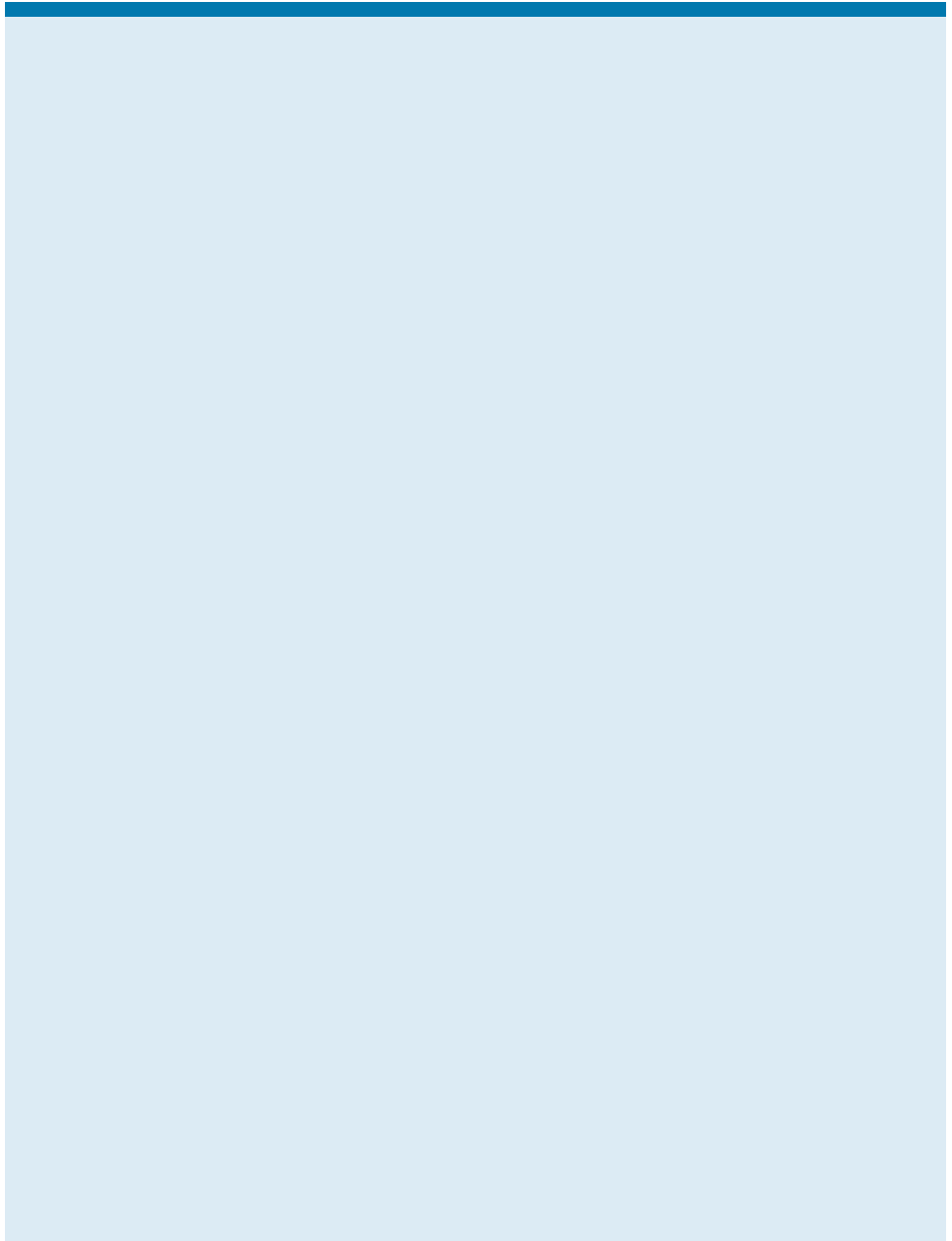
Neville Registrars Limited  
Neville House  
18 Laurel Lane  
Halesowen  
West Midlands  
B63 3DA

### Financial Public Relations Advisers

Hansard Communications  
14 Kinnerton Place South  
London  
SW1X 8EH

## Notes

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**Vindon Healthcare plc**

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[www.vindon.ie](http://www.vindon.ie)

[www.vindonscientific.com](http://www.vindonscientific.com)