



2714090

S M I T H & H U T C H I N S O N
C H A R T E R E D A C C O U N T A N T S

The Swiss Centre 10 Wardour Street London W1D 6QF
Telephone 020 7734 9131 Fax 020 7734 0415

PAINEUROPE LIMITED
(previously known as Palliative Care Limited)

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2003



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PAINEUROPE LIMITED
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PAINEUROPE LIMITED
COMPANY INFORMATION

DIRECTORS:

C. B. Mitchell
D. Docherty

SECRETARY:

Tiercel Services Limited

REGISTERED OFFICE:

15 North Audley Street,
London W1K 6WZ

REGISTERED NUMBER:

2714090

AUDITORS:

Smith & Hutchinson
Chartered Accountants,
The Swiss Centre,
10 Wardour Street,
London W1D 6QF

PAINEUROPE LIMITED

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the company for the year ended 31st December 2003.

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 for that period. In preparing those financial statements, the directors are required to

select suitable accounting policies and 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 to operate.

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 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.

Principal Activity

The principal activity of the company was that of producing journals and magazines relating to the health care service.

Review of Business

A summary of the results is shown on page 5 of the accounts.

Dividends

The directors of the company recommend that no dividend should be declared for the year.

Change of Name

On 9th July 2003, the company changed its name from Palliative Care Limited to Paineurope Limited.

PAINEUROPE LIMITED

DIRECTORS' REPORT - Continued

Directors and their interests

The directors at 31st December 2003 and their interest in the share capital of the company were as follows:

	Ordinary 'A' Shares of £1 each		Ordinary 'B' Shares of £1 each	
	2003	2002	2003	2002
C. B. Mitchell	-	-	-	-
D. Docherty	-	-	-	-

Tiercel Services Limited, a company in which C. B. Mitchell has an interest, holds 498 'A' and 498 'B' ordinary shares in the company as nominee holdings.

Auditors

Smith & Hutchinson, the auditors, have indicated their willingness to continue in office and a resolution proposing their re-appointment will be put forward to the next Annual General Meeting.

ON BEHALF OF THE BOARD



TIERCEL SERVICES LIMITED
Secretary

AUTHORISED SIGNATORY
FOR TIERCEL SERVICES LIMITED
COMPANY SECRETARY

Dated:

8th September 2004



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PAINEUROPE LIMITED

We have audited the financial statements on pages 5 to 8. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 2 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, as amended. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with UK 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 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 at 31st December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended.

Smith & Hutchinson

SMITH & HUTCHINSON

**Registered Auditor and
Chartered Accountants**

Dated: *8th September 2004*

R.M. Smith A.P.C. Fox

PAINEUROPE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2003


	Notes	2003 £	2002 £
TURNOVER		71,588	52,215
Cost of sales		<u>(65,080)</u>	<u>(47,468)</u>
GROSS PROFIT		6,508	4,747
Administrative expenses		<u>(3,204)</u>	<u>(11,490)</u>
OPERATING PROFIT (2002 - LOSS)	2	3,304	(6,743)
Interest receivable		<u>4</u>	<u>1</u>
PROFIT (2002 - LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		3,308	(6,742)
Taxation	3	<u>(1)</u>	<u>204</u>
PROFIT (2002 - LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		3,307	(6,538)
RETAINED PROFIT BROUGHT FORWARD		<u>9,874</u>	<u>16,412</u>
RETAINED PROFIT CARRIED FORWARD		£ <u>13,181</u>	£ <u>9,874</u>

There are no gains or losses for the year other than those stated in the profit and loss account at 31st December 2003.

PAINEUROPE LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2003

	Notes	2003 £	2002 £
CURRENT ASSETS			
Debtors	4	72,160	563
Cash at bank		<u>9,221</u>	<u>11,511</u>
		81,381	12,074
CREDITORS: Amounts falling due within one year	5	<u>(67,204)</u>	<u>(1,204)</u>
TOTAL ASSETS			
LESS CURRENT LIABILITIES		£ <u>14,177</u>	£ <u>10,870</u>
CAPITAL AND RESERVES			
Called up share capital	6	996	996
Profit and loss account		<u>13,181</u>	<u>9,874</u>
EQUITY SHAREHOLDERS' FUNDS	7	£ <u>14,177</u>	£ <u>10,870</u>

APPROVED BY THE BOARD



C. B. MITCHELL
 Director

Dated: 8th September 2004

PAINEUROPE LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

1. Accounting policies

Basis of accounting

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

2. Profit on ordinary activities

	2003 £	2002 £
The profit on ordinary activities before taxation arises after charging:		
Auditors' remuneration	£ <u>1,200</u>	£ <u>1,200</u>

3. Taxation

Corporation tax and the adjusted profit is charged as follows:	2003 £	2002 £
Current corporation tax at 30%	£ <u>1</u>	£ <u>(204)</u>

The company has approximately £2,700 of losses to carry forward to offset against future trading profits.

4. Debtors

	2003 £	2002 £
Trade debtor	71,588	-
Corporation tax recoverable	204	204
Value Added Tax	<u>368</u>	<u>359</u>
	£ <u>72,160</u>	£ <u>563</u>

5. Creditors: Amounts falling due within one year

	2003 £	2002 £
Other creditors	4	4
Corporation tax	1	-
Accruals	<u>67,199</u>	<u>1,200</u>
	£ <u>67,204</u>	£ <u>1,204</u>

PAINEUROPE LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

6. Called up share capital

	2003 £	2002 £
Authorised:		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	<u>500</u>	<u>500</u>
	£ <u>1,000</u>	£ <u>1,000</u>
Allotted, issued and fully paid:		
498 ordinary 'A' shares of £1 each	498	498
498 ordinary 'B' shares of £1 each	<u>498</u>	<u>498</u>
	£ <u>996</u>	£ <u>996</u>

7. Equity shareholders' funds

	2003 £
At 1st January 2003	10,870
Profit for the year	<u>3,307</u>
At 31st December 2003	£ <u>14,177</u>

8. Contingent liabilities

There were no contingent liabilities at the balance sheet date.

9. Capital commitments

The company was not committed to any capital expenditure at the date of the balance sheet.

10. Related Party Transactions

The ultimate controlling parties identified by the company are various trusts the beneficiaries of which include descendants of the late Isaac and Sophie Sackler.

The company received income of £Nil (2002: £52,215) from the Napp Pharmaceutical Group Limited, a company related to the ultimate controlling parties. The balance outstanding at 31st December 2003 with Napp Pharmaceutical Group Limited amounted to £Nil (2002: £Nil).

The company is due to receive income from Mundipharma International Limited, a company related to the ultimate controlling parties, of £71,588 and has liabilities due to the same company of £65,999.