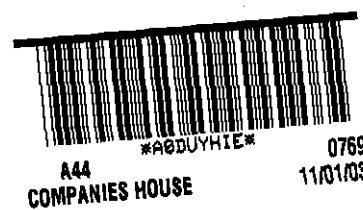


FORLEY GENERICS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2002



Company no 2760679

FORLEY GENERICS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

Company registration number: 2760679

Registered office: NLA Tower
12-16 Addiscombe Road
Croydon
Surrey
CR0 0XT

Directors: Mr A R Patel
Mr A M Patel
Mr K V Patel
Mr R V Patel

Secretary: Mr J Farley

Bankers: National Westminster Bank plc
Piccadilly Circus branch
19 Shaftesbury Avenue
London
W1A 4QQ

Auditors: Grant Thornton
Registered auditors
Chartered accountants
London

FORLEY GENERICS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

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FORLEY GENERICS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2002.

Principal activities

The company is principally engaged in the marketing and distribution of pharmaceutical and healthcare products.

Business review

There was a profit for the year after taxation amounting to £1,282,085 (2001: profit £1,698,346). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

	Ordinary shares	
	31 March 2002	1 April 2001
Mr A R Patel	-	-
Mr A M Patel	-	-
Mr K V Patel	-	-
Mr R V Patel	-	-

The interest of the directors in the shares of the parent undertaking are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

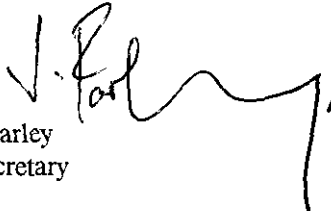
FORLEY GENERICS LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


J Farley
Secretary

10 JUNE 2002.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FORLEY GENERICS LIMITED**

We have audited the financial statements of Forley Generics Limited for the year ended 31 March 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 12 on pages 4 to 9. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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. 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.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON**

10 JUNE 2002.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year except for the adoption of Financial Reporting Standard 19 'Deferred Tax' and are set out below.

The principal accounting policies of the company are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

FORLEY GENERICS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2002

	Note	2002 £	2001 £
Turnover	1	7,252,581	6,171,886
Cost of sales		<u>(3,955,780)</u>	<u>(1,736,097)</u>
Gross profit		3,296,801	4,435,789
Distribution costs		(341,202)	(137,782)
Administrative expenses		<u>(1,117,047)</u>	<u>(1,871,798)</u>
Profit on ordinary activities before taxation	1	1,838,552	2,426,209
Tax on profit on ordinary activities	3	<u>(556,467)</u>	<u>(727,863)</u>
Profit transferred to reserves	8	<u>1,282,085</u>	<u>1,698,346</u>

There were no recognised gains or losses other than the profit for the financial year.

All turnover and profits arose from continuing operations.


The accompanying accounting policies and notes form an integral part of these financial statements.

FORLEY GENERICS LIMITED

BALANCE SHEET AT 31 MARCH 2002

	Note	2002 £	2001 £
Current assets			
Stocks	4	1,943,003	704,952
Debtors	5	2,314,596	1,954,812
Cash at bank and in hand		438,820	182,904
		<u>4,696,419</u>	<u>2,842,668</u>
Creditors: amounts falling due within one year	6	<u>(1,715,986)</u>	<u>(1,144,320)</u>
Net current assets		<u>2,980,433</u>	<u>1,698,348</u>
Total assets less current liabilities		<u>2,980,433</u>	<u>1,698,348</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	<u>2,980,431</u>	<u>1,698,346</u>
Shareholders' funds	9	<u>2,980,433</u>	<u>1,698,348</u>

The financial statements were approved by the Board of Directors on

 Director

10 JUNE 2002.

FORLEY GENERICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to the company's continuing principal activity, wholly undertaken in the United Kingdom.

The profit on ordinary activities is stated after:

	2002 £	2001 £
Auditors' remuneration	<u>3,000</u>	<u>5,000</u>

2 DIRECTORS AND EMPLOYEES

All employees of the group are employed by Goldshield Pharmaceuticals Limited. A proportion of the total wages and salaries expense is re-charged to the company by way of a management charge based upon activity for the year.

No directors received any remuneration during the year (2001: £nil).

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001: 30%)	555,000	727,863
Adjustments in respect of prior periods	1,467	-
	<u>556,467</u>	<u>727,863</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before taxation	1,838,552	2,426,209
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	551,566	727,863
Effect of:		
Prior year under provision	1,467	-
Other differences	3,434	-
Current tax charge for the year	<u>556,467</u>	<u>727,863</u>

FORLEY GENERICS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2002

4 STOCKS

	2002 £	2001 £
Finished goods and goods for resale	<u>1,943,003</u>	<u>704,952</u>

5 DEBTORS

	2002 £	2001 £
Trade debtors	2,075,438	920,273
Amounts owed by group undertakings	146,373	1,034,539
Prepayments and accrued income	92,785	-
	<u>2,314,596</u>	<u>1,954,812</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	877,246	238,662
Corporation tax	317,000	727,863
Social security and other taxes	104,689	-
Accruals and deferred income	417,051	177,795
	<u>1,715,986</u>	<u>1,144,320</u>

7 SHARE CAPITAL

	2002 £	2001 £
Authorised Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>2</u>	<u>2</u>

FORLEY GENERICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

8 RESERVES

	Profit and loss account £
At 1 April 2001	1,698,346
Retained profit for the year	1,282,085
At 31 March 2002	<u>2,980,431</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	1,282,085	1,698,346
Net increase in shareholders' funds	1,282,085	1,698,346
Shareholders' funds at 1 April 2001	1,698,348	2
Shareholders' funds at 31 March 2002	<u>2,980,433</u>	<u>1,698,348</u>

10 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2002 or 31 March 2001.

11 CONTINGENT LIABILITIES

There is a contingent liability in respect of bank borrowings of all companies within the group headed by Goldshield Group plc secured by an inter-company cross guarantee. The aggregate liability at 31 March 2002 amounted to £15,283,888 (2001: £nil).

There were no other contingent liabilities at 31 March 2002 or 31 March 2001.

12 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking and controlling related party of this company is Goldshield Group plc, which is registered in England and Wales, by virtue of its 100% shareholding in the company.

The largest group of undertakings for which group accounts have been drawn up is that headed by Goldshield Group plc. A copy of these accounts can be obtained from the company at NLA Tower, 12-16 Addiscombe Road, Croydon, CR0 0XT.

As a wholly owned subsidiary of Goldshield Group plc, the company is exempt from the requirements of FRS 8 'Related Party Disclosures' to disclose transactions with other members of the group headed by Goldshield Group plc.