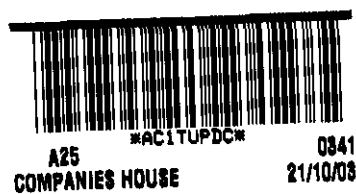


Barclay Pharmaceuticals Limited
Directors' report and financial statements
for the year ended 31 December 2002

Registered no: 2770716



Barclay Pharmaceuticals Limited

Annual report for the year ended 31 December 2002

| | Pages |
|--|--------|
| Directors' report | 1 - 3 |
| Report of the auditors | 4 |
| Profit and loss account | 5 |
| Statement of total recognised gains and losses | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 - 16 |

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 December 2002

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

Results

Details of the results for the financial year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a final dividend (2001: £nil). An interim dividend of £3.0 million was paid during the year (2001: £3.5 million).

Principal activities

The company's principal activity during the year was the sale and distribution of pharmaceuticals and other products.

Review of business and future developments

The company succeeded in growing profits and margins during 2002 despite pressures within the market. Margins have increased slightly through a focus on the more profitable sales categories. The directors consider that the company is well placed to exploit new opportunities within the market and anticipate further growth in the business during the year.

Political and charitable contributions

Charitable contributions of £851 were made during the year (2001: £1,252). No political contributions were made (2001: £Nil).

Directors

The directors of the company, all of whom have been directors for the whole of the year ended 31 December 2002 except where otherwise stated, were as follows:

D Condliffe
I Davidson (appointed 31 March 2002)
S R Dunn
D T Gittins
M S Green (resigned 31 March 2002)
G A Kershaw (resigned 31 March 2002)
J V McKenna
R C H Vizard (retired 30 September 2002)
M A Ward (resigned 8 April 2002)
G M Winkle

In accordance with the Articles of Association, none of the directors are required to retire at the annual general meeting.

Barclay Pharmaceuticals Limited

Directors' interests

According to the register kept under section 325 of the Companies Act 1985, no director had a notifiable interest in the shares of the company or other group companies at any time during the year. As permitted, the register does not contain details of directors' interests in parent undertakings which are incorporated outside Great Britain.

None of the directors had a material interest in any contracts with group companies.

Employment policies

The directors pursue a policy of promoting equality of opportunity to all employees and of fostering and developing their involvement and interest in the company. Both formal and informal systems of communication are used and managers have a specific responsibility to communicate effectively with the employees. Copies of the group annual report and news releases are distributed and other matters of importance or interest are featured in regular issues of the group in-house magazine which seeks to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group performance.

Training is regarded as a fundamental requirement and appropriate programmes exist at group, divisional or subsidiary company level.

Wherever possible, disabled persons are given the same consideration for employment opportunities as other applicants and training and promotion prospects are identical. In particular, special consideration is given to continuity of employment in the case of an employee who becomes disabled, with suitable retraining for alternative employment, if practicable.

The company recognises the high standards required to ensure the health, safety and welfare of its employees at work, its customers and the general public. The policies in this regard are regularly reviewed with the objective of ensuring that these standards are maintained.

Impact of the Euro

The GEHE Group being, GEHE AG (a company incorporated in Germany) and all its subsidiaries, recognises the wide implications of the Euro for businesses, including impacts on commercial arrangements and financial systems. Appropriate preparations were made in those entities resident in Euro-land countries, based on the EU timetable for the introduction of notes and coins in January 2002.

Within the UK, the Group's preparations recognise the uncertain position regarding possible entry to the single currency, and the situation is monitored closely.

Barclay Pharmaceuticals Limited

Creditor payment policy

The policy of the company regarding the payment of trade creditors is determined internally rather than drawing upon any published supplier payment code. For the company, the policy is to:

- (a) settle the terms of payment with suppliers when agreeing the terms of each transaction;
- (b) ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with their contractual and other legal obligations.

The payment policy applies to all creditors for revenue and capital supplies of goods and services, without exception.

The company had 35 days purchases outstanding at 31 December 2002 based on the average daily amount invoiced by suppliers during the year (2001: 44 days)

Statement of directors' responsibilities

The directors are required by UK Company Law to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 31 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



P Smerdon
Secretary

13 February 2003

Barclay Pharmaceuticals Limited

Independent Auditors' Report to the members of Barclay Pharmaceuticals Limited

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit 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 judgments 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 at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Birmingham

13 January 2003

Barclay Pharmaceuticals Limited

Profit and loss account for the year ended 31 December 2002

| | Notes | 2002 £'000 | As restated 2001 £'000 |
|--|-------|---------------|------------------------------|
| Turnover | 3 | 275,914 | 270,524 |
| Cost of sales | | (248,897) | (245,836) |
| Gross profit | | 27,017 | 24,688 |
| Distribution costs | | (14,652) | (14,220) |
| Administrative expenses | | (425) | (430) |
| Interest payable | 6 | (119) | (99) |
| Profit on ordinary activities before taxation | 7 | 11,821 | 9,939 |
| Tax on profit on ordinary activities | 8 | (3,618) | (3,157) |
| Profit on ordinary activities after taxation | | 8,203 | 6,782 |
| Dividends | 9 | (3,000) | (3,500) |
| Retained profit for the year | 19 | 5,203 | 3,282 |

The results have been derived wholly from continuing operations.

Statement of recognised gains and losses for the year ended 31 December 2002

| | 2002 £'000 | 2001 £'000 |
|---|---------------|---------------|
| Profit for the financial year | 8,203 | 6,782 |
| Prior year adjustment (notes 16 and 20) | 214 | - |
| Total gains and losses recognised since last annual report | 8,417 | 6,782 |

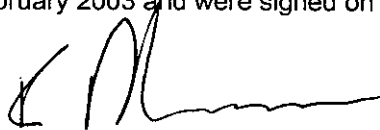
There is no material difference between the results above and the results on an unmodified historical cost basis.

Barclay Pharmaceuticals Limited

Balance sheet at 31 December 2002

| | Notes | 2002 £'000 | As restated 2001 £'000 |
|--|-------|---------------|------------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 609 | 437 |
| Investments | 11 | - | - |
| | | <u>609</u> | <u>437</u> |
| Current assets | | | |
| Stocks | 12 | 32,000 | 28,593 |
| Debtors: | | | |
| Amounts falling due within one year | 13 | 37,612 | 39,613 |
| Amounts falling due after more than one year | 13 | 20,699 | 20,720 |
| Cash at bank and in hand | | 1 | 2 |
| | | <u>90,312</u> | <u>88,928</u> |
| Creditors: amounts falling due within one year | 14 | (33,510) | (37,007) |
| Net current assets | | <u>56,802</u> | <u>51,921</u> |
| Total assets less current liabilities | | 57,411 | 52,358 |
| Creditors: amounts falling due after more than one year | 14 | - | - |
| Provisions for liabilities and charges | 15 | (200) | (350) |
| Net assets | | <u>57,211</u> | <u>52,008</u> |
| Capital and reserves | | | |
| Called-up share capital | 18 | 25,000 | 25,000 |
| Profit and loss account | 19 | 32,211 | 27,008 |
| Equity shareholders' funds | 20 | <u>57,211</u> | <u>52,008</u> |

The financial statements on pages 5 to 16 were approved by the board of directors on 13 February 2003 and were signed on its behalf by:



I Davidson
Director

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2002

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards in the United Kingdom. Set out below is a summary of the more important accounting policies, which have been applied consistently except where stated otherwise.

Financial Reporting Standard number 19 "Deferred Tax" has been adopted in the year. As a result it has been necessary to revise the deferred tax provisions made in the accounts to allow for the recognition of deferred tax assets. The required adjustments have been reflected in the profit and loss account either as a current year item or as a prior year adjustment as appropriate. The effect of the change in accounting policy is to increase the tax charge for 2001 by £59,000 and for 2002 by £76,000.

Consolidated accounts

The financial statements contain information about Barclay Pharmaceuticals Limited as an individual company, rather than consolidated information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare group accounts as its results are included by full consolidation in the financial statements of its ultimate parent, Franz Haniel & Cie GmbH, a company incorporated in Germany.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Deferred tax liabilities are provided in full, but deferred tax assets are recognised only to the extent it is considered more likely than not that the associated tax deduction can be utilised on their reversal. Deferred tax liabilities and assets are not discounted.

Investments

Investments are included in the balance sheet at their cost of acquisition. Where appropriate, provision is made to write down the net book value of the investment to the underlying net asset value of the subsidiary companies.

Tangible fixed assets

Tangible fixed assets are stated at cost less provision for depreciation. Cost comprises the purchase cost together with any incidental expenses of acquisition.

Depreciation is calculated by reference to the expected lives of the assets concerned. Additional depreciation may be charged where directors consider there to have been an impairment in the underlying value of an asset. The following rates are applied:

| | |
|----------------------------------|---------------------------|
| Leasehold properties | period of the lease |
| Fixtures, fittings and equipment | 10% - 25% straight line |
| Motor vehicles | 25% on a reducing balance |

Barclay Pharmaceuticals Limited

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Leased assets

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

Foreign currencies and derivatives

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Any such translation differences are taken to the profit and loss account.

Forward foreign currency contracts are not revalued to fair value or shown in the balance sheet at the year end as all transactions derive from hedging activities.

Pensions

The company contributes to group pension schemes operated by AAH Limited and Lloyds Chemists Limited. Contributions to the defined benefit scheme are determined by a professionally qualified actuary and are based on pension costs across the group as a whole. They are charged to the profit and loss account so as to spread the pension costs over the expected service lives of employees currently participating in the schemes.

Further details are given in note 17 to the financial statements.

2 Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of GEHE AG, a company registered in Germany, and is included in the financial statements of GEHE AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The company has not disclosed transactions with fellow group companies, in accordance with the exemption under the terms of Financial Reporting Standard 8.

3 Turnover

Turnover represents cash and credit sales made in the United Kingdom excluding value added tax.

Barclay Pharmaceuticals Limited

4 Directors' emoluments

| | 2002 £'000 | 2001 £'000 |
|---------------------------------|---------------|---------------|
| Aggregate emoluments | 406 | 403 |
| Compensation for loss of office | - | 123 |
| | <u>406</u> | <u>526</u> |

Retirement benefits are accruing to four directors under a defined benefit scheme (2001: three directors). No such benefits are accruing under money purchase schemes (2001: no directors).

| Highest paid director | 2002 £'000 | 2001 £'000 |
|---|---------------|---------------|
| Aggregate emoluments and benefits under long-term incentive schemes | 116 | 102 |
| Defined benefit schemes: | | |
| Accrued pension at end of year | <u>8</u> | <u>6</u> |

The emoluments of Mr Davidson and Mr Dunn are paid by a fellow group company (AAH Pharmaceuticals Limited) which makes no recharge to the company. The emoluments of Mr Vizard and Mr Ward were paid by fellow group companies (AAH Subsidiaries Limited to 31 March 2002 and Lloyds Pharmacy Limited thereafter) which made no recharge to the company. The emoluments of Mr Kershaw are paid by the immediate holding company (AAH Subsidiaries Limited) which makes no recharge to the company. The emoluments of Mr Green are paid by a fellow group company (Lloyds Pharmacy Limited) which makes no charge to the company. Mr Davidson, Mr Dunn, Mr Green, Mr Kershaw, Mr Vizard and Mr Ward are directors of a number of group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly no emoluments in respect of Mr Davidson, Mr Dunn, Mr Green, Mr Kershaw, Mr Vizard and Mr Ward are disclosed.

Emoluments for Mr Davidson and Mr Dunn are included in the aggregate of directors' emoluments disclosed in the financial statements of AAH Pharmaceuticals Limited. Emoluments for Mr Vizard and Mr Ward are included in the aggregate of directors' emoluments disclosed in the financial statements of GEHE UK plc. Emoluments for Mr Green are included in the aggregate of directors' emoluments disclosed in the financial statements of Lloyds Pharmacy Limited. Emoluments for Mr Kershaw are included in the aggregate of directors' emoluments disclosed in the financial statements of AAH Subsidiaries Limited.

Barclay Pharmaceuticals Limited

5 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

| | 2002 | 2001 |
|-----------------------------------|------------|------------|
| By function | | |
| Direct operating and distribution | 405 | 410 |
| Administration | 48 | 44 |
| | <u>453</u> | <u>454</u> |

Staff costs for the above persons were:

| | 2002 £'000 | 2001 £'000 |
|-----------------------------------|---------------|---------------|
| Wages and salaries | 7,671 | 7,276 |
| Social security costs | 683 | 643 |
| Other pension costs (see note 17) | 82 | 102 |
| | <u>8,436</u> | <u>8,021</u> |

6 Interest payable

| | 2002 £'000 | 2001 £'000 |
|--------------------------------------|---------------|---------------|
| Interest payable and similar charges | | |
| Group interest | (118) | (99) |
| Other interest and similar charges | (1) | - |
| | <u>(119)</u> | <u>(99)</u> |

7 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging / (crediting) the following:

| | 2002 £'000 | As restated 2001 £'000 |
|--|---------------|------------------------------|
| Depreciation - tangible owned assets | | |
| Charge for the year | 195 | 137 |
| Auditors' remuneration - for audit | 28 | 24 |
| Operating lease rentals: | | |
| Land and buildings | 494 | 545 |
| Plant and machinery | 26 | 26 |
| Other | 1,024 | 951 |
| Release of surplus property provision (see note 15) | <u>(87)</u> | <u>(100)</u> |

Barclay Pharmaceuticals Limited

8 Tax on profit on ordinary activities

| | 2002 £'000 | As restated 2001 £'000 |
|---|---------------|------------------------------|
| UK corporation tax at 30% (2001: 30%) | 3,542 | 3,009 |
| Adjustment in respect of previous years | - | 89 |
| Current tax | <u>3,542</u> | <u>3,098</u> |
| Deferred taxation (see note 16) | <u>76</u> | <u>59</u> |
| | <u>3,618</u> | <u>3,157</u> |

The reconciliation of the current year tax charge is as follows:

| | | |
|---|--------------|--------------|
| Profit before tax multiplied by full UK corporation tax rate of 30% (2001: 30%) | 3,546 | 2,982 |
| Expenses not deductible for tax purposes: | | |
| Permanent differences | 51 | 56 |
| Timing differences | (31) | (12) |
| Capital allowances for the period less depreciation | (23) | (17) |
| Profit on sale of assets to extent differs from chargeable gain | (1) | - |
| Adjustments for prior periods | - | 89 |
| | <u>3,542</u> | <u>3,098</u> |

No provision has been made for deferred tax on the sale of assets where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the assets were sold without it being possible to claim rollover relief. The total not provided is £73,000 (2001: £73,000). At present it is not envisaged that any tax will be payable in the foreseeable future.

9 Dividends

| | 2002 £'000 | 2001 £'000 |
|--------------|---------------|---------------|
| Interim paid | <u>3,000</u> | <u>3,500</u> |

Barclay Pharmaceuticals Limited

10 Tangible fixed assets

Movements in the year ended 31 December 2002

| | Short leasehold land and buildings £'000 | Fixtures, fittings, plant and equipment £'000 | Motor vehicles £'000 | Total £'000 |
|-----------------------|--|---|----------------------------|----------------|
| Cost | | | | |
| At 1 January | 623 | 1,925 | 163 | 2,711 |
| Additions | 72 | 152 | 49 | 273 |
| Disposals | - | (8) | - | (8) |
| Group transfers in | - | 209 | - | 209 |
| At 31 December | 695 | 2,278 | 212 | 3,185 |
| Depreciation | | | | |
| At 1 January | 459 | 1,726 | 89 | 2,274 |
| Charge for year | 43 | 119 | 33 | 195 |
| Disposals | - | (8) | - | (8) |
| Group transfers in | - | 115 | - | 115 |
| At 31 December | 502 | 1,952 | 122 | 2,576 |
| Net book value | | | | |
| At 31 December | 193 | 326 | 90 | 609 |
| At 1 January | 164 | 199 | 74 | 437 |

11 Investments

| | Shares in Subsidiaries £'000 |
|--|------------------------------------|
| Cost | |
| At 1 January 2002 and 31 December 2002 | 1,053 |
| Provision for impairment | |
| At 1 January 2002 and 31 December 2002 | (1,053) |
| Net book value | |
| At 1 January 2002 and 31 December 2002 | - |

| Subsidiary | Nature of business | Country of incorporation | Class of capital | % held |
|---|-----------------------|-----------------------------|--------------------|--------|
| Illingworth Healthfoods Limited | Dormant | England and Wales | £1 ordinary shares | 100 |
| John Hamilton (Pharmaceuticals) Limited | Dormant | Scotland | £1 ordinary shares | 100 |

Barclay Pharmaceuticals Limited

12 Stocks

| | 2002 £'000 | 2001 £'000 |
|-------------------------------------|---------------|---------------|
| Finished goods and goods for resale | <u>32,000</u> | <u>28,593</u> |

Stocks held under consignment stock arrangements amounted to £nil (2001: £76,000).

13 Debtors

| | 2002 £'000 | As restated 2001 £'000 |
|--|---------------|------------------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 33,598 | 34,260 |
| Amounts owed by parent and fellow subsidiaries | 2,282 | 3,069 |
| Other debtors | 1,378 | 1,963 |
| Prepayments and accrued income | 354 | 321 |
| | <u>37,612</u> | <u>39,613</u> |

Amounts falling due after more than one year:

| | | |
|--|---------------|---------------|
| Amounts owed by parent and fellow subsidiaries | 20,561 | 20,506 |
| Deferred taxation (Note 16) | 138 | 214 |
| | <u>20,699</u> | <u>20,720</u> |

14 Creditors

| | 2002 £'000 | 2001 £'000 |
|--|---------------|---------------|
| Amounts falling due within one year: | | |
| Bank overdraft | 1,052 | 176 |
| Trade creditors | 25,746 | 31,310 |
| Amounts owed to parent and fellow subsidiaries | 1,187 | 1,138 |
| Amounts owed to other group companies | 1,053 | 1,069 |
| Corporation tax | 1,959 | 1,204 |
| Other taxation and social security payable | 1,686 | 1,280 |
| Other creditors | 183 | 129 |
| Accruals and deferred income | 644 | 701 |
| | <u>33,510</u> | <u>37,007</u> |

Barclay Pharmaceuticals Limited

15 Provisions for liabilities and charges

| | Property £'000 |
|--|-------------------|
| At 1 January 2002 | 350 |
| Credit to the profit and loss account (see note 7) | (87) |
| Utilised during the year | (63) |
| At 31 December 2002 | <u>200</u> |

The property provision represents an assessment of the costs to cover rent and rates for vacant leasehold premises, taking account of the anticipated period until the leases are assigned or disposed of. The assessment, which is undertaken at the end of each accounting period, is made on a property by property basis in conjunction with the group's property services department.

It is expected that approximately £50,000 of the property provision will be utilised within one year. The remaining balance of £150,000 will be used throughout the period until the assignment or disposal of the premises over a maximum remaining period of 5 years.

16 Deferred taxation

| | 2002 £'000 | 2001 £'000 |
|---|---------------------|---------------------|
| At 1 January as originally stated | - | - |
| Prior year adjustment | (214) | (273) |
| At 1 January as restated | <u>(214)</u> | <u>(273)</u> |
| Transferred to profit and loss account (see note 8) | 76 | 59 |
| At 31 December | <u>(138)</u> | <u>(214)</u> |

The deferred tax (asset) / provision recognised is as follows:

| | | |
|--------------------------------|---------------------|---------------------|
| Accelerated capital allowances | (120) | (165) |
| Short term timing differences | <u>(18)</u> | <u>(49)</u> |
| | <u>(138)</u> | <u>(214)</u> |

The prior year adjustment arose as a result of the adoption of FRS19 which required the restatement of the opening 2001 and 2002 balance sheets to recognise deferred tax assets previously not shown.

The deferred tax asset recognised in the financial statements is included within debtors falling due after more than one year.

Barclay Pharmaceuticals Limited

17 Pension obligations

The company participates in group pension schemes operated by AAH Limited and Lloyds Retail Chemists Limited, one of which is defined benefit and two defined contribution. All of the schemes are funded and constituted as independently administered funds with their assets being held separately from those of the company. The funds relating to the defined benefit schemes are valued every three years by a professionally qualified, independent actuary, the rates of contribution payable being determined by the actuary. The latest actuarial assessment of the scheme was at 6 April 2002. Particulars of the valuation are contained in the accounts of AAH Limited.

There were amounts of £19,000 accrued in respect of pension scheme contributions at the balance sheet date (2001: £18,000)

The company provides no other post-retirement benefits to its employees.

The Group operates defined benefit pension schemes in the UK. The figures incorporated within the accounts are under SSAP 24 but in addition an actuarial valuation was carried out as at 31 December 2001 for FRS 17 disclosure purposes.

With regard to the group defined benefit scheme it is not possible to determine the company's share of the underlying assets and liabilities. Under SSAP 24 the AAH Staff Pension Scheme had a total deficit of £7,900,000 representing a funding level of 87%. This scheme is fully disclosed in the accounts of AAH Limited.

18 Called-up share capital

| | 2002 £'000 | 2001 £'000 |
|---|---------------|---------------|
| Authorised, allotted, called up and fully paid | | |
| 25,000,000 ordinary shares of £1 each | <u>25,000</u> | <u>25,000</u> |

19 Reserves

| | Profit and loss account £'000 |
|--|-------------------------------------|
| At 1 January 2002 as previously stated | 26,794 |
| Prior year adjustment in respect of deferred tax (note 16) | 214 |
| At 1 January 2002 as restated | <u>27,008</u> |
| Retained profit for the financial year | 5,203 |
| At 31 December 2002 | <u>32,211</u> |

Barclay Pharmaceuticals Limited

20 Reconciliation of movements in shareholders' funds

| | 2002 £'000 | As restated 2001 £'000 |
|--|---------------|------------------------------|
| Profit for the financial year | 8,203 | 6,782 |
| Dividends | (3,000) | (3,500) |
| Retained profit for the year | 5,203 | 3,282 |
| Opening shareholders' funds | 51,794 | 48,726 |
| Prior year adjustment in respect of deferred tax (note 16) | 214 | - |
| Opening shareholders' funds as restated | 52,008 | 48,726 |
| Closing shareholders' funds | 57,211 | 52,008 |

The opening shareholders' funds for the year ended 31 December 2001 were originally £48,453,000 before making a prior year adjustment of £273,000 in respect of deferred tax.

21 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

| | 31 December 2002 | | 31 December 2001 | |
|-------------------------------------|--------------------------------|----------------|--------------------------------|----------------|
| | Land and Buildings £'000 | Other £'000 | Land and Buildings £'000 | Other £'000 |
| Expiring within one year | - | 80 | 158 | 103 |
| Expiring between two and five years | 671 | 871 | 333 | 715 |
| | 671 | 951 | 491 | 818 |

22 Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements amounts to £nil (2001: £nil).

23 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is AAH Subsidiaries Limited. The company's ultimate parent undertaking and controlling party is Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent GEHE AG and its consolidation of the GEHE AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D-47119 Duisburg, Ruhrort, Germany.

Consolidated accounts for the smallest group of companies are prepared by GEHE AG and may be obtained from GEHE AG, Neckartalstrasse 155, D-70376 Stuttgart, Germany.