

2170808

# **Incyte Europe Holdings Limited**

## **Report and Financial Statements**

31 December 2002

 **ERNST & YOUNG**



**Incyte Europe Holdings Limited**

Registered No: 3170808

**Directors**

D Hastings  
P Friedman  
P Schreck

**Secretary**

TJG Secretaries Limited

**Auditors**

Ernst & Young LLP  
Compass House  
80 Newmarket Road  
Cambridge  
CB5 8DZ

**Bankers**

Barclays Bank plc  
Bene't Street  
Cambridge  
CB2 3PZ

**Registered office**

Carmelite  
50 Victoria Embankment  
Blackfriars  
London  
EC4Y 0DX

## Directors' report

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

### Results and dividends

The profit for the year amounted to £nil. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The company did not trade throughout the year and the directors do not intend trading in the foreseeable future.

During the year to 31 December 2001 a provision of £6,540,079 was made against an amount due to the company by a subsidiary undertaking. The retained loss of £6,540,079 was taken to reserves.

### Directors

The directors who served the company during the year were as follows:

L Bendeckey	(Resigned 8 December 2003)
J Vuko	(Resigned 13 October 2003)
P Friedman	(Appointed 1 March 2002)
R Stein	(Appointed 1 March 2002, resigned 29 August 2003)
R Whitfield	(Resigned 1 March 2002)

In addition, D Hastings was appointed as a director on 23 January 2004, and P Schreck was appointed as a director on 20 February 2004.

There are no directors' interests requiring disclosure under the Companies Act 1985.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



D Hastings  
Director

30 April 2004

## 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 year. 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 the members of Incyte Europe Holdings Limited**

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of 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 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 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit 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.

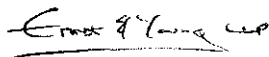
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report**

to the members of Incyte Europe Holdings Limited (continued)

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Cambridge

19 May 2004



## Profit and loss account

for the year ended 31 December 2002

	Notes	2002 £	2001 £
<b>Turnover</b>		--	--
Administrative expenses		--	6,540,079
<b>Loss on ordinary activities before taxation</b>		--	(6,540,079)
Tax on loss on ordinary activities	3	--	--
<b>Loss for the financial year</b>		--	(6,540,079)

## Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £nil attributable to the shareholders for the year ended 31 December 2002 (2001 - loss of £6,540,079).

# Balance sheet

at 31 December 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Investments	4	250,000	250,000
<b>Current assets</b>			
Cash at bank		1	1
<b>Total assets</b>		250,001	250,001
<b>Capital and reserves</b>			
Called up share capital	5	1,386,077	1,386,077
Share premium account	6	5,566,508	5,566,508
Profit and loss account	6	(6,702,584)	(6,702,584)
<b>Equity shareholders' funds</b>	6	250,001	250,001



D Hastings  
Director

30 April 2004



## Notes to the financial statements

at 31 December 2002

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention.

#### *Cash flow statement*

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

#### *Fixed assets*

All fixed assets are initially recorded at cost.

### 2. Staff costs

No employees or directors worked for the company during the year.

### 3. Tax

Factors affecting current tax charge

The differences are reconciled below:

	2002 £	2001 £
Loss on ordinary activities before taxation	—	(6,540,079)
Loss on ordinary activities at 30%	—	(1,962,023)
Disallowed expenses and non-taxable income	—	1,962,023
Total current tax	—	—

### 4. Investments

	<i>Interest in group undertakings</i> £
Cost and net book value: At 1 January 2002 & 31 December 2002	250,000

The company owns 100% of the issued share capital of the companies listed below,

Incyte Corporation Limited (formerly Incyte Genomics Limited)  
Incyte Dormant Company Ltd

Incyte Corporation Limited's principal activity is to undertake sales and marketing activities in the UK and Europe on behalf of its ultimate parent company. It made a loss of £41,439 for the year to 31 December 2002 and had net liabilities of £21,120,469 at that date.

Incyte Dormant Company Ltd has been dormant throughout the year. It had net assets of £nil at 31 December 2002.

# Notes to the financial statements

at 31 December 2002

## 5. Share capital

	2002 £	Authorised 2001 £
Ordinary shares of £0.05 each	<u>1,584,767</u>	<u>1,584,767</u>

	No.	Allotted, called up and fully paid 2002 £	No.	2001 £
Ordinary shares of £0.05 each	27,721,541	<u>1,386,077</u>	27,721,541	<u>1,386,077</u>

## 6. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Share premium account £	Profit and loss account £	Total share- holders' funds £
At 1 January 2001	1,386,077	5,566,508	(162,505)	6,790,080
Loss for the year	—	—	(6,540,079)	(6,540,079)
At 31 December 2001	<u>1,386,077</u>	<u>5,566,508</u>	<u>(6,702,584)</u>	<u>250,001</u>
At 31 December 2002	<u>1,386,077</u>	<u>5,566,508</u>	<u>(6,702,584)</u>	<u>250,001</u>

## 7. Ultimate parent company

In the directors' opinion the ultimate parent undertaking and controlling party is Incyte Corporation, which is incorporated in the United States of America. Copies of the accounts of Incyte Corporation, which include the company, may be obtained from:

The Investor Relations Department  
Incyte Corporation  
Experimental Station  
Route 141 and Henry Clay Road, Building E336  
Wilmington, DE 19880  
USA

Transactions with group companies have not been disclosed as permitted by FRS 8.