

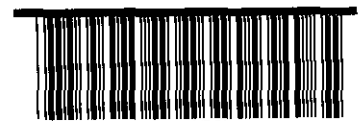
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**Almedica Limited (Formerly Almedica
Holding Company UK Limited)**

Abbreviated Financial Statements

Year Ended

31 December 2004



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BDO
BDO Stoy Hayward
Chartered Accountants

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Abbreviated financial statements for the year ended 31 December 2004

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Directors

N J Goldsmith
C L Bullock
Dr E S Neiss

Secretary and registered office

N J Goldsmith, Telford Court, Chester Gates, Chester, CH1 6LT

Company number

3577928

Auditors

BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street, Manchester, M2 1WE

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Report of the directors for the year ended 31 December 2004

The directors present their report together with the audited financial statements for the year ended 31 December 2004.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

Interim dividends of £550,000 per share were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend.

Principal activities, review of business and future developments

The company's principal activity is that of a holding company and the provision of financial, information technology and marketing services.

The principal activity of the group is that of contract packaging of clinical trial materials within the pharmaceutical industry and related activities.

On 9 March 2004 the company changed its name by special resolution from Almedica Holding Company UK Limited to Almedica Limited.

Directors

The directors of the company during the year were:

N J Goldsmith (Appointed 2 March 2004)

C L Bullock

Dr E S Neiss

Dr R S Todd (Resigned 2 March 2004)

No director had any beneficial interest in the share capital of the company.

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 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.

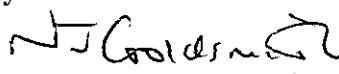
Almedica Limited (Formerly Almedica Holding Company UK Limited)

Report of the directors for the year ended 31 December 2004 (*Continued*)

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board


N J Goldsmith
Secretary

19 April 2005

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Report of the independent auditors

Independent auditors' report to Almedica Limited (Formerly Almedica Holding Company UK Limited) under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 4 to 17 together with the financial statements of the company for the year ended 31 December 2004 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

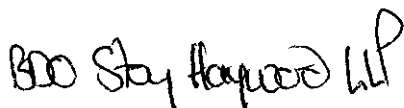
Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated financial statements on pages 4 to 17 are properly prepared in accordance with that provision.



BDO STOY HAYWARD LLP
*Chartered Accountants
and Registered Auditors*
Manchester

19 April 2005

Almedica Limited (Formerly Almedica Holding Company UK Limited)**Profit and loss account for the year ended 31 December 2004**

	Note	2004 £	2003 £
Gross profit		598,200	-
Marketing costs		151,627	-
Administrative expenses		440,646	-
		<hr/>	<hr/>
Operating profit	2	5,927	-
Income from shares in group undertakings		1,100,000	2,125,000
Other interest receivable and similar income		859	-
Interest payable and similar charges	5	(1,167)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,105,619	2,125,000
Taxation on profit on ordinary activities	6	1,729	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,103,890	2,125,000
Dividends	7	1,100,000	2,125,000
		<hr/>	<hr/>
Retained profit		3,890	-
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 7 to 17 form part of these financial statements.

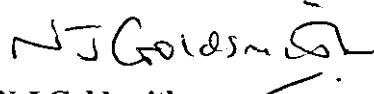
Almedica Limited (Formerly Almedica Holding Company UK Limited)

Balance sheet at 31 December 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	8		28,110		-
Fixed asset investments	9		2		2
			<hr/>		<hr/>
			28,112		2
Current assets					
Debtors	10	41,160		2	
Cash at bank and in hand		47,396		-	
		<hr/>		<hr/>	
		88,556		2	
Creditors: amounts falling due within one year	11	98,769		2	
		<hr/>		<hr/>	
Net current liabilities			(10,213)		-
			<hr/>		<hr/>
Total assets less current liabilities			17,899		2
Creditors: amounts falling due after more than one year	12	13,641		-	
Provision for liabilities and charges	13	366		-	
		<hr/>		<hr/>	
			14,007		-
			<hr/>		<hr/>
			3,892		2
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	14		2		2
Profit and loss account			3,890		-
			<hr/>		<hr/>
Equity shareholders' funds			3,892		2
			<hr/>		<hr/>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 19 April 2005.


N J Goldsmith
 Director

The notes on pages 7 to 17 form part of these financial statements.

Almedica Limited (Formerly Almedica Holding Company UK Limited)**Cash flow statement for the year ended 31 December 2004**

	Note	2004 £	2003 £
Net cash inflow from operating activities	18	58,602	-
Returns on investments and servicing of finance	19	1,099,692	2,125,000
Capital expenditure and financial investment	19	(6,041)	-
Equity dividends paid		(1,100,000)	(2,125,000)
		<hr/>	<hr/>
Cash inflow before financing		52,253	-
Financing	19	(4,858)	-
		<hr/>	<hr/>
Increase in cash	20	47,395	-
		<hr/>	<hr/>

The notes on pages 7 to 17 form part of these financial statements.

1 Accounting policies

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

The company is not required to prepare group accounts as it has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985. The financial statements present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

Turnover

Turnover represents the management charges made to the subsidiary undertaking.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Fixtures and fittings	- 33.3% per annum
Computers and office equipment	- 33.3% per annum

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to defined contribution pension schemes are charged to the profit and loss account in the period in which they become payable.

2 Operating profit

	2004 £	2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	5,015	-
Hire of other assets - operating leases	23,077	-
Audit services	5,500	-
Non-audit services	19,226	-
	<u> </u>	<u> </u>

3 Employees

Staff costs (including directors) consist of:

	2004 £	2003 £
Wages and salaries	328,512	-
Social security costs	35,382	-
Other pension costs	22,519	-
	<u> </u>	<u> </u>
	386,413	-
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was 9 (2003 - 3).

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

4 Directors' remuneration

	2004 £	2003 £
Directors' emoluments	139,988	-
Company contributions to defined contribution pension schemes	10,417	-
	<u> </u>	<u> </u>

The company paid pension contributions into a defined contribution pension scheme on behalf of one director (2003 - none).

5 Interest payable and similar charges

	2004 £	2003 £
Finance leases and hire purchase contracts	1,167	-
	<u> </u>	<u> </u>

6 Taxation on profit on ordinary activities

	2004 £	2003 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	1,363	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	366	-
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	1,729	-
	<u> </u>	<u> </u>

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

6 Taxation on profit on ordinary activities (continued)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	1,105,619	2,125,000
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003 - 30%)	331,686	637,500
Effect of:		
Expenses not deductible for tax purposes	1,363	-
Capital allowances for period in excess of depreciation	(578)	-
Permanent differences	(330,000)	(637,500)
Rate differences	(1,108)	-
Current tax charge for period	1,363	-

7 Dividends

	2004 £	2003 £
<i>Equity shares</i>		
Ordinary shares		
Interim paid of £550,000 (2003 - £1,062,500) per share	1,100,000	2,125,000

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

8 Tangible fixed assets

	Fixtures and fittings £	Computers and office equipment £	Total £
<i>Cost</i>			
Additions and at 31 December 2004	1,951	31,174	33,125
<i>Depreciation</i>			
Provided for the year and at 31 December 2004	243	4,772	5,015
<i>Net book value</i>			
At 31 December 2004	1,708	26,402	28,110
At 31 December 2003	-	-	-

The net book value of tangible fixed assets includes an amount of £22,570 (2003 - £NIL) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £4,514 (2003 - £NIL).

9 Fixed asset investments

	Group undertakings £
<i>Cost or valuation</i>	
At 1 January 2004 and 31 December 2004	2

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

9 Fixed asset investments (continued)

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>		
Almedica Europe Limited	100%	Contract packaging of clinical trial materials

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 31 December 2004:

	Aggregate share capital and reserves		Profit for the year	
	2004	2003	2004	2003
	£	£	£	£
<i>Subsidiary undertakings</i>				
Almedica Europe Limited	5,345,851	4,889,119	1,556,732	1,656,042

10 Debtors

	2004	2003
	£	£
Amounts owed by group undertakings	28,193	2
Other debtors	3,570	-
Prepayments and accrued income	9,397	-
	41,160	2

All amounts shown under debtors fall due for payment within one year.

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

11 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	-	2
Corporation tax	1,363	-
Other taxation and social security	28,528	-
Obligations under finance lease and hire purchase contracts	8,585	-
Accruals and deferred income	60,293	-
	<u>98,769</u>	<u>2</u>

12 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Obligations under finance lease and hire purchase contracts	13,641	-
	<u>13,641</u>	<u>-</u>
Maturity of debt:		
	Finance leases 2004 £	Finance leases 2003 £
In one year or less, or on demand	8,585	-
	<u>8,585</u>	<u>-</u>
In more than one year but not more than two years	9,437	-
In more than two years but not more than five years	4,204	-
	<u>13,641</u>	<u>-</u>

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

13 Provisions for liabilities and charges

		Deferred taxation £
Charged to profit and loss account		366
At 31 December 2004		366
<i>Deferred taxation</i>		—
	2004 £	2003 £
Accelerated capital allowances	366	—
	—	—

14 Share capital

	2004 £	2003 £
<i>Authorised Equity share capital</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	—	—
	2004 £	2003 £
<i>Allotted, called up and fully paid Equity share capital</i>		
2 ordinary shares of £1 each	2	2
	—	—

15 Pensions

The company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge amounted to £22,519 (2003 - £NIL). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

16 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2004	2003
	Land and	Land and
	buildings	buildings
	£	£
Operating leases which expire:		
After five years	30,000	-

17 Related party disclosures

Controlling parties

The ultimate parent undertaking and controlling party is Almedica International Inc, a company incorporated in the USA.

Related party transactions

During the year the company received dividends of £1,100,000 (2003 £2,125,000) from Almedica Europe Limited, a subsidiary undertaking. The company also paid dividends of £1,100,000 (2003 £2,125,000) to Almedica International Inc.

The company leases fixtures and fittings from Almedica Europe Limited at a charge of £2,483 per month.

During the year, the company also received management charges of £598,200 (2003 £nil) from Almedica Europe Limited.

Balances owed by group undertakings are shown in note 10 to the financial statements.

18 Reconciliation of operating profit to net cash inflow from operating activities

	2004	2003
	£	£
Operating profit	5,927	-
Depreciation of tangible fixed assets	5,015	-
Increase in debtors	(41,158)	-
Increase in creditors	88,818	-
Net cash inflow from operating activities	58,602	-

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

19 Analysis of cash flows for headings netted in the cash flow statement

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	859	-
Interest paid	(1,167)	-
Dividends received	1,100,000	2,125,000
	<u>1,099,692</u>	<u>2,125,000</u>
 Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(6,041)	-
	<u>(6,041)</u>	<u>-</u>
 Financing		
Capital element of finance leases repaid	(4,858)	-
	<u>(4,858)</u>	<u>-</u>

20 Reconciliation of net cash flow to movement in net funds

	2004 £	2003 £
Increase in cash	47,396	-
Cash outflow from changes in debt	4,858	-
	<u>52,254</u>	<u>-</u>
Movement in net debt resulting from cash flows	52,254	-
Inception of finance leases	(27,084)	-
	<u>25,170</u>	<u>-</u>
Movement in net debt	25,170	-
Opening net funds	-	-
	<u>25,170</u>	<u>-</u>
Closing net funds	25,170	-

Almedica Limited (Formerly Almedica Holding Company UK Limited)

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

21 Analysis of net funds

	At 1 January 2004 £	Cash flow £	Other non- cash items £	At 31 December 2004 £
Cash at bank and in hand	-	47,396	-	47,396
Finance leases	-	4,858	(27,084)	(22,226)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	52,254	(27,084)	25,170
	<hr/>	<hr/>	<hr/>	<hr/>