



Chartered Accountants

Stokes House
College Sq. East
Belfast BT1 6DH
Northern Ireland

Blackstaff Pharmaceuticals Limited

Financial statements

For the period from the date of incorporation on
16 April 1999 to 30 September 2000

Company registration number: 03754932





Blackstaff Pharmaceuticals Limited

Financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes forming part of the financial statements	9



Blackstaff Pharmaceuticals Limited

Directors and other information

Directors

P Surgenor
S J C Simms

Secretary

P Surgenor

Registered office

Aquis Court
31 Fishpool Street
St Albans
Hertfordshire
AL3 4RF

Bankers

First Trust Bank
37-41 Cregagh Road
Belfast

Solicitors

Johns Elliot
Solicitors
11 Lombard Street
Belfast

Auditors

KPMG
Stokes House
17/25 College Square East
Belfast

Company registration number

03754932

Blackstaff Pharmaceuticals Limited

Directors' report

The directors have pleasure in submitting their annual report to the shareholders together with the audited financial statements of the company for the period from the date of incorporation on 16 April 1999 to 30 September 2000.

Principal activity and business review

The company was incorporated on 16 April 1999.

The principal activity of the company is the distribution of medical products.

Results and dividends

The profit for the period and the manner in which it is dealt with are set out in the profit and loss account on page 6 and in the related notes.

Directors

The members of the board during the period were:-

Porema Limited (resigned 19 April 1999)
S Kavanagh (resigned 19 April 1999)
P Surgenor (appointed 19 April 1999)
SJC Simms (appointed 19 April 1999)

Directors' interests

(i) *Interests in share capital*

No director had an interest in the ordinary share capital of the company at any time during the period.

(ii) *Interests in contracts*

No director had at any time during the period a material interest in any contract that was significant in relation to the company's business.

Political and charitable contributions

The company made no political or charitable contributions during the period.



Blackstaff Pharmaceuticals Limited

Directors' report *(continued)*

Auditors

KPMG were appointed as first auditors of the company during the period and have expressed their willingness to continue in office as auditors. A resolution for their re-appointment will be proposed at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'R. J. O.', written over the word 'Director'.

Director

15 February 2001

Blackstaff Pharmaceuticals Limited

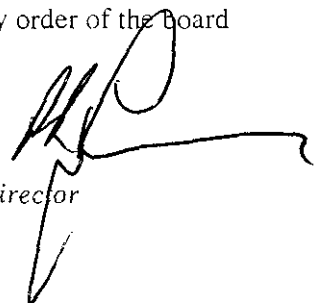
Statement of directors' responsibilities

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



Director

15 February 2001



Chartered Accountants

Stokes House
College Sq. East
Belfast BT1 6DH
Northern Ireland

Auditors' report to the members of Blackstaff Pharmaceuticals Limited

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 also required by the Act, we report to you if, in our opinion

- the directors' report is not consistent with the financial statements;
- the company has not kept proper accounting records;
- we have not received all the information and explanations we require for our audit;
- 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 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 affairs of the company at 30 September 2000 and of the profit for the period from the date of incorporation on 16 April 1999 to 30 September 2000 and have been properly prepared in accordance with the Companies Act 1985.



KPMG

*Chartered Accountants
Registered Auditors*

15 February 2001



Blackstaff Pharmaceuticals Limited

Profit and loss account

Period ended 30 September 2000

76 week
period ended
30 September 2000
£

Turnover - continuing operations	263,240
Cost of sales	(200,471)
Gross profit	62,769
Distribution costs	(6,174)
Selling, general and administration expenses	(49,433)
Licence costs	(1,018)
Operating profit - continuing operations	6,144
Interest receivable and similar income	-
Profit on ordinary activities before taxation	6,144
Taxation on profit on ordinary activities	(1,239)
Profit for the financial year	4,905
Retained profit brought forward	-
Retained profit carried forward	4,905

The company has no recognised gains or losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 12 form part of these financial statements.

Blackstaff Pharmaceuticals Limited


Balance sheet

At 30 September 2000

	Note	30 September 2000	
		£	£
Current assets			
Stock	2	11,119	
Debtors	3	45,086	
Cash at bank		37,930	
			94,135
Creditors: Amounts falling due within one year	4		(88,230)
Net assets			5,905
Capital and reserves			
Called up share capital	5		1,000
Profit and loss account			4,905
Equity shareholders' funds			5,905

The financial statements were approved by the Board on 15 February 2001.

By order of the board



Director

The notes on pages 9 to 12 form part of these financial statements.

Blackstaff Pharmaceuticals Limited

Cash flow

Year ended 30 September 2000

	Note	30 September 2000 £
Cash inflow from operating activities	8	38,488
Returns on investment and servicing of finance		-
Taxation		(558)
Capital expenditure		-
Financing		-
		<hr/>
Increase in cash		37,930
		<hr/>

Reconciliation of net cash flow to movement in net funds

Year ended 30 September 2000

	30 September 2000 £
Net funds/(debt) at start of period	-
Movement in net funds in the period	37,930
	<hr/>
Net funds at end of period (cash at bank)	37,930
	<hr/>

Blackstaff Pharmaceuticals Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these financial statements.

Basis of accounting

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

Turnover

Turnover represents invoiced amounts of goods sold net of value added tax and settlement discount.

Taxation

The charge for taxation is based on the profit for the period.

Stocks

Stocks are valued at the lower of cost and net realisable value on the first-in, first-out basis. Cost comprises invoice price and carriage costs less trade discounts and rebates.

Net realisable value is the amount for which stock can be realised in the normal course of trade after allowing for the costs of realisation. Provision is made as appropriate for slow-moving and defective stock.

2 Stock

76 week
period ended
30 September 2000
£

Finished goods	11,119
	<u> </u>

3 Debtors

76 week
period ended
30 September 2000
£

Trade debtors	44,086
Amounts owed by parent undertaking	1,000
	<u> </u>

45,086

Blackstaff Pharmaceuticals Limited

Notes (continued)

4 Creditors: Amounts falling due within one year

76 week
period ended
30 September 2000
£

Trade creditors	86,099
Corporation tax	681
Accruals	1,450
	<hr/>
	88,230
	<hr/>

5 Share capital

76 week
period ended
30 September 2000
£

Authorised:

1,000,000 ordinary shares of £1 each	1,000,000
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Allotted, called up and fully paid:

1,000 ordinary shares of £1 each	1,000
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Incorporation and capitalisation

The company was incorporated under the Companies Act 1985 as a private company on 16 April 1999.

On incorporation the company had an authorised share capital of £1 million made up of 1 million ordinary shares of £1 each and an issued share capital of 1,000 ordinary shares of £1 each.

The entire issued share capital is held by Sangers (Northern Ireland) Limited, a company incorporated in Northern Ireland.

Blackstaff Pharmaceuticals Limited

Notes (continued)

6 Reserves

76 week
period ended
30 September 2000
£

Profit and loss account	
At beginning of period	-
Profit for the period	4,905
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At the end of period	4,905
	<hr/>

7 Reconciliation of movement in equity shareholders' funds

76 week
period ended
30 September 2000
£

Opening equity shareholders' funds	-
Issue of shares on incorporation	1,000
Profit for the period	4,905
	<hr/>
Closing equity shareholders' funds	5,905
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8 Reconciliation of operating profit to net cash inflow from operating activities

76 week
period ended
30 September 2000
£

Operating profit	6,144
Increase in stocks	(11,119)
Increase in debtors	(44,086)
Increase in creditors	87,549
	<hr/>
Net cash inflow from operating activities	38,488
	<hr/>

Blackstaff Pharmaceuticals Limited

Notes *(continued)*

9 Group affiliation

The company's immediate parent company is Sangers (Northern Ireland) Limited, a company incorporated in Northern Ireland. The ultimate parent undertaking is United Drug plc, a company incorporated and operating in the Republic of Ireland.

The largest group in which the results of the company are consolidated is that headed by United Drug plc. No other group accounts include the results of the company.

The consolidated accounts of United Drug plc are available to the public and may be obtained from the following address:

United Drug plc
James Street
Ballina
Co Mayo
Republic of Ireland

10 Related party transactions

Since more than 90% of the company's voting rights are controlled within the United Drug plc group of companies, of which it is a member, the company has taken advantage of the exemption not to disclose transactions with entities that are part of the group.

During the period Blackstaff Limited paid £6,174 to Unidrug Distribution Group Limited as a distribution charge. Unidrug Distribution Group Limited is 50% owned by Sangers (Northern Ireland) Limited, the immediate parent undertaking of Blackstaff Limited.