



Chartered Accountants

Stokes House
College Square East
Belfast BT1 6DH
Northern Ireland

Blackstaff Pharmaceuticals Limited

Financial statements

For the year ended 30 September 2003

Company registration number: 03754932



KPMG, a partnership is a member firm
of KPMG International, a Swiss Cooperative

Blackstaff Pharmaceuticals Limited

Financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors responsibilities	3
Report of the independent auditors' to the members of Blackstaff Pharmaceuticals Limited	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes forming part of the financial statements	8



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 year ended 30 September 2003.

Principal activity and business review

The did not trade during the year and received no income and incurred no expenditure. The directors do not expect that this position will change in the foreseeable future.

Directors

The members of the board during the year were:-

P Surgenor
SJC Simms

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 year.

(ii) *Interests in contracts*

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

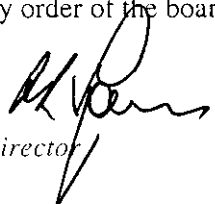
Political and charitable contributions

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

Auditors

KPMG 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



Director

15 January 2004

Blackstaff Pharmaceuticals Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give, in accordance with applicable Northern Ireland law and accounting standards, 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 January 2004



Chartered Accountants

Stokes House
College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditors' report to the members of Blackstaff Pharmaceuticals Limited

We have audited the financial statements on pages 5 to 11.

This report is made solely to the company's members as a body in accordance with article 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 auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 3, 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 standards issued by the Auditing Practices Board.

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.

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 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 30 September 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

15 January 2004



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of KPMG International, a Swiss Cooperative

Blackstaff Pharmaceuticals Limited

Profit and loss account Year ended 30 September 2003

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Turnover - continuing operations	-	-
Cost of sales	-	-
	<hr/>	<hr/>
Gross profit	-	-
Licence costs	-	(167)
	<hr/>	<hr/>
Operating loss - continuing operations	-	(167)
Interest receivable and similar income	-	-
	<hr/>	<hr/>
Loss on ordinary activities before taxation	-	(167)
Taxation on profit on ordinary activities	-	-
	<hr/>	<hr/>
Loss for the financial year	-	(167)
Retained profit brought forward	4,738	4,905
	<hr/>	<hr/>
Retained profit carried forward	4,738	4,738
	<hr/>	<hr/>

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 8 to 11 form part of these financial statements.

Blackstaff Pharmaceuticals Limited

Balance sheet

At 30 September 2003

	<i>Note</i>	30 September 2003		30 September 2002	
		£	£	£	£
Current assets					
Debtors	2	1,000		1,000	
Cash at bank		51,507		51,507	
		<hr/>		<hr/>	
			52,507		52,507
Creditors: Amounts falling due within one year	3	(46,769)		(46,769)	
		<hr/>		<hr/>	
Net assets		5,738		5,738	
		<hr/>		<hr/>	
Capital and reserves					
Called up share capital	4	1,000		1,000	
Profit and loss account		4,738		4,738	
		<hr/>		<hr/>	
Equity shareholders' funds		5,738		5,738	
		<hr/>		<hr/>	

The financial statements were approved by the Board on 15 January 2004.

By order of the board



Director

The notes on pages 8 to 11 form part of these financial statements.

Blackstaff Pharmaceuticals Limited

Cash flow

Year ended 30 September 2003

	Note	30 September 2003 £	30 September 2002 £
Cash outflow from operating activities	7	-	(28,982)
Returns on investment and servicing of finance		-	-
Taxation		-	-
Capital expenditure		-	-
Financing		-	-
		<hr/>	<hr/>
Decrease in cash		-	(28,982)
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net funds

Year ended 30 September 2003

	30 September 2003 £	30 September 2002 £
Net funds at start of period	51,507	80,489
Movement in net funds in the period	-	(28,982)
	<hr/>	<hr/>
Net funds at end of period (cash at bank)	51,507	51,507
	<hr/>	<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 year.

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 Debtors

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Amounts owed by parent undertaking	1,000	1,000
	<hr/>	<hr/>

Blackstaff Pharmaceuticals Limited

Notes (continued)

3 Creditors: Amounts falling due within one year

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Trade creditors	-	-
Amounts due to parent undertaking	45,338	45,338
Corporation tax	681	681
Accruals	750	750
	<u>46,769</u>	<u>46,769</u>

4 Share capital

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
<i>Authorised:</i>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
<i>Allotted, called up and fully paid:</i>		
1,000 ordinary shares of £1 each	1,000	1,000

5 Reserves

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Profit and loss account		
At beginning of period	4,738	4,905
Loss for the period	-	(167)
	<u>4,738</u>	<u>4,738</u>
At the end of period	4,738	4,738

Blackstaff Pharmaceuticals Limited

Notes (continued)

6 Reconciliation of movement in equity shareholders' funds

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Opening equity shareholders' funds	5,738	5,905
Loss for the period	-	(167)
	<hr/>	<hr/>
Closing equity shareholders' funds	5,738	5,738
	<hr/>	<hr/>

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

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Operating loss	-	(167)
Increase in stocks	-	-
Increase in debtors	-	-
Decrease in creditors	-	(28,815)
	<hr/>	<hr/>
Net cash outflow from operating activities	-	(28,982)
	<hr/>	<hr/>

8 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

Blackstaff Pharmaceuticals Limited

Notes *(continued)*

9 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.