

Bayer Plc

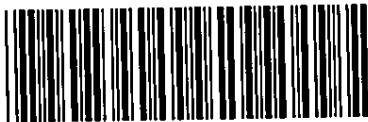
Company No. 00935048

Financial Statements

For the year ended

31 December 2007

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Bayer Plc

Company Information

Directors

F-J Berners
M S Dawkins

Secretary

M A Wilkinson

Registered Office

Bayer House
Strawberry Hill
Newbury
Berkshire
RG14 1JA

Auditors

PricewaterhouseCoopers LLP
9 Greyfriars Road
Reading
Berkshire
RG1 1JG

Bayer Plc

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Directors' Report For the year ended 31 December 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The company's principal activity is the marketing of healthcare and polymer products manufactured by Bayer Group companies and the provision of administration services to group companies as well as third parties

The company continued to trade successfully during the year and consolidated its position in its chosen healthcare markets

On 1st July 2007 the business and assets of Schering Health Care Limited, a fellow subsidiary, were transferred to the company for a consideration of £8,709,000

During 2007 the turnover of the company increased by £58,220,000 (25%)

Animal Health performed well with a 10% year on year growth in turnover. Diabetes Care continued to increase its market share, delivering an increase in sales of 25% above the previous year

The Pharmaceutical division increased sales by £53,000,000 (48%), as a result of the Schering integration from 30 June 2007

Consumer Division increased sales by 1%. The consumer market continued to be difficult during 2007, with downward price pressure from our customers, mainly pharmacy retailers and national supermarkets

During 2007 the Polymer products business achieved an increasing share of the diminishing UK market, resulting in turnover remaining stable

Principal risks and uncertainties

The company has put in place internal controls to deter fraud and regularly revises these fraud prevention controls as part of its Internal Controls Systems management process. The company also monitors external fraud threats and internal threats via its 'KonTraG' risk management system and takes appropriate risk reduction actions

The company put in place a Fraud Response Plan during 2006. This consists of a Fraud Investigation Protocol, which strictly controls how fraud investigations are to be conducted and what admissible evidence is acquired. Fraud investigations are carried out independently, under the terms of the Protocol, by appropriately experienced and qualified persons within the company, who are not members of the Finance department, and by Internal Audit staff of the Ultimate Parent. No material investigations were undertaken during 2007

The company carries out market research to ensure that its products are sold at competitive prices. In the case of pharmaceutical products, the prices are regulated by the Pharmaceutical Price Regulation Scheme (PPRS). The OFT reported on their investigation into the efficacy of the PPRS during 2007. As a result, the Department of Health (DOH) have agreed with the industry body (ABPI) to renegotiate the 2005 Scheme. The DOH have issued notice to terminate the current scheme as at 31st August 2008

The company also maintains good Corporate Governance practice in educating its staff about avoiding anti-competitive or cartel-type practices. During 2007, there was a global initiative to educate managers and employees on their responsibilities for "Corporate Compliance". Supply Chain risks (including price risks) are regularly monitored as part of the company's risk management practices

Financial Risk Management

The company's operations expose it to limited financial risks that include credit risk, liquidity risk, interest rate risk and foreign exchange risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department

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Directors' Report (continued) For the year ended 31 December 2007

Price risk

The company is exposed to commodity price risk as a result of its operations. Due consideration is given to forward provisioning of key commodities when market conditions dictate. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Credit insurance is taken out where available.

Liquidity risk

The company actively maintains a mixture of short-term inter-company and debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company pays interest on its external debt at a variable rate, the debt is not considered significant enough to warrant hedging. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Foreign exchange risk

The company's exposure to foreign currency risk is not considered by the directors to be significant because the majority of its goods purchased for the domestic business and internal sales made are invoiced in sterling. The company's exposure to risk is limited to the relatively few transactions made with external overseas vendors. The company does not hedge against its foreign exchange risk.

Position of the company at the year end

The increase in working capital was mainly caused by the integration of the former Schering Healthcare business into Bayer Plc.

The company takes management of working capital, and, in particular, liquidity very seriously. As well as monitoring these risks within the company, liquidity and working capital management is also closely monitored by the ultimate parent, Bayer AG.

Analysis based on key performance indicators

The turnover in 2007 rose by £58.2m (25.0%) compared to the previous year as a direct result of the Schering acquisition in the current year.

Operating profit margins fell from 3.6% to 1.9% mainly due to the Schering restructuring costs of £8.933m in the year. After adjusting for exceptional items in both years the operating margin in the current year was 4.9% compared to 5.5% in 2006, due to lower costs of raw materials and other consumables in the previous year.

The decrease in profit before tax from £153,419,000 to £33,522,000 reflects the impact of the sale of Bayer Diagnostics Manufacturing (Sudbury) Limited in the prior year. The resulting profit on that transaction was £139,321,000 in 2006 and a loss of £3,051,000 in 2007.

Bayer Plc staff numbers remained relatively constant starting the year at 608 and ending the year at 664, increasing only by the additional staff from the Schering acquisition. Staff turnover which excludes any redundancies or early retirements remains low by national standards.

Each year training and development needs analysis is undertaken across all sites. In addition to training and development, the UK undertakes an assessment of individuals to identify candidates with potential for senior management. This information is forwarded via the various parts of the UK organisation into the Bayer Potential and Organisation Conferences (POCs) which take place on a regional and functional basis.

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Directors' Report (continued) For the year ended 31 December 2007

Results and dividends

The results for the year are set out on page 7

The directors do not recommend payment of an ordinary dividend (2006 £nil)

Research and development

The company is committed to product improvement and does so through extensive product development. Development in the United Kingdom is carried out primarily by the Pharmaceutical Business Group. Considerable other research and development is carried out world-wide by other group companies.

Future developments

At present there are no acquisition plans for 2008 and we see the year ahead as a time for consolidation of the newly acquired Schering business.

Directors

The following directors have held office since 1 January 2007

F-J Berners

M S Dawkins

Charitable donations

During the year, the sum of £4,821 (2006 £13,439) was donated to a number of United Kingdom charitable organisations. No payments were made for political purposes (2006 £nil).

Employee involvement

The company actively continues its policy of employee consultation by way of a voluntary staff association elected by all employees on a democratic basis.

Meetings are held regularly at all sites where the views of staff members are sought and management has an opportunity to inform staff of developments within the company and its financial standing and prospects. All staff are kept informed by way of published minutes of these meetings and also by way of the in-house magazine containing articles on the company's performance and plans.

Disabled persons

It is the company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue wherever possible the employment of staff who become disabled and to provide equal opportunities for the training, career development and promotions of disabled employees.

Creditor payment policy

It is the company's policy to pay liabilities to creditors within credit terms agreed with suppliers. The company follows the CBI's Prompt Payers Code. (Copies are available from the CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU).

The number of days represented by trade creditors is 19 days (2006 24 days).

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, PricewaterhouseCoopers LLP, will be deemed to be reappointed for each succeeding financial year.

Bayer Plc

Directors' Report (continued) For the year ended 31 December 2007

Directors' responsibilities

Company law requires the directors 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 that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2007 and that applicable accounting standards have been followed.

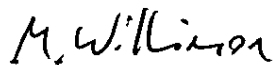
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each person who is a director at the date of approval of this report confirms that

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



M A Wilkinson

Secretary

27 March 2008

Bayer Plc

Independent Auditors' Report To the Members of Bayer Plc

We have audited the financial statements of Bayer Plc for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

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Independent Auditors' Report (continued) To the Members of Bayer Plc

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Reading

Date *27 March 2008*

Bayer Plc

Profit And Loss Account For the year ended 31 December 2007

		2007	2006
	Notes	£ 000's	(as restated) £ 000's
Turnover	2		
Continuing operations		228,788	211,883
Acquisitions		61,987	1,587
Discontinued activities		-	19,085
		<hr/>	<hr/>
		290,775	232,555
Change in stocks of finished goods and work in progress		(764)	(575)
Other operating income		302	54
		<hr/>	<hr/>
		290,313	232,034
		<hr/>	<hr/>
Raw materials and other consumables		(188,826)	(123,626)
Other external charges		(1,793)	(6,202)
Staff costs	24		
- Normal		(53,508)	(41,486)
- Special	5	-	(4,400)
Depreciation		(958)	(802)
Other operating charges		(30,882)	(47,056)
Restructuring costs	5	(8,933)	-
		<hr/>	<hr/>
Operating profit	4		
Continuing operations		12,613	12,547
Acquisitions		(7,200)	(3,049)
Discontinued activities		-	(1,036)
		<hr/>	<hr/>
		5,413	8,462
(Loss)/profit on sale of subsidiary	5	(3,051)	139,321
Profit on sale of business group	5	19,831	-
Restructuring costs	5	-	(175)
		<hr/>	<hr/>
Profit on ordinary activities before interest		22,193	147,608
Interest receivable and similar income	6	10,620	7,142
Other finance income	7	2,167	1,708
Interest payable and similar charges	8	(1,458)	(3,039)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		33,522	153,419
Tax on profit on ordinary activities	9	(12,414)	(5,050)
		<hr/>	<hr/>
Retained profit for the financial year	19	21,108	148,369
		<hr/>	<hr/>

There are no material differences between the profit on ordinary activities before taxation and the profit for the years stated above and their historical cost equivalents

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Statement Of Total Recognised Gains And Losses For the year ended 31 December 2007

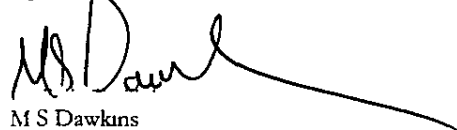
		2007	2006
	Notes	£ 000's	(as restated) £ 000's
Profit for the financial year		21,108	148,369
Actuarial gain on pension scheme		20,129	277
Movement on deferred tax relating to pension scheme		(6,038)	(83)
Total recognised gains and losses relating to the year		35,199	148,563
Prior year adjustment	26	(11,130)	
Total gains and losses recognised since last financial statements		24,069	

Bayer Plc

Balance Sheet As at 31 December 2007

		2007	2006 (as restated)
	Notes	£ 000's	£ 000's
Fixed assets			
Intangible assets	11	26,836	31,860
Tangible assets	12	5,420	5,999
		<u>32,256</u>	<u>37,859</u>
Current assets			
Stocks	13	9,297	8,533
Debtors	14	266,433	240,181
Cash at bank and in hand		10,259	5,203
		<u>285,989</u>	<u>253,917</u>
Creditors amounts falling due within one year	15	<u>(114,842)</u>	<u>(103,402)</u>
Net current assets		<u>171,147</u>	<u>150,515</u>
Total assets less current liabilities		<u>203,403</u>	<u>188,374</u>
Provisions for liabilities and charges	16	<u>(6,218)</u>	<u>(2,963)</u>
Net assets excluding pension scheme asset/(liability)		<u>197,185</u>	<u>185,411</u>
Pension scheme asset/(liability)	17	<u>12,295</u>	<u>(11,130)</u>
Net assets including pension scheme asset/(liability)		<u><u>209,480</u></u>	<u><u>174,281</u></u>
Capital and reserves			
Called up share capital	18	25,062	25,062
Share premium account	19	10,655	10,655
Other reserves	19	7,373	7,373
Profit and loss account	19	166,390	131,191
Equity shareholders' funds	20	<u><u>209,480</u></u>	<u><u>174,281</u></u>

Approved by the Board and authorised for issue on



M S Dawkins
Director

27 March 2008

Bayer Plc

Notes To The Financial Statements For the year ended 31 December 2007

1 Accounting policies

1.1 Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below together with an explanation of where changes have been made to previous policies on the adoption of new accounting policies in the year.

1.2 Changes in accounting policies

The company has taken early adoption of the new provisions of FRS 17 'Retirement benefits' and has also changed its accounting policy in respect of the Bayer Group Pension Plan, disclosing it as a defined benefit scheme in accordance with the full provisions of FRS 17. This scheme was previously reported as a defined contribution scheme, as the scheme was a multi-employer scheme where the assets and liabilities were not separable between the participating companies.

The full details of the changes are disclosed in note 26 to the accounts.

1.3 Cash flow statement and related party disclosures

The company is a subsidiary of Bayer HealthCare AG which is a wholly-owned subsidiary of Bayer AG and is included in the consolidated financial statements of Bayer AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bayer AG group or investees of the Bayer AG group.

1.4 Turnover

Turnover represents goods and services provided net of discounts and is recognised when these goods have been delivered and services have been received, and includes commission receivable from indent sales and excludes value added tax. Other operating income represents other miscellaneous income.

1.5 Goodwill

Purchased goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is capitalised and written off on a straight line basis over its estimated useful economic life or 20 years, whichever is shorter.

1.6 Marketing rights

Marketing rights are capitalised and stated at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives which are estimated to be 10 years.

1.7 Research and development

Expenditure on research, development and clinical trials is written off in the year in which it is incurred.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	20 - 50 years dependent on lease term
Plant and machinery	2 - 15 years
Fixtures, fittings & equipment	3 - 10 years
Rental equipment	3-5 years

No depreciation is provided in respect of freehold land or assets in the course of construction until they have been completed and transferred to the relevant asset class.

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Notes To The Financial Statements (continued) For the year ended 31 December 2007

1 Accounting policies (continued)

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition

1.9 Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term

Income in respect of operating leases is taken on a straight-line basis over the lease term

1.10 Stock

Stocks are stated at the lower of cost and net realisable value after provisions for obsolescence. In general, cost is determined on a moving average basis. Stocks on consignment and their related obligations are recognised when the risk and rewards of ownership pass to the company

1.11 Pensions

The company operates a defined benefit pension scheme for the benefit of its employees, the assets of which are held separately from those of the company in independently administered funds

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 17 represents contributions payable to the company fund

1.12 Deferred taxation

Provision is made for deferred tax liabilities and assets only to the extent that the directors consider it more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted, in accordance with FRS 19

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

1.13 Foreign currency translation

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction or at an average rate for the relevant month where that provides a close approximation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account

1.14 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Bayer AG, a company incorporated in Germany, and is included in the consolidated accounts of that company

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Notes To The Financial Statements (continued) For the year ended 31 December 2007

1 Accounting policies (continued)

1 15 Impairment

Where events or changes in circumstances indicate that the carrying amount of a fixed asset or goodwill may not be recoverable an impairment review is performed. An impairment write down is recognised to the extent that the carrying amount of the asset exceeds the higher of net realisable value and value-in-use. Estimated future cash flows are discounted to present value using an appropriate discount rate which represents an estimate of the rate that the market would expect on an equally risky investment.

1 16 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2 Turnover

	2007 £ 000's	2006 £ 000's
Class of business		
Marketing of HealthCare and Polymer products	256,718	206,996
Provision of administration services to group companies	34,057	25,559
	<u>290,775</u>	<u>232,555</u>

Geographical market

	2007 £ 000's	2006 £ 000's
United Kingdom	235,075	188,287
Rest of Europe	55,700	44,268
	<u>290,775</u>	<u>232,555</u>

The company's turnover originates entirely in the UK and is wholly attributable to its principal trading activities as discussed in the Director's Report. The company's net assets are entirely based in the UK.

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Notes To The Financial Statements (continued) For the year ended 31 December 2007

3 Expenditure analysis

	2007			2006 as restated		
	Continuing £ 000's	Discontinued £ 000's	Total £ 000's	Continuing £ 000's	Discontinued £ 000's	Total £ 000's
Raw materials and consumables	188,826	-	188,826	123,716	(90)	123,626
Change in stocks of finished goods and work in progress	764	-	764	575	-	575
Other external charges	1,793	-	1,793	3,638	2,564	6,202
Staff costs	53,508	-	53,508	32,559	8,927	41,486
Depreciation	958	-	958	733	69	802
Other operating charges	39,815	-	39,815	42,805	4,251	47,056
Other operating income	(302)	-	(302)	(54)	-	(54)
Special pension contributions	-	-	-	-	4,400	4,400
	<u>285,362</u>	<u>-</u>	<u>285,362</u>	<u>203,972</u>	<u>20,121</u>	<u>224,093</u>

On 30 June 2007, Bayer Plc purchased the trade and assets of Schering Health Care Limited. The business previously undertaken by Schering Health Care Limited has been shown as an acquisition in these financial statements.

The total figures for continuing operations in 2007 include the following amounts relating to acquisitions: raw materials and other consumables £41,393,000 (2006 £nil), other external charges £241,000 (2006 £nil), depreciation £93,000 (2006 £587,000), other operating charges £nil (2006 £1,303,000), other operating income £nil (2006 £26,000), and special pension contributions £nil (2006 £nil).

Detailed information on staff costs is not available due to the significant impact the acquisition had on the existing business structure and the extended period over which this integration took place. In the prior year staff costs included £5,326,000 relating to acquisitions.

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Notes To The Financial Statements (continued) For the year ended 31 December 2007

4	Operating profit	2007 £ 000's	2006 £ 000's
	Operating profit is stated after charging		
	Amortisation of intangible assets	4,838	4,916
	Depreciation of owned tangible assets	958	921
	Loss on foreign exchange transactions	-	302
	Research and development	3,066	870
	Operating lease rentals		
	- Plant and machinery	460	1,482
	- Other assets	1,359	1,296
	Auditors' remuneration	220	154
	Remuneration of auditors for non-audit work - regulatory work	2	22
	and after crediting		
	Profit on disposal of tangible assets	-	(17)
	Profit on foreign exchange transactions	(147)	-
	Depreciation recharged to group company	-	(119)

5 Exceptional items

(i) Sale of subsidiary undertaking

On 31 December 2006 the company sold the entire share capital in its subsidiary undertaking, Bayer Diagnostics Manufacturing (Sudbury) Limited for consideration of EUR 233,755,000. The resulting profit arising from this sale was £139,321,000. Further costs incurred during 2007 relating to this sale amounted to £3,051,000. The tax effect of this is £nil.

(ii) Special pension contributions

The sale of trade and assets mentioned above was a cessation event under the Pensions Act 1995. Following an application for clearance on the transaction made to the Pensions Regulator, the company paid £4,400,000 into the Bayer Diagnostics Pension Plan in the prior year as a special contribution. Any future liabilities were transferred to the vendors.

(iii) Restructuring costs

Arising from the sale of the Diagnostics business group in the prior year were restructuring costs to prepare the business group for divestment totalling £174,559. The tax effect of this was to create a tax credit of £52,000.

On 30 June 2007 the company acquired the trade and assets of Schering Health Care Limited. The costs relating to the integration amounted to £8,933,000. The associated tax credit is £2,679,000.

(iv) Sale of business group

On 1 January 2007 the company sold its diagnostics business group to Siemens AG. The profit resulting from this is £19,831,000 and the tax effect of this is a charge of £6,005,000.

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Notes To The Financial Statements (continued) For the year ended 31 December 2007

6	Interest receivable and similar income	2007	2006
		£ 000's	£ 000's
	Income from shares in group undertakings	-	4,000
	Interest receivable from group companies	10,002	3,123
	Bank interest	618	19
		<hr/>	<hr/>
		10,620	7,142
		<hr/>	<hr/>
7	Other finance income	2007	2006
		£ 000's	£ 000's
	Net interest on pension scheme (note 17)	2,167	1,708
		<hr/>	<hr/>
		2,167	1,708
		<hr/>	<hr/>
8	Interest payable	2007	2006
		£ 000's	£ 000's
	On amounts payable to group companies	1,458	2,842
	On bank loans and overdrafts	-	197
		<hr/>	<hr/>
		1,458	3,039
		<hr/>	<hr/>

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Notes To The Financial Statements (continued) For the year ended 31 December 2007

9	Taxation	2007 £ 000's	2006 £ 000's
	Domestic current year tax		
	U K. corporation tax	8,287	1,371
	Adjustment for prior years	959	-
	Current tax charge	<u>9,246</u>	<u>1,371</u>
	Deferred tax		
	Deferred tax charge current year	3,923	3,372
	Deferred tax adjustment for previous year	(415)	307
	Effect of change in corporation tax rate	(340)	-
	Deferred tax charge	<u>3,168</u>	<u>3,679</u>
	Total tax charge on profit on ordinary activities	<u>12,414</u>	<u>5,050</u>
	Deferred tax charge is analysed as		
	Deferred tax re pensions	3,498	4,735
	Deferred tax re capital allowances and other timing differences (note 15)	(330)	(1,056)
		<u>3,168</u>	<u>3,679</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>33,522</u>	<u>153,419</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>10,057</u>	<u>46,026</u>
	Effects of		
	Non deductible expenses	1,238	1,714
	Non taxable UK dividends received	-	(1,200)
	Non taxable gain on disposal of subsidiary	915	(41,797)
	Accelerated capital allowances	(3,923)	(3,372)
	Adjustments to previous periods	959	-
		<u>(811)</u>	<u>(44,655)</u>
	Current tax charge	<u>9,246</u>	<u>1,371</u>

Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year

The standard rate of corporation tax in the UK changes to 28% with effect from 1 April 2008

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

10	Dividends on equity shares	2007 £ 000's	2006 £ 000's
	Ordinary interim paid	-	10,000

The directors have not proposed a final dividend for 2007 (2006 £Nil) The dividend per share for the prior year was £0.40

11	Intangible fixed assets	Marketing Rights £ 000's	Goodwill £ 000's	Total £ 000's
	Cost			
	At 1 January 2007	17,390	31,353	48,743
	Disposals	(355)	-	(355)
	At 31 December 2007	17,035	31,353	48,388
	Aggregate amortisation			
	At 1 January 2007	10,616	6,267	16,883
	Amortisation on disposals	(169)	-	(169)
	Charge for the year	1,703	3,135	4,838
	At 31 December 2007	12,150	9,402	21,552
	Net book value			
	At 31 December 2007	4,885	21,951	26,836
	At 31 December 2006	6,774	25,086	31,860

Marketing rights and goodwill arose on the purchase of the UK and Irish OTC business of Roche in 2005 and are being written off over 10 years. Other goodwill is being written off over its estimated useful life of 10 years.

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

12 Tangible fixed assets

	Land and buildings Leasehold £ 000's	Plant and machinery £ 000's	Fixtures, fittings & equipment £ 000's	Rental equipment £ 000's	Assets in the course of construction £ 000's	Total £ 000's
Cost						
At 1 January 2007	4,755	32	7,534	458	33	12,812
Additions	-	-	-	-	223	223
Transfer of assets under construction	98	-	105	-	(203)	-
Transfer from group companies	-	-	494	-	-	494
Disposals	-	-	(303)	-	-	(303)
At 31 December 2007	4,853	32	7,830	458	53	13,226
Depreciation						
At 1 January 2007	798	29	5,687	299	-	6,813
Transfer from group companies	-	-	282	-	-	282
On disposals	-	-	(247)	-	-	(247)
Charge for the year	356	1	512	89	-	958
At 31 December 2007	1,154	30	6,234	388	-	7,806
Net book value						
At 31 December 2007	3,699	2	1,596	70	53	5,420
At 31 December 2006	3,957	3	1,847	159	33	5,999

Transfer from group companies represents the assets transferred from Schering HealthCare Limited, a fellow subsidiary company

13 Stocks

	2007 £ 000's	2006 £ 000's
Finished goods and goods for resale	9,297	8,533

At 31 December 2007, the company held £25.2 million (2006 £29.3 million) of consignment stocks on a sale or return basis from Bayer SRL, Bayer Basle, BSP AG and Bayer Health Care AG. Since these stocks remain the property of the parent company until sold to third parties, they are included on the balance sheet of that company and not included in Bayer Plc's assets.

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

14 Debtors	2007 £ 000's	2006 £ 000's
Trade debtors	52,116	36,306
Amounts owed by parent and fellow subsidiary undertakings	207,493	195,214
Corporation tax	-	2,387
Other debtors	5,221	6,030
Prepayments and accrued income	1,603	244
	<u>266,433</u>	<u>240,181</u>

Included within amounts owed by parent and fellow subsidiary undertakings is an amount of £38,000,000 (2006 £25,000,000) owed by Bayer AGCO Limited and Bayer Agriculture Limited. These loans accrue interest at a rate of 6.1% and are repayable on 23 January 2008. There is also an amount of £145,000,000 (2006 £136,723,000) owed by Bayer AG which accrues interest at a rate of 5.8% and is repayable on 23 January 2008. All other amounts are repayable on demand and are non interest bearing.

Amounts owed by group companies are secured by the holding company.

15 Creditors amounts falling due within one year	2007 £ 000's	2006 £ 000's
Bank loans and overdrafts	-	27,000
Trade creditors	16,672	10,993
Amounts owed to parent and fellow subsidiary undertakings	72,648	50,638
Corporation tax	5,421	-
Other taxation and social security	1,204	1,420
Other creditors	2,289	1,784
Accruals and deferred income	16,608	11,567
	<u>114,842</u>	<u>103,402</u>

Included within amounts owed by parent and fellow subsidiary undertakings is an amount of £22,313,000 (2006 £28,000,000) owed to Bayer CropScience Holdings Limited and Schering Holdings Limited. These loans accrue interest at rates of 5.8% and 5.4% respectively and are repayable on 23 January 2008. There is also an amount of £1,175,000 (2006 £nil) owed to Schering HealthCare Limited which accrues interest at a rate of 5.8% and is repayable on 1 February 2008. All other amounts are repayable on demand and are non interest bearing.

Amounts owed to group companies are secured by the holding company.

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

16 Provisions for liabilities and charges

	Deferred tax liability	Other	Total
	£ 000's	£ 000's	£ 000's
Balance at 1 January 2007	439	2,524	2,963
Profit and loss account	(345)	3,585	3,240
Transfers from group company	15	-	15
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2007	109	6,109	6,218
	<hr/>	<hr/>	<hr/>

Other provisions represent building retirement obligations, restructuring and long term service awards

The deferred tax liability is made up as follows

	2007	2006
	£ 000's	£ 000's
Accelerated capital allowances	1,363	2,001
Other timing differences	(1,254)	(1,562)
	<hr/>	<hr/>
	109	439
	<hr/>	<hr/>

During the year, as a result of the change in UK Corporation Tax rates which will be effective from 1 April 2008, deferred tax balances have been remeasured. Deferred tax relating to timing differences which are expected to reverse prior to 1 April 2008 is measured at 30% and deferred tax relating to timing differences expected to reverse after 1 April 2008 is measured at the tax rate of 28% as these are the tax rates that will apply on reversal.

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

17 Pension costs

Defined benefit - Bayer Group Pension Plan and Schering Health Care Limited Pension Scheme

The company operates two funded defined benefit pension schemes in the UK, the Bayer Group Pension Plan (BGPP) and the SHCL Pension Scheme (SHCLPS). The assets of the funds are held separately from those of the company in separate trustee administered funds. Contributions to the funds are charged to the profit and loss account so as to spread the cost of pensions over members' future working lives. The contributions are determined with the advice of an independent qualified actuary on the basis of regular valuations.

The BGPP sponsoring companies have agreed to contributions of 21% of members' pensionable pay and to make deficiency payments totalling £11.3m by 31 July 2007.

For the SHCLPS, the company has agreed to match contributions and pay an additional 10.5% of members' pensionable pay towards administration expenses.

The company also operates an unfunded unapproved benefit arrangement for one employee of Bayer Plc.

The actuarial valuations of the funds and the unfunded unapproved arrangement were updated to 31 December 2007 by an independent qualified actuary in accordance with FRS 17. As required by FRS 17, the defined benefit liabilities have been measured using the projected unit method.

Defined contribution - Bayer Group Pension Plan

Certain employees of Bayer Plc are part of the defined contribution section of the Bayer Group Pension Plan. The cost of the contributions to the scheme amount to £3,672,000 (2006 £615,000).

The amounts recognised in the profit and loss account are as follows

	2007	2006
	£ 000's	as restated £ 000's
Defined benefit pension plans		
Current service cost	2,605	4,467
Interest cost	16,358	12,654
Expected return on assets	(18,917)	(14,374)
Adjustment to return on assets for limit in paragraph 41 of FRS 17	375	-
Pension expense before special events	421	2,747
Cost of curtailments	424	(4,680)
	<u>845</u>	<u>(1,933)</u>
Split between		
Charged/(credited) to operating profit - staff costs	3,029	(213)
Credited to other finance income	(2,184)	(1,720)
	<u>845</u>	<u>(1,933)</u>

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

17 Pensions costs

(continued)

Unfunded unapproved arrangement

Current service cost	32	25
Interest cost	17	12
	<u>49</u>	<u>37</u>
Split between		
Charged to operating profit - staff costs	32	25
Charged to other finance income	17	12
	<u>49</u>	<u>37</u>

Statement of total recognised gains and losses (STRGL)

	2007	2006
	£ 000's	as restated £ 000's
Defined benefit pension plans		
Actuarial (gain) arising during the year	(20,980)	(331)
Effect of the limit in paragraph 41 of FRS 17	953	-
	<u>(20,027)</u>	<u>(331)</u>
Total gain recognised via STRGL during the year		
	<u>79,898</u>	<u>99,925</u>

Unfunded unapproved arrangement

Actuarial (gain)/loss arising during the year	(102)	54
	<u>(102)</u>	<u>54</u>
Total (gain)/loss recognised via STRGL during the year		
	<u>(135)</u>	<u>(33)</u>

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

17 Pensions costs

(continued)

The principal assumptions for the defined benefit plans and the unfunded plan used by the actuary were

	2007	2006
	%	%
Rate of increase in salaries	4.70	4.30
Rate of increase in pensions payment		
LPI maximum 5%	3.20	2.80
LPI minimum 3%, maximum 5%	3.40	3.15
LPI maximum 2.5%	2.50	2.50
Rate of increase for deferred pensioners	3.20	2.80
Discount rate	5.80	5.10
Inflation assumption	3.20	2.80
Long term rate of return on assets	6.50 to 6.70	6.30 to 6.80
Significant demographic assumptions	PNMA00 / PNFA00 +1.0 year age rating medium cohort improvements	PNMA00 / PNFA00 +1.0 year age rating medium cohort improvements

The overall expected rate of return on assets is determined as the average of the expected return of each major asset, weighted by the assets allocated to each class

Development of the net balance sheet position

	2007	2006
	£'000s	as restated £'000s
Defined benefit pension plans		
Actuarial value of plan liabilities	(332,847)	(293,364)
Fair value of assets	359,671	277,798
Surplus/(deficit) in the plans	26,824	(15,566)
Unrecognised past service cost	-	-
Amount not recognised as an asset due to the limit in paragraph 41 of FRS 17	(9,467)	-
Pension asset / (liability) recognised in the balance sheet	17,357	(15,566)
Unfunded unapproved arrangement		
Actuarial value of plan liabilities	(281)	(334)
Fair value of assets	-	-
Surplus/(deficit)	(281)	(334)
Unrecognised past service cost	-	-
Amount not recognised as an asset due to the limit in paragraph 41 of FRS 17	-	-
Pension (liability) recognised in the balance sheet	(281)	(334)

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

17 Pensions costs

(continued)

Reconciliation to the balance sheet

	2007	2006
	£ 000's	as restated £ 000's
Defined benefit pension plans		
Net pension liability at 1 January	(15,566)	(31,718)
Transfer on acquisition of Schering Health Care Limited	1,526	-
Disclosed pension expense for year	(845)	1,933
Employer contributions	12,215	13,888
Gain recognised via the STRGL	20,027	331
	<hr/>	<hr/>
Net pension asset/(liability) at 31 December before deferred tax	17,357	(15,566)
Related deferred tax (liability)/asset	(4,860)	4,670
	<hr/>	<hr/>
Net pension asset/(liability) at 31 December after deferred tax	<u>12,497</u>	<u>(10,896)</u>

Unfunded unapproved arrangement

Net pension liability at 1 January	(334)	(243)
Disclosed pension expense for year	(49)	(37)
Gain/(loss) recognised via the STRGL	102	(54)
	<hr/>	<hr/>
Net pension liability at 31 December before deferred tax	(281)	(334)
Related deferred tax asset	79	100
	<hr/>	<hr/>
Net pension liability at 31 December after deferred tax	<u>(202)</u>	<u>(234)</u>

Expected contributions for the year ended 31 December 2008

	£ 000's
Defined benefit pension plans	
Employer	<u>1,651</u>
Unfunded unapproved arrangement	
Employer	<u>-</u>

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

17 Pensions costs (continued)

Plan asset information	2007	2006 as restated
Defined benefit pension plans	£ 000's	£ 000's
Equity securities	166,445	126,030
Debt securities	164,191	119,625
Property	26,294	30,475
Other	2,741	1,668
Fair value of assets	359,671	277,798

There were no amounts included in the fair value of scheme assets for the company's own financial instruments, nor for property occupied by, or other assets used by, the company

Five year history of assets, liabilities and surplus or deficit in the plans

Defined benefit pension plans	2007 £ 000's	2006 £ 000's
Asset experience		
Asset (gain)/loss during year	6,447	(128,565)
Asset (gain)/loss expressed as a percentage of plan assets	1.80%	(46.28%)
Liability experience		
Liability (gain)/loss during year	(27,427)	128,234
Liability (gain)/loss expressed as a percentage of plan liabilities	(8.20%)	43.71%
Surplus/(deficit)		
Actuarial value of plan liabilities	(332,847)	(293,364)
Fair value of assets	359,671	277,798
Surplus/(deficit) in the plan	26,824	(15,566)

Information relating to the defined benefit schemes' assets, liabilities and surplus/(deficit) for 2005 and prior has not been disclosed due to insufficient actuarial information

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

17 Pensions costs

(continued)

	2007 £ 000's	2006 £ 000's	2005 £ 000's
Unfunded unapproved arrangement			
Asset experience			
Asset (gain)/loss during period	-	-	-
Asset (gain)/loss expressed as a percentage of plan assets	0%	0%	0%
Liability experience			
Liability (gain)/loss during period	(102)	54	62
Liability (gain)/loss expressed as a percentage of plan liabilities	(36 30%)	16 20%	25 50%
Surplus/(deficit)			
Actuarial value of plan liabilities	(281)	(334)	(243)
Fair value of assets	-	-	-
Surplus/(deficit) in the plan	(281)	(334)	(243)

Information relating to the unfunded unapproved arrangement's assets, liabilities and surplus/(deficit) for 2004 and before has not been disclosed due to insufficient actuarial information

Change in plan liabilities

	2007 £ 000's	2006 as restated £ 000's
Defined benefit pension plans - wholly or partly funded		
Plan liabilities at 1 January	293,364	161,664
Current service cost	2,605	4,467
Interest cost	16,358	12,654
Contributions from scheme participants	102	40
Actuarial (gain)/loss	(27,427)	128,234
Benefits paid from plan assets	(12,087)	(9,015)
Acquisitions/divestitures	59,508	-
Curtailements	424	(4,680)
Plan liabilities at 31 December	332,847	293,364

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

17 Pensions costs (continued)

Unfunded unapproved arrangement - wholly unfunded

Plan liabilities at 1 January	334	243
Current service cost	32	25
Interest cost	17	12
Actuarial (gain)/loss	(102)	54
	<hr/>	<hr/>
Plan liabilities at 31 December	281	334
	<hr/>	<hr/>

Change in plan assets

	2007	2006
	£ 000's	as restated £ 000's
Defined benefit pension plans - wholly or partly funded		
Fair value of assets at 1 January	277,798	129,946
Expected return on assets	18,917	14,374
Actuarial gains and losses on assets	(6,447)	128,565
Employer contributions	12,215	13,888
Employee contributions	102	40
Benefits paid	(12,087)	(9,015)
Acquisitions/divestitures	69,173	-
	<hr/>	<hr/>
Fair value of assets at 31 December	359,671	277,798
	<hr/>	<hr/>

18 Share capital	2007	2006
	£ 000's	£ 000's
Authorised		
30,000,000 Ordinary shares of £1 each	30,000	30,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
25,062,356 Ordinary shares of £1 each	25,062	25,062
	<hr/>	<hr/>

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

19 Statement of movements on reserves

	Share premium account	Other reserves (see below)	Profit and loss account as restated
	£ 000's	£ 000's	£ 000's
Balance at 1 January 2006 as previously reported	10,655	7,373	15,001
Prior year adjustment (note 25)	-	-	(22,373)
Balance at 1 January 2006 as restated	10,655	7,373	(7,372)
Profit for the year as restated	-	-	148,369
Actuarial gains or losses on pension scheme assets	-	-	277
Movement on deferred tax relating to pension asset	-	-	(83)
Dividends paid	-	-	(10,000)
Balance at 31 December 2006	10,655	7,373	131,191
Balance at 1 January 2007 as previously reported	10,655	7,373	142,321
Prior year adjustment (note 25)	-	-	(11,130)
Balance at 1 January 2007 as restated	10,655	7,373	131,191
Profit for the year	-	-	21,108
Actuarial gains or losses on pension scheme assets	-	-	20,129
Movement on deferred tax relating to pension asset	-	-	(6,038)
Balance at 31 December 2007	10,655	7,373	166,390
General reserves			
Balance at 1 January 2007 & at 31 December 2007		7,373	

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

20 Reconciliation of movements in shareholders' funds	2007	2006 (as restated)
	£ 000's	£ 000's
Profit for the financial year	21,108	148,369
Dividends	-	(10,000)
	<hr/>	<hr/>
	21,108	138,369
Actuarial gain on pension scheme	20,129	277
Movement on deferred tax relating to pension plans	(6,038)	(83)
	<hr/>	<hr/>
Net addition to shareholders' funds	35,199	138,563
	<hr/>	<hr/>
Opening equity shareholders funds as previously reported	185,411	58,091
Prior year adjustment (note 26)	(11,130)	(22,373)
	<hr/>	<hr/>
Opening equity shareholders' funds as restated	174,281	35,718
	<hr/>	<hr/>
Closing equity shareholders' funds	209,480	174,281
	<hr/>	<hr/>

21 Contingent liabilities

The company has, in respect of certain UK bank facilities, entered into a cross-guarantee arrangement with fellow UK subsidiaries of Bayer AG. There was no contingent liability arising from this arrangement at 31 December 2007 (2006 £nil).

22 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Land and buildings		Other	
	2007	2006	2007	2006
	£ 000's	£ 000's	£ 000's	£ 000's
Operating leases which expire				
Within one year	-	200	115	16
Between two and five years	-	-	398	290
In over five years	2,277	2,578	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,277	2,778	513	306
	<hr/>	<hr/>	<hr/>	<hr/>

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

23 Directors' emoluments	2007 £ 000's	2006 £ 000's
Remuneration	254	456
	<u>254</u>	<u>456</u>

Emoluments disclosed above (excluding pension contributions) include amounts paid to

The highest paid director	254	372
	<u>254</u>	<u>372</u>

No retirement benefits have been accrued for the directors (2006 Nil) under the Bayer Group Pension Plan

The emoluments of the other directors during the current and prior period were paid by other group companies for services to the group as a whole, and the directors received no separate emoluments for their services to this company

No recharge for any of these services was made to the company and no apportionment of their total remuneration for these services is practicable. Where required by local legislation, their remuneration is disclosed in the accounts of their employer

24 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Sales and Marketing	389	399
Research and Development	84	67
General Administration	191	142
	<u>664</u>	<u>608</u>

Employment costs

	2007 £ 000's	2006 as restated £ 000's
Wages and salaries	43,624	37,206
Social security costs	3,292	3,188
Other pension costs	6,592	1,092
	<u>53,508</u>	<u>41,486</u>

Bayer Plc

Notes To The Financial Statements (continued) For the year ended 31 December 2007

25 Ultimate parent undertaking and controlling party

At 31 December 2007, the company's immediate parent company is considered by the directors to be Bayer HealthCare AG, which is incorporated in Germany. The ultimate parent undertaking and controlling party is Bayer AG which is incorporated in Germany and is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the financial statements of Bayer AG may be obtained from

Investor Relations
Bayer AG
Kaiser-Wilhelm Allee
51368 Leverkusen
Germany

26 Prior year adjustment

The company has previously applied the exemption from disclosing its defined benefit schemes in accordance with the provisions of FRS 17 'Retirement benefits' as it was a multi-employer scheme and it was not possible to obtain details of the assets and liabilities and related profit and loss account disclosure information in respect of each participating company. The contributions were previously reported as though the pension scheme was a defined contribution scheme. During the year the company obtained the detailed information allocating the scheme assets and liabilities across each participating employer and so the Bayer Group Pension Plan and the Unfunded Unapproved pension arrangement are now accounted for as defined benefit schemes in accordance with the full provisions of FRS 17. This change in accounting policy has been incorporated as a prior year adjustment. The effect of this adjustment is to decrease reserves at 1 January 2006 by £22,373,000, increase prior year profit by £11,049,000, increase gains in the statement of total recognised gains and losses by £277,000 and to increase the net pension liability at 31 December 2006 by £11,130,000. The resultant change in the prior year tax charge is £4,735,000.

The impact on the current year's profit and loss account has not been disclosed as it is impracticable to obtain this information.