

**Astra Tech Limited**

**Directors' report and financial  
statements**

**Registered number 1480123**

**31 December 2000**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activities

The principle activity of the company during the period was the sale and distribution of hospital disposable surgical and dental products.

### Business review

The trading profit for the year after taxation was £1,273,049 (1999: £1,210,604).

### Research and development

No research and development activity was undertaken during the year.

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Directors and directors' interests

The directors who held office during the year were as follows:

G Wennerstroem

RJ Seaden

Neither of the directors has any beneficial interests in shares of the company. The directors' interests in the shares of the ultimate parent company are as disclosed below:

	Interest at end of year	Interest at start of year or date of appointment
G Wennerstroem	585	585
RJ Seaden	236	290

## Directors' report *(continued)*

### Directors and directors' interest *(continued)*

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year except as indicated below:

	Number of options during the year			Exercise Price	Date from which exercisable	Expiry Date
	At start of year	Granted	Exercised			Expiry date
G Wennerstroem	-	9,805	-	9,805	2714p	16/03/03 15/03/10

In addition to the above the following director held options under the Astra Shareholder Incentive Plan which were converted into options over AstraZeneca shares on completion of the merger based on an exchange ratio of 0.5045 AstraZeneca options for each Astra option held. None of these options were exercised during 2000 and no further options have been or will be granted under this scheme.

	At start and end of year	Exercise Price SEK	Date from which exercisable	Expiry date
G Wennerstroem	1,525	298.28	11/06/96	31/01/03
	2,198	316.13	07/05/97	09/01/04
	1,615	410.53	25/05/98	14/01/05
	2,456	441.78	16/06/99	23/01/06
	<hr/> 7,794 <hr/>			

### Employees

The company actively encourages the involvement of employees and a stated policy of the company is to provide all members of staff with an individual training programme. The methods of involvement include regular staff meetings and a company journal. The company operates a profit sharing scheme.

The employment policy does not discriminate between employees or potential employees on the grounds of sex, colour, race, ethnic or national origin, marital status or religious beliefs. In the case of the disabled, the company gives full consideration to applications for employment from disabled persons who can demonstrate that they have the necessary abilities. If an employee becomes disabled whilst in employment and, as a result, was unable to perform his/her normal duties, every effort would be made to offer suitable alternative employment and assist with retraining.

## Directors' report *(continued)*

### Political and charitable contributions

The company made no political contributions during the year. Donations to UK charities amounted to £17,000 (1999: £Nil).

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Patricia Trotman  
Secretary

6/4/01

Brunel Way  
Stonehouse  
Gloucestershire  
GL10 3SX

## 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 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 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 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.



## KPMG Audit Plc

PO Box 695  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

### Report of the auditor to the members of Astra Tech Limited

We have audited the financial statements on pages 6 to 16.

#### Respective responsibilities of directors and auditor

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. 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 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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

6/4/01

**Profit and loss account**  
*for the year ended 31 December 2000*

	<i>Note</i>	2000 £	1999 £
<b>Turnover</b>	2	14,920,583	13,118,882
Cost of sales		(9,628,685)	(8,365,550)
<b>Gross profit</b>		5,291,898	4,753,332
Other operating expenses	3	(3,526,994)	(2,978,465)
<b>Operating profit</b>		1,764,904	1,774,867
Interest receivable and similar income	7	190,648	73,698
Interest payable and similar charges	8	(28,863)	(1,052)
<b>Profit on ordinary activities before taxation</b>	4	1,926,689	1,847,513
Tax on profit on ordinary activities	9	(653,640)	(636,909)
<b>Profit on ordinary activities after taxation</b>		1,273,049	1,210,604
Dividends on equity and non-equity shares	10	-	(800,000)
<b>Retained profit for the year</b>		1,273,049	410,604

No separate statement of total recognised gains and losses has been presented as all such gains or losses have been dealt with in the profit and loss account.

The results of the company relate exclusively to continuing operations.



**Balance sheet**  
*at 31 December 2000*

	Note	2000 £	£	1999 £	£
<b>Fixed assets</b>					
Intangible assets	11		-		160,000
Tangible assets	12		220,430		157,859
			<u>220,430</u>		<u>317,859</u>
<b>Current assets</b>					
Stocks	13	675,237		989,597	
Debtors	14	3,274,475		3,453,294	
Cash at bank and in hand		3,367,004		1,310,318	
			<u>7,316,716</u>	<u>5,753,209</u>	
<b>Creditors: amounts falling due within one year</b>	15	(2,904,888)		(2,711,859)	
<b>Net current assets</b>			<u>4,411,828</u>		<u>3,041,350</u>
<b>Net assets</b>			<u>4,632,258</u>		<u>3,359,209</u>
<b>Capital and reserves</b>					
Called up share capital	16	100,000		100,000	
Profit and loss account	17	4,532,258		3,259,209	
<b>Shareholders' funds</b>			<u>4,632,258</u>		<u>3,359,209</u>

These financial statements were approved by the board of directors on 6.4.01 and were signed on its behalf by:



**RJ Seaden**  
Director

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2000*

	2000 £	1999 £
Profit for the financial year	1,273,049	1,210,604
Dividends	-	(800,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,273,049	410,604
Opening shareholders' funds	3,359,209	2,948,605
	<hr/>	<hr/>
Closing shareholders' funds	4,632,258	3,359,209
	<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

#### *Basis of preparation*

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of AstraZeneca PLC, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of AstraZeneca PLC, within which this company is included, can be obtained from the address given in note 20.

#### *Intangible fixed assets and amortisation*

Intangible fixed assets are stated at historical cost. Amortisation is provided on licences over three years.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short leasehold improvements	-	life of lease
Plant and machinery	-	3 to 10 years
Computer equipment	-	3 to 5 years
Office fixtures and fittings	-	5 to 10 years

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Post-retirement benefits*

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

### 2 Analysis of turnover

	<b>Turnover</b>	
	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<i>By geographical market</i>		
United Kingdom	14,829,545	13,018,233
Europe	90,512	85,146
Other	526	15,503
	<hr/>	<hr/>
	14,920,583	13,118,882
	<hr/>	<hr/>

The company's turnover and profit before taxation were all derived from its principal activity.

### 3 Other operating expenses

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Selling and promotion	2,119,506	1,804,012
Distribution costs	691,623	523,751
Administrative expenses	715,865	650,702
	<hr/>	<hr/>
	3,526,994	2,978,465
	<hr/>	<hr/>

**Notes (continued)**

**4 Profit on ordinary activities before taxation**

	2000 £	1999 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration:		
Audit	6,600	6,200
Other services	2,000	1,509
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	56,788	216,925
Hire of plant and machinery - rentals payable under operating leases	216,586	181,423
Hire of other assets - operating leases	101,400	57,950
	<u>          </u>	<u>          </u>

**5 Remuneration of directors**

	2000 £	1999 £
Directors' emoluments (including pension contributions of £10,956 (1999: £10,428))	136,009	113,928
	<u>          </u>	<u>          </u>

	Number of directors 2000	1999
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	1	1
	<u>          </u>	<u>          </u>

## Notes (continued)

### 6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Sales and distribution	37	32
Administration	10	9
	<hr/>	<hr/>
	47	41
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2000	1999
	£	£
Wages and salaries	1,234,766	1,027,035
Social security costs	118,905	106,200
Other pension costs	117,479	88,222
	<hr/>	<hr/>
	1,471,150	1,221,457
	<hr/>	<hr/>

### 7 Interest receivable and similar income

	2000	1999
	£	£
Bank and other interest receivable	190,648	73,698
	<hr/>	<hr/>

### 8 Interest payable and similar charges

	2000	1999
	£	£
Interest payable and similar charges	28,863	1,052
	<hr/>	<hr/>

## Notes (continued)

### 9 Taxation

	2000 £	1999 £
<i>UK corporation tax</i>		
Current tax on income for the period	665,459	644,486
Adjustments in respect of prior periods	(11,819)	(7,577)
	<u>653,640</u>	<u>636,909</u>

### 10 Dividends and other appropriations

	2000 £	1999 £
Equity shares:		
Interim dividend paid	-	800,000
	<u>-</u>	<u>800,000</u>

The aggregate amount of proposed dividends is £Nil (1999 :£Nil).

### 11 Intangible fixed assets

	Licences £
<i>Cost</i>	
At beginning and end of year	480,000
	<u>480,000</u>
<i>Amortisation</i>	
At beginning of year	320,000
Charged in year	160,000
	<u>480,000</u>
At end of year	480,000
	<u>480,000</u>
<i>Net book value</i>	
At 31 December 2000	-
	<u>-</u>
At 31 December 1999	160,000
	<u>160,000</u>

## Notes (continued)

### 12 Tangible fixed assets

	Short leasehold improvements £	Plant and machinery £	Computer equipment £	Office fixtures and fittings £	Total £
<b>Cost</b>					
At beginning of year	40,797	73,034	167,249	135,790	416,870
Additions	-	61,006	37,885	20,468	119,359
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	40,797	134,040	205,134	156,258	536,229
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At beginning of year	10,094	23,055	133,939	91,923	259,011
Charge for year	2,558	9,546	30,485	14,199	56,788
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	12,652	32,601	164,424	106,122	315,799
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 December 2000	28,145	101,439	40,710	50,136	220,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	30,703	49,979	33,310	43,867	157,859
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 13 Stocks

	2000 £	1999 £
Finished goods and goods for resale	675,237	989,597
	<hr/>	<hr/>

### 14 Debtors

	2000 £	1999 £
Trade debtors	3,172,544	2,800,251
Amounts owed by group undertakings	-	544,932
Other debtors	13,044	18
Prepayments and accrued income	88,887	108,093
	<hr/>	<hr/>
	3,274,475	3,453,294
	<hr/>	<hr/>



## Notes (continued)

### 15 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	92,863	36,854
Amounts owed to group undertakings	801,584	977,668
Taxation and social security	1,911,723	1,631,892
Accruals and deferred income	98,718	65,445
	<u>2,904,888</u>	<u>2,711,859</u>

### 16 Called up share capital

	2000 £	1999 £
<i>Authorised</i>		
Equity: Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 17 Reserves

	Profit and loss account £
At beginning of year	3,259,209
Retained profit for the year	<u>1,273,049</u>
At end of year	<u>4,532,258</u>

## Notes (continued)

### 18 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2000		1999	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	47,400	19,782	47,400	82,100
Over five years	54,000	134,553	54,000	114,291
	<hr/>	<hr/>	<hr/>	<hr/>
	101,400	154,335	101,400	196,391
	<hr/>	<hr/>	<hr/>	<hr/>

### 19 Pension scheme

Astra Tech Ltd participates in various AstraZeneca Group Pension Schemes. The actuarial valuations of these schemes are given in the consolidated AstraZeneca PLC group accounts.

The pension expense for the pension schemes amounted to £117,479 (1999: £88,222).

### 20 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of AstraZeneca PLC, incorporated in the UK.

The largest group in which the results of the company are consolidated is that headed by AstraZeneca PLC, incorporated in the UK. The consolidated accounts of this group are available to the public and may be obtained from AstraZeneca PLC, 15 Stanhope Gate, London, W1K 1LN. No other group accounts include the results of the company.