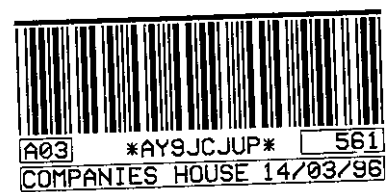


ASTRA TECH LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 1995

COMPANY NUMBER: 1480123

Baker Tilly
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG



ASTRA TECH LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

G Wennerstroem
R J Seaden

SECRETARY

S J Harwood

REGISTERED OFFICE

Stroudwater Business Park
Brunel Way
Stonehouse
Gloucestershire

AUDITORS

Baker Tilly
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

ASTRA TECH LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of Astra Tech Limited for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the distribution of hospital disposable surgical and dental products.

REVIEW OF THE BUSINESS

The year provided a significant increase in sales of existing products whilst overhead costs are contained where possible. It is anticipated that the business will expand further in 1996.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £967,249.

The directors recommend no final dividend be paid on the ordinary shares. An interim dividend of £500,000 (1994:£Nil) was paid which leaves £467,249 to be transferred to reserves.

DIRECTORS

The following directors have held office since 1 January 1995:-

G Wennerstroem
R J Seaden

DIRECTORS' INTERESTS IN SHARES

None of the Directors has any beneficial interest in the shares of the company.

FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 9 to the financial statements.

AUDITORS

Baker Tilly, Chartered Accountants, offer themselves for re-election as auditors to the members at the annual general meeting.

By order of the board

S. J. Harwood

S J Harwood
Secretary

6 February 1996

ASTRA TECH LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF ASTRA TECH LIMITED

We have audited the financial statements on pages 5 to 17.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

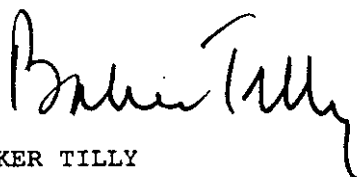
Basis of opinion

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 at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

9 February 1996

ASTRA TECH LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1995

	Notes	1995	1994
TURNOVER	2	7,304,714	5,398,070
Cost of sales		4,247,048	3,003,646
Gross profit		<u>3,057,666</u>	<u>2,394,424</u>
Other operating expenses	3	1,681,281	1,410,879
OPERATING PROFIT		<u>1,376,385</u>	<u>983,545</u>
Investment income	4	64,397	20,575
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>1,440,782</u>	<u>1,004,120</u>
Taxation	7	473,533	345,538
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>967,249</u>	<u>658,582</u>
Dividends	8	500,000	-
INCREASE IN RESERVES	15	<u>£467,249</u>	<u>£658,582</u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

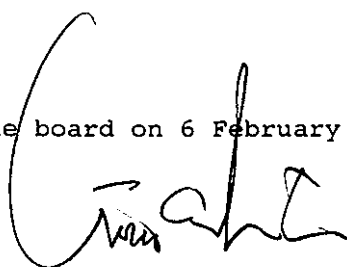
ASTRA TECH LIMITED

BALANCE SHEET

31 December 1995

	Notes	1995	1994
FIXED ASSETS			
Tangible assets	9	122,274	123,833
CURRENT ASSETS			
Stocks	10	547,293	455,853
Debtors	11	1,864,580	1,401,333
Cash at bank and in hand		1,183,681	660,583
		3,595,554	2,517,769
CREDITORS			
Amounts falling due within one year	12	2,175,237	1,563,160
NET CURRENT ASSETS		1,420,317	954,609
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,542,591	1,078,442
PROVISIONS FOR LIABILITIES AND CHARGES			
	13	2,100	5,200
		£1,540,491	£1,073,242
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account	15	1,440,491	973,242
SHAREHOLDERS' FUNDS		£1,540,491	£1,073,242

Approved by the board on 6 February 1996



Director

ASTRA TECH LIMITED

CASH FLOW STATEMENT

for the year ended 31 December 1995

	1995	1994
OPERATING ACTIVITIES		
Operating profit	1,376,385	983,545
Depreciation of fixed assets	44,349	35,629
Loss on sale of fixed assets	1,962	434
(Increase) in debtors	(337,042)	(214,827)
(Increase)/decrease in stocks	(91,440)	37,162
Increase in creditors	476,224	112,115
Net cash flow from operating activities	1,470,438	954,058
RETURNS ON INVESTMENTS		
Interest on bank balance	63,192	20,287
TAXATION		
Corporation tax paid	(465,780)	(205,963)
INVESTING ACTIVITIES		
Purchase of fixed assets	(46,096)	(26,557)
Proceeds from sale of fixed assets	1,344	-
Net cash flow from investing activities	(44,752)	(26,557)
FINANCING ACTIVITIES		
Dividends paid	(500,000)	(500,000)
Net (decrease)/increase in cash and cash equivalents	523,098	241,825
Cash and cash equivalents at 1 January 1995	660,583	418,758
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 1995	£1,183,681	£660,583

ASTRA TECH LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 1995

1.	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET	1995	1994	Change In Year
	Cash at bank and in hand	£1,183,681	£660,583	£523,098
		<hr/>		<hr/>
2.	ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR			Share Capital
	Financing at 1 January 1995 and 31 December 1995			£100,000
				<hr/>

ASTRA TECH LIMITED

Financial statements for the year ended 31 December 1995

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	over the term of the lease
Plant and machinery	over 10 years.
Fixtures and fittings	over 5 to 10 years.
Computer and other equipment	over 3 to 5 years.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

LEASED ASSETS AND OBLIGATIONS

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

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

ASTRA TECH LIMITED

Financial statements for the year ended 31 December 1995

ACCOUNTING POLICIES

PENSION CONTRIBUTIONS

The costs of providing pensions for employees are charged in the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

FOREIGN CURRENCY

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Transactions during the year are recorded at the approximate exchange rate ruling at the date of the transaction.

All differences are taken to profit and loss account.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

ASTRA TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1995

1. PARENT COMPANY

The ultimate parent company is Astra Aktiebolaget, a company incorporated in Sweden.

1995 1994

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

United Kingdom	7,277,653	5,349,218
Europe	26,234	24,281
Other	827	24,571
	<u>£7,304,714</u>	<u>£5,398,070</u>

3. OTHER OPERATING EXPENSES

Selling expenses	1,001,882	865,694
Distribution costs	152,494	130,228
Administration expenses	526,905	414,957
	<u>£1,681,281</u>	<u>£1,410,879</u>

4. INVESTMENT INCOME

Bank interest receivable	<u>£64,397</u>	<u>£20,575</u>
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ASTRA TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1995

	1995	1994
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging: Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
owned assets	44,349	35,629
Loss on disposals	1,962	434
Operating lease rentals:		
Motor vehicles	110,119	119,552
Leasehold premises	54,000	54,000
Auditors' remuneration and expenses		
Audit services	8,400	7,961
Other services	1,510	1,740
	<u> </u>	<u> </u>
6. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the year was:	No.	No.
Sales and distribution	19	19
Administration	6	6
	<u> </u>	<u> </u>
	25	25
	<u> </u>	<u> </u>
Staff costs for the above persons:		
Wages and salaries	561,027	506,384
Social security costs	50,979	46,283
Other pension costs	90,337	80,809
	<u> </u>	<u> </u>
	£702,343	£633,476
	<u> </u>	<u> </u>

ASTRA TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1995

	1995	1994
DIRECTORS' REMUNERATION		
Other emoluments (including pension contributions and benefits in kind)	<u>£97,827</u>	<u>£88,015</u>
The directors' fees and other emoluments disclosed above (excluding pension contributions) includes amounts paid to:		
The chairman	<u>£ -</u>	<u>£ -</u>
The highest paid director	<u>£86,092</u>	<u>£77,172</u>
7. TAXATION		
Based on the profit of the year:		
UK Corporation tax at 33% (1994 - 33%)	485,853	350,000
(Over) provided in earlier years	(9,220)	(9,662)
Deferred Taxation	(3,100)	5,200
	<u>£473,533</u>	<u>£345,538</u>
8. DIVIDENDS		
Ordinary:		
Interim dividend paid - £5 per share (1994 - £Nil)	<u>£500,000</u>	<u>£ -</u>

ASTRA TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year 31 December 1995

9. TANGIBLE FIXED ASSETS

	Short leasehold improvements	Plant	Computer equipment	Office fixtures and Fittings	TOTAL
Cost:					
1 January 1995	17,020	17,526	85,989	102,135	222,670
Additions	-	-	29,807	16,289	46,096
Disposals	-	-	(4,156)	(10,208)	(14,364)
31 December 1995	17,020	17,526	111,640	108,216	254,402
Depreciation:					
1 January 1995	2,396	4,258	48,257	43,926	98,837
Charged in the year	860	1,753	28,790	12,946	44,349
Disposals	-	-	(3,052)	(8,006)	(11,058)
31 December 1995	3,256	6,011	73,995	48,866	132,128
Net book value:					
31 December 1995	13,764	11,515	37,645	59,350	£122,274
31 December 1994	14,624	13,268	37,732	58,209	£123,833

10. STOCKS	1995	1994
Goods for resale	£547,293	£455,853

11. DEBTORS

Due within one year:		
Trade debtors	1,684,471	1,334,912
Amount due from related company	1,562	-
Other debtors	125,620	587
Prepayments and accrued income	52,927	65,834
	£1,864,580	£1,401,333

ASTRA TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1995

	1995	1994
12. CREDITORS		
Amounts falling due within one year:		
Trade creditors	32,678	45,031
Amounts due to group undertakings	1,774,651	1,005,628
Corporation tax	-	350,000
Other taxation and social security costs	346,290	143,865
Accruals and deferred income	21,618	18,636
	<u>£2,175,237</u>	<u>£1,563,160</u>
13. PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:		
	Amount provided 1995 1994	Unprovided Liability 1995 1994
Excess of tax allowances over depreciation	1,500 5,000	- -
Other short term timing differences	600 200	- -
	<u>£2,100</u> <u>£5,200</u>	<u>£ -</u> <u>£ -</u>
		1995 1994
14. SHARE CAPITAL		
Authorised:		
100,000 ordinary shares of £1 each	£100,000	£100,000
	<u>£100,000</u>	<u>£100,000</u>
Allotted, issued and fully paid:		
100,000 ordinary shares of £1 each	£100,000	£100,000
	<u>£100,000</u>	<u>£100,000</u>
15. PROFIT AND LOSS ACCOUNT		
1 January 1995	973,242	314,660
Profit for the year	467,249	658,582
31 December 1995	<u>£1,440,491</u>	<u>£973,242</u>

ASTRA TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1995

	1995	1994
16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Profit for the financial year	967,249	658,582
Dividends	(500,000)	-
Net addition to shareholders' funds	467,249	658,582
Opening shareholders' funds	1,073,242	414,660
Closing shareholders' funds	£1,540,491	£1,073,242
17. CAPITAL COMMITMENTS		
Capital expenditure contracted for but not provided in the financial statements	£ -	£ -
Capital expenditure authorised by the directors but not contracted	£110,000	£78,000
21. COMMITMENTS UNDER OPERATING LEASES		
At 31 December 1995 the company had annual commitments under non-cancellable operating leases as follows:		
Motor vehicles:		
expiring within 1 year	26,904	32,190
expiring between 2 and 5 years	62,695	74,308
Leasehold building:		
expiring after 5 years	54,000	54,000
	£143,599	£160,498

ASTRA TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1995

19. PENSION COMMITMENTS

The company's employees were members of the Astra Pharmaceuticals Pension Fund for the year ended 31 December 1995.

On 1 January 1996 all existing employees were transferred to a new pension scheme known as the Astra 1995 Pension Scheme. 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 so as to spread the cost of the pensions over the employees' working lives with the company. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation of the Astra Pharmaceuticals Pension Fund was carried out as at 1 October 1995.

The principal actuarial assumptions used were a rate of return on investments of 8.5% per annum, salary increases of 7% per annum, an allowance for pensions to increase at 4.5% per annum and for dividends to increase at the rate of 4.25% per annum.

At the valuation date the actuarial value of assets on this basis was sufficient to cover 105.5% of the benefits that had accrued to members in the fund. The market value of the scheme's assets was £17.5m.

The actuarial assumptions used for funding the company's pension arrangements are the same as those adopted for the purpose of SSAP24.

The contributions of the company and its employees will remain at 15.4% and 2% respectively and resulted in a pension charge for the period of £90,337 (1994 - £80,809). The increase has arisen due to the number of new members joining the scheme during the year.