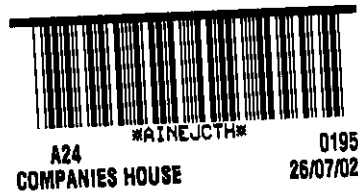


2658906

ASPAR PHARMACEUTICALS LIMITED

ACCOUNTS AND REPORTS

FOR THE YEAR ENDED 30th SEPTEMBER, 2001.



ASPAR PHARMACEUTICALS LIMITED

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ASPAR PHARMACEUTICALS LIMITEDCOMPANY INFORMATION

|                   |   |
|-------------------|---|
| DIRECTORS         | T. E. PRUDHOE.<br><br>S. J. PRUDHOE.  |
| SECRETARY         | S. J. PRUDHOE.  |
| REGISTERED OFFICE | YORK HOUSE,<br>CHURCH LANE,<br>CHALFONT ST. PETER,<br>GERRARDS CROSS,<br>BUCKS. SL9 9RE.                        |
| COMPANY NUMBER    | 2658906   |
| AUDITORS          | BASS, SADLER & CO.,<br>YORK HOUSE,<br>CHURCH LANE,<br>CHALFONT ST. PETER,<br>GERRARDS CROSS,<br>BUCKS. SL9 9RE. |
| BANKERS           | BARCLAYS BANK PLC.,<br>126, STATION ROAD,<br>EDGWARE,<br>MIDDX. HA8 7RY.  |

ASPAR PHARMACEUTICALS LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report with the financial statements of the Company for the Year ended 30th September, 2001 which disclose a Net Profit of £124,266. Full details are shown in the accompanying financial statements.

Principal Activity and Review of the Business

The principal activity of the Company in the Year under review was that of Manufacturing, Packaging and Distribution of Pharmaceutical Products. The Directors are satisfied with the results for the Year despite the difficult market conditions within the Industry.

Directors and Interests in Shares of the Company

The Directors of the Company who held office during the year and their interests in the Share Capital are set out below:-

ORDINARY SHARES OF £1. EACH.

|                     | <u>2001.</u> | <u>2000.</u> |
|---------------------|--------------|--------------|
| Mr. T. E. Prudhoe.  | 35,099       | 35,099       |
| Mrs. S. J. Prudhoe. | 10,001       | 10,001       |

In accordance with the Articles of Association no Director retires by rotation.

Director's Remuneration has been voted to as follows:-

|                     | <u>2001.</u> | <u>2000.</u> |
|---------------------|--------------|--------------|
| Mr. T. E. Prudhoe.  | 150,000      | 150,000      |
| Mrs. S. J. Prudhoe. | 36,000       | 31,200       |
|                     | <hr/>        | <hr/>        |
|                     | £186,000     | £181,200     |
|                     | <hr/>        | <hr/>        |

ASPAR PHARMACEUTICALS LIMITED

REPORT OF THE DIRECTORS

Directors' Responsibilities for the 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:

- Select suitable accounting policies and 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records, for safeguarding the Assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed Assets

The movements in the Fixed Assets of the Company during the year are set out in the notes to the financial statements.

Political and Charitable Contributions

During the year the Company contributed £402. to local charities.

Dividends

The Directors recommend that a dividend be paid in respect of the year.

ASPAR PHARMACEUTICALS LIMITED

REPORT OF THE DIRECTORS

Auditors

Bass, Sadler & Co. offer themselves for re-appointment as Auditors in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board.

A handwritten signature in dark ink, appearing to be 'T. E. Prudhoe', is written over a horizontal dotted line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

T. E. Prudhoe.  
Director.

Dated this 26th day of JULY, 2002.

REPORT OF THE AUDITORS TO THE MEMBERS OF  
ASPAR PHARMACEUTICALS LIMITED

---

We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention as modified by the revaluation of certain Fixed Assets and the accounting policies set out on page 11.

Respective responsibilities of Directors and Auditors

As described on page 3 the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. 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

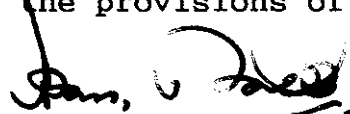
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 30th September, 2001 and of its Profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Dated this 26th day of JULY, 2002.

  
BASS, SADLER & CO.,  
PUBLIC ACCOUNTANTS AND  
REGISTERED AUDITOR,  
YORK HOUSE,  
CHURCH LANE,  
CHALFONT ST. PETER,  
GERRARDS CROSS,  
BUCKS. SL9 9RE.

ASPAR PHARMACEUTICALS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER, 2001.

| <u>2000.</u>     | <u>NOTE</u>                               | <u>£.</u>        |
|------------------|---|------------------|
| 4,398,798        | <u>SALES</u>                              | 3,075,239        |
|                  | <u>DEDUCT:-</u>                           |                  |
| 244,272          | Stock as at 1st October, 2000.            | 451,228          |
| <u>1,887,412</u> | Purchases                                 | <u>1,336,269</u> |
| 2,131,684        |   | 1,787,497        |
| 451,228          | <u>Less:</u> Stock as at                  | 454,784          |
|                  | 30th September, 2001.                     | <u>1,332,713</u> |
| <u>1,680,456</u> |   |                  |
| 2,710,342        | <u>GROSS PROFIT</u>                       | 1,742,526        |
| 15,093           | <u>INTEREST RECEIVED</u>                  | 7,014            |
| <u>46,605</u>    | <u>DISCOUNTS RECEIVED</u>                 | <u>27,482</u>    |
| 2,772,040        |   | 1,777,022        |
|                  | <u>LESS EXPENSES:-</u>                    |                  |
| 130,716          | Rent, Rates and Service Charge            | 178,262          |
| 28,719           | Lighting and Heating                      | 27,405           |
| 11,556           | Motor, Travelling and                     | 9,475            |
|                  | Entertaining                              |                  |
| 5,127            | Telephone and Fax                         | 4,183            |
| 616,058          | Salaries, National Insurance 4            | 514,559          |
|                  | and Pension Contributions                 |                  |
| 22,463           | Printing, Postage, Stationery,            | 27,991           |
|                  | Advertising and Promotion                 |                  |
| 69,101           | Carriage and Transport                    | 71,131           |
| 13,352           | Licences and Trade Subscriptions          | 13,702           |
| 25,271           | Insurance                                 | 24,710           |
| 72,059           | Repairs, Renewals and Maintenance         | 26,133           |
| 11,506           | Protective Clothing and Staff             | 13,533           |
|                  | Welfare                                   |                  |
| 7,365            | Hiring of Plant and Equipment             | 4,150            |
| 2,172            | Leasing of Office Equipment               | 867              |
| 17,673           | Cleaning and Waste Disposal               | 10,183           |
| 4,352            | Bank Charges                              | 3,808            |
| 47,230           | Laboratory, Factory & Quality Control     | 42,583           |
|                  | Expenses                                  |                  |
| 12,831           | Commission                                | 9,159            |
| 745              | Trade Journals and Publications           | 1,272            |
| 4,032            | I.T. Support and Computer Accessories     | 3,040            |
| 36,340           | Professional Fees and Legal Charges       | 32,010           |
| 1,310            | Training Course Fees                      | 2,551            |
| 35,051           | Discounts Allowed                         | 23,569           |
| 6,371            | Sundry Expenses                           | 5,424            |
|                  |   | <u>1,049,700</u> |
| <u>1,590,640</u> | <u>NET TRADING PROFIT</u> carried forward | <u>727,322</u>   |

The accompanying accounting policies and notes form an integral part of these financial statements.



ASPAR PHARMACEUTICALS LIMITED

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED  
30th SEPTEMBER, 2001.

| <u>2000.</u> | <u>NOTE</u>  | <u>£.</u>      |
|--------------|--|----------------|
| 1,590,640    | <u>NET TRADING PROFIT</u> (before charging the following expenses):- | 727,322        |
| 181,200      | Director's Remuneration 5  | 186,000        |
| 23,411       | Director's Social Security Payments 4                                | 25,883         |
| 38,647       | Director's Pension Contributions 5                                   | 38,651         |
| 7,250        | Audit Fee  | 8,100          |
| 73           | Bank Interest 6  | 17             |
| 20,942       | Hire Purchase Interest 6   | 24,723         |
| (5,039)      | Loss/(Profit) on Disposal of Motor Vehicle                           | -              |
|              | <u>Depreciation:-</u> 2  |                |
| 13,119       | Leasehold Property   | 18,571         |
| 156,898      | Plant and Machinery  | 206,006        |
| 12,407       | Motor Vehicles   | 13,680         |
| 50,330       | Fixtures, Fittings and Office Equipment                              | 81,425         |
|              |  | <u>603,056</u> |
| 1,091,402    | <u>NET PROFIT</u> for the Year before Taxation                       | 124,266        |
| 226,611      | TAXATION 14  | 49,111         |
| -            | INTEREST ON UNDER/OVERPAID TAXATION 6                                | 81             |
| 864,791      | <u>NET PROFIT</u> for the Year after Taxation                        | 75,074         |
| 270,600      | DIVIDENDS 11   | 22,550         |
| 594,191      | RETAINED PROFIT for the Year   | 52,524         |
| 680,151      | SURPLUS BALANCE brought forward from previous Year                   | 1,274,342      |
| 1,274,342    | SURPLUS/(DEFICIT) BALANCE carried forward to next Year               | 1,326,866      |

There are no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

ASPAR PHARMACEUTICALS LIMITED


BALANCE SHEET AS AT 30th SEPTEMBER, 2001.

| <u>2000.</u> |  | <u>NOTE</u> | <u>£.</u> |
|--------------|--|-------------|-----------|
|              | <u>FIXED ASSETS</u>                                  | 2           |           |
| 115,974      | Leasehold Property                                   |             | 97,403    |
| 744,533      | Plant and Machinery                                  |             | 548,255   |
| 333,434      | Fixtures, Fittings and Office Equipment              |             | 252,009   |
| 44,824       | Motor Vehicles                                       |             | 31,144    |
| <hr/>        |  |             | <hr/>     |
| 1,238,765    |  |             | 928,811   |
| 65,000       | Investment   | 3           | 65,000    |
|              | <u>CURRENT ASSETS</u>                                |             |           |
| 451,228      | Stock  | 10          | 454,784   |
| 682,147      | Debtors and Prepayments                              | 7           | 710,898   |
| 177,867      | Cash at Bank   |             | 51,086    |
| 400          | Cash in Hand   |             | 390       |
|              |  |             | <hr/>     |
|              |  |             | 1,217,158 |
|              | <u>LESS: CURRENT LIABILITIES</u>                     |             |           |
|              | <u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u>           |             |           |
| 902,382      | Creditors and Accrued Charges                        | 8           | 579,127   |
| 119,123      | Bank Overdraft                                       |             | 93,297    |
|              |  |             | <hr/>     |
|              | <u>AMOUNTS FALLING DUE AFTER ONE YEAR</u>            |             |           |
| 274,460      | Creditors  | 9           | 166,579   |
| 15,677       | <u>NET CURRENT ASSETS LESS/(CURRENT LIABILITIES)</u> |             | 378,155   |
| <hr/>        |  |             | <hr/>     |
| 1,319,442    | <u>TOTAL ASSETS LESS/(LIABILITIES)</u>               |             | 1,371,966 |
| <hr/>        |  |             | <hr/>     |
|              | <u>REPRESENTED BY:-</u>                              |             |           |
|              | <u>CAPITAL AND RESERVES</u>                          |             |           |
| 45,100       | Called Up Share Capital                              | 13          | 45,100    |
| 1,274,342    | Profit and Loss Appropriation Account                |             | 1,326,866 |
| <hr/>        |  |             | <hr/>     |
| 1,319,442    | <u>SHAREHOLDERS' FUNDS</u>                           | 15          | 1,371,966 |
| <hr/>        |  |             | <hr/>     |

The accompanying accounting policies and notes form an integral part of these financial statements.

ASPAR PHARMACEUTICALS LIMITEDBALANCE SHEET AS AT 30th SEPTEMBER, 2001.

The financial statements were Approved by the Board  
of Directors and signed on their behalf by:-

X.  X

T. E. Prudhoe.  
Director.

Dated this 26th day of JULY, 2002.

ASPAR PHARMACEUTICALS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED

30th SEPTEMBER, 2001.

|   | <u>NOTE</u> | <u>2001.</u> | <u>2000.</u> |
|---|-------------|--------------|--------------|
| Net Cash Inflow from operating activities                             | 16          | 301,399      | 1,148,813    |
| Returns on investments and servicing of finance                       |             |              |              |
| Interest received   |             | 7,014        | 15,093       |
| Interest paid   |             | (17)         | (73)         |
| Hire Purchase Interest paid   |             | (24,723)     | (20,942)     |
| Net Cash Outflow from returns on investments and servicing of finance |             | (17,726)     | (5,922)      |
| Taxation  |             | (226,652)    | (198,446)    |
| Capital Expenditure   |             |              |              |
| Purchase of tangible Fixed Assets                                     |             | (9,728)      | (515,007)    |
| Sale of tangible Fixed Assets   |             | -            | 18,500       |
| Net Cash Outflow from Capital Expenditure                             |             | (9,728)      | (496,507)    |
| Equity Dividends Paid   |             | (22,550)     | (270,600)    |
| Financing   |             |              |              |
| Repayment of borrowings Finance Lease Rentals                         |             | (125,708)    | (196,239)    |
| Purchase of Shares  |             |              |              |
| Debt  |             | -            | 40,000       |
| Net Cash Outflow from financing                                       |             | (148,258)    | (236,239)    |
| Increase/(Decrease) in Cash   | 17          | (100,965)    | (58,901)     |

The accompanying accounting policies and notes form an integral part of these financial statements.

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2001.1. ACCOUNTING POLICIES(a) Basis of Accounting

The financial statements have been prepared in accordance with accounting standards and under the historical cost convention. The principal accounting policies of the Company have remained unchanged from the previous year and are set out below.

(b) Turnover

Turnover represents the total amount receivable for goods supplied and services provided excluding value added tax.

(c) Depreciation

Depreciation of Fixed Assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold Property straight line basis  
over the period of the Lease.

Plant and Machinery:-

Purchased Outright straight line basis 20% p. a.

Purchased Under Finance " " " 20% p. a.

Fixtures and Fittings " " " 20% p. a.

Motor Vehicles " " " 25% p. a.

(d) Leased Assets

Assets held under finance leases and hire purchase Contracts included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of the future rentals is shown as a liability. Interest payable in each period is charged to profit and loss account in proportion to the amount outstanding under the lease and hire purchase contract. Operating lease rentals are charged to profit and loss account as incurred.

(e) Stock

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items consistent with previous years.

(f) Taxation

The charge for taxation is based on the results for the year.

(g) Contributions to Pension Funds

The Company operates a defined contribution scheme. The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 2001.2. FIXED ASSETS

|                                 | LEASE-<br>HOLD<br>PROP'Y. | PLANT & MACH.<br>PURCH.<br>OUTR. | MACH.<br>UNDER<br>FINANCE | FIXT.<br>&<br>FIT'S | MOTOR<br>VEH. | TOTAL     |
|---------------------------------|---------------------------|----------------------------------|---------------------------|---------------------|---------------|-----------|
| <u>At Cost (or Acquisition)</u> |                           |                                  |                           |                     |               |           |
| Balance as at                   |                           |                                  |                           |                     |               |           |
| 1st October, 2000.              | 186,079                   | 1,033,747                        | 509,353                   | 427,574             | 54,721        | 2,211,474 |
| Additions during                |                           |                                  |                           |                     |               |           |
| the Year                        |                           | 9,728                            |                           |                     |               | 9,728     |
| Transfer of Title               |                           | 22,353                           | (22,353)                  |                     |               |           |
| Balance as at                   |                           |                                  |                           |                     |               |           |
| 30th September, 2001.           | 186,079                   | 1,065,828                        | 487,000                   | 427,574             | 54,721        | 2,221,202 |

DEPRECIATION:-

|                       |        |         |          |         |        |           |
|-----------------------|--------|---------|----------|---------|--------|-----------|
| Balance as at         |        |         |          |         |        |           |
| 1st October, 2000.    | 70,105 | 740,926 | 57,641   | 94,140  | 9,897  | 972,709   |
| Charge for the        | 18,571 | 108,031 | 97,975   | 81,425  | 13,680 | 319,682   |
| Year                  |        |         |          |         |        |           |
| Transfer of Title     |        | 16,818  | (16,818) |         |        |           |
| Balance as at         |        |         |          |         |        |           |
| 30th September, 2001. | 88,676 | 865,775 | 138,798  | 175,565 | 23,577 | 1,292,391 |

NET BOOK VALUE

|                          |         |         |         |         |        |           |
|--------------------------|---------|---------|---------|---------|--------|-----------|
| At 30th September, 2001. | 97,403  | 200,053 | 348,202 | 252,009 | 31,144 | 928,811   |
| At 30th September, 2000. | 115,974 | 292,821 | 451,712 | 333,434 | 44,824 | 1,238,765 |

COMMITMENTS FOR CAPITAL EXPENDITURE

|  | <u>2001.</u> | <u>2000.</u> |
|--|--------------|--------------|
| Contracted for but not provided in these Statements. | £64,000      | £-           |

3. FIXED ASSET INVESTMENT

|   | <u>2001.</u> | <u>2000.</u> |
|---|--------------|--------------|
| The unlisted Investment refers to the re-purchase of the Company's issued Shares in excess of face (par) value. | £65,000      | £65,000      |

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2001.4. EMPLOYEES AND PENSIONS

Average number of people (including Directors) employed by the Company during the Year:-

|                | <u>2001.</u> | <u>2000.</u> |
|----------------|--------------|--------------|
| Manufacturing  | 36           | 40           |
| Administration | 4            | 4            |
|                | —            | —            |
|                | 40           | 44           |
|                | —            | —            |

Costs in respect of these employees:-

|                       |          |          |
|-----------------------|----------|----------|
| Salaries              | 659,275  | 743,559  |
| Social Security Costs | 63,989   | 68,416   |
| Other Pension Costs   | 38,651   | 38,647   |
| Staff Agency Fees     | 3,178    | 8,694    |
|                       | —        | —        |
|                       | £765,093 | £859,316 |
|                       | —        | —        |

5. DIRECTOR'S REMUNERATION

|                         |          |          |
|-------------------------|----------|----------|
| Management Remuneration | 186,000  | 181,200  |
| Pension Costs           | 38,651   | 38,647   |
|                         | —        | —        |
|                         | £224,651 | £219,847 |
|                         | —        | —        |

6. INTEREST PAYABLE

|                         |         |         |
|-------------------------|---------|---------|
| Bank Overdraft Interest | 17      | 73      |
| Hire Purchase Interest  | 24,723  | 20,942  |
| Taxation                | 81      | -       |
|                         | —       | —       |
|                         | £24,821 | £21,015 |
|                         | —       | —       |

The Bank Overdraft is secured by a fixed and floating charge over all the Company's assets.

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2001.7. DEBTORS (Due within one Year):-

|                                | <u>2001.</u> | <u>2000.</u> |
|--------------------------------|--------------|--------------|
| Trade Debtors                  | 610,329      | 558,820      |
| Other Debtors                  | 2,485        | 22,708       |
| Prepayments and Accrued Income | 98,084       | 100,619      |
|                                | <hr/>        | <hr/>        |
|                                | £710,898     | £682,147     |
|                                | <hr/>        | <hr/>        |

8. CREDITORS (Amounts falling due within one Year):-

|   |          |          |
|---|----------|----------|
| Trade Creditors   | 334,612  | 419,684  |
| Corporation Tax   | 49,111   | 247,834  |
| Other Taxes and Social Security                                 | 66,041   | 76,044   |
| Accruals and Deferred Income                                    | 29,363   | 40,993   |
| Obligations under Finance Leases<br>and Hire Purchase Contracts | 100,000  | 117,827  |
|   | <hr/>    | <hr/>    |
|   | £579,127 | £902,382 |
|   | <hr/>    | <hr/>    |

9. CREDITORS (Amounts falling due after  
more than one Year):-

|   |         |         |
|---|---------|---------|
| Obligations under Finance Leases<br>and Hire Purchase Contracts | 166,579 | 274,460 |
|   | <hr/>   | <hr/>   |

The Hire Purchase Contracts expire  
between two and five years.

10. STOCKS

|  |          |          |
|--|----------|----------|
| Raw Materials                          | £299,578 | £165,279 |
| Finished Goods and Goods for<br>resale | £155,206 | £285,949 |
|  | <hr/>    | <hr/>    |
|  | £454,784 | £451,228 |
|  | <hr/>    | <hr/>    |



ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2001.11. DIVIDEND

|                  | <u>2001.</u> | <u>2000.</u> |
|------------------|--------------|--------------|
| Dividend Payable | £22,550      | £270,600     |

12. DEFERRED TAXATION

No provision has been made in the Accounts for the potential tax liability that would arise if the Fixed Assets were disposed of at Balance Sheet values. The potential liability at 30th September, 2001 amounted to £63,414. (2000 £93,983.) and is calculated at the current rate of Corporation Tax on the difference between the tax written down value of assets qualifying for tax allowances and the net book value of those Assets.

13. CALLED UP SHARE CAPITAL

|   | <u>2001.</u> | <u>2000.</u> |
|---|--------------|--------------|
| Authorised<br>100,000 Ordinary Shares of £1.<br>each.             | 100,000      | 100,000      |
| Allotted and Fully Paid<br>45,100 Ordinary Shares of £1.<br>each. | 45,100       | 45,100       |

14. TAX ON PROFIT ON ORDINARY ACTIVITIES

|   | <u>2001.</u> | <u>2000.</u> |
|---|--------------|--------------|
| U. K. Corporation Tax at the<br>prevailing rate based on profit<br>for the Year | £49,111      | £247,834     |
| Adjustment in respect of prior<br>period:                                       |              |              |
| Corporation Tax Refund  | -            | (21,223)     |
|   | £49,111      | £226,611     |

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|   |           |           |
|---|-----------|-----------|
| Profit for the financial Year                   | 52,524    | 594,191   |
| Net increase in Shareholders'<br>Funds          | 52,524    | 594,191   |
| Shareholders' Funds at<br>1st October, 2000.    | 1,319,442 | 725,251   |
| Shareholders' Funds at<br>30th September, 2001. | 1,371,966 | 1,319,442 |

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2001.16. NET CASH INFLOW FROM OPERATING ACTIVITIES

|   | <u>2001.</u> | <u>2000.</u> |
|---|--------------|--------------|
| Net Profit before Taxation                      | 124,226      | 1,091,402    |
| Depreciation                                    | 319,682      | 232,754      |
| Interest Received                               | (7,014)      | (15,093)     |
| Interest Paid                                   | 17           | 73           |
| Hire Purchase Interest Paid                     | 24,723       | 20,942       |
| Profit/Loss on Sale of Tangible<br>Fixed Assets | -            | (5,039)      |
| Increase in Stocks                              | (3,556)      | (206,956)    |
| (Increase)/Decrease in Debtors                  | (49,974)     | 118,027      |
| Increase/(Decrease) in Creditors                | (106,705)    | (87,297)     |
|   | <hr/>        | <hr/>        |
| NET CASH INFLOW FROM OPERATING<br>ACTIVITIES    | 301,399      | 1,148,813    |
|   | <hr/>        | <hr/>        |

17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

|  | <u>2001.</u> | <u>2000.</u> |
|--|--------------|--------------|
| Increase/Decrease in Cash in the<br>Year           | (100,965)    | (58,901)     |
| Cash outflow from financing in the<br>Year         | -            | 40,000       |
| Cash outflow from Finance Contracts<br>in the Year | 125,708      | 196,239      |
| Inception of Lease and Finance<br>Contracts        | -            | (487,000)    |
|  | <hr/>        | <hr/>        |
| Movement in Net Debt in the Year                   | 24,743       | (309,662)    |
| Net Debt at 1st October, 1999.                     | (333,143)    | (23,481)     |
|  | <hr/>        | <hr/>        |
| Net Debt at 30th September, 2001.                  | (308,400)    | (333,143)    |
|  | <hr/>        | <hr/>        |

18. ANALYSIS OF CHANGES IN NET DEBT

|                             | At 1.10.2000. | Cash<br>Flow | Non-Cash<br>Items | At<br>30.9.2001. |
|-----------------------------|---------------|--------------|-------------------|------------------|
| Cash at Bank and<br>in Hand | 178,267       | (126,791)    |                   | 51,476           |
| Overdraft<br>Debt           | (119,123)     | 25,826       |                   | (93,297)         |
| Finance Contracts           | (392,287)     | 125,708      |                   | (266,579)        |
|                             | <hr/>         | <hr/>        | <hr/>             | <hr/>            |
|                             | (333,143)     | 24,743       | -                 | (308,400)        |
|                             | <hr/>         | <hr/>        | <hr/>             | <hr/>            |

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2001.19. MAJOR NON CASH TRANSACTIONS

During the Year the Company entered into Finance Lease Agreements with a total Capital Value at the inception of the Leases of £64,000. (2000 £487,000.)

20. PENSIONS

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 charged for the Year was £38,651. (2000 £38,647.)

21. CONTINGENT LIABILITIES

There were no contingent liabilities at 30th September, 2001 (2000 NIL) except for deferred taxation.

22. POST BALANCE SHEET EVENTS

There have been no events since the date of the Balance Sheet that would require adjustments to be made to these Accounts.

23. TRANSACTIONS WITH RELATED PARTIES.

There have been no related party transactions in the period under review.