

Board of Trade

2658906

ASPAR PHARMACEUTICALS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER, 2003.



ASPAR PHARMACEUTICALS LIMITED

CONTENTS

	<u>PAGE</u>
Company Information	1
Report of the Directors	2 - 4
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9 - 17

ASPAR PHARMACEUTICALS LIMITEDCOMPANY INFORMATION

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

ASPAR PHARMACEUTICALS LIMITEDREPORT OF THE DIRECTORS

The Directors present their Report with the financial statements of the Company for the Year ended 30th September, 2003 which disclose a Net Profit of £247,010. 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.

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>2003.</u>	<u>2002.</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>2003.</u>	<u>2002.</u>
Mr. T. E. Prudhoe.	99,996	145,833
Mrs. S. J. Prudhoe.	37,113	37,113
	<hr/>	<hr/>
	£137,109	£182,946
	<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 £450.00. 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.

X.....X

T. E. Prudhoe.
Director.

Dated this 27th day of JULY, 2004.

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 9.

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, 2003 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 27th day of JULY, 2004.


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

ASPAR PHARMACEUTICALS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER, 2003.

<u>2002.</u>	<u>NOTE</u>	<u>£.</u>
3,435,911 <u>TURNOVER</u>		3,613,813
1,587,044 <u>COST OF SALES</u>		1,564,407
<hr/>		<hr/>
1,848,867 <u>GROSS PROFIT</u>		2,049,406
(1,694,012) <u>ADMINISTRATIVE/OVERHEAD EXPENSES</u>		(1,805,286)
26,227 <u>OTHER OPERATING INCOME</u>		25,531
<hr/>		<hr/>
181,082 <u>OPERATING PROFIT</u>		269,651
(19,205) <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	7	(22,617)
<hr/>		<hr/>
161,877 <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		247,034
 (36,974) <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>	15	 (46,646)
<hr/>		<hr/>
124,903 <u>PROFIT FOR THE YEAR AFTER TAXATION</u>		200,388
(45,100) <u>DIVIDENDS</u>		(90,200)
1,326,866 <u>SURPLUS BALANCE brought forward from previous YEAR</u>		1,406,669
<hr/>		<hr/>
1,406,669 <u>SURPLUS BALANCE carried forward</u>		1,516,857
<hr/>		<hr/>

There were 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 LIMITEDBALANCE SHEET AS AT 30th SEPTEMBER, 2003.

<u>2002.</u>		<u>NOTE</u>	<u>£.</u>
	<u>FIXED ASSETS</u>		
939,718	TANGIBLE ASSETS	2	1,117,864
65,000	INVESTMENT	3	65,000
	<u>CURRENT ASSETS</u>		
453,581	STOCKS	11	458,053
651,817	DEBTORS AND PREPAYMENTS	8	879,174
230,019	CASH AT BANK AND IN HAND		241,868
			<hr/>
(710,988)	<u>CREDITORS:</u> AMOUNTS FALLING DUE WITHIN ONE YEAR:-	9	(1,148,002)
			<hr/>
624,429	<u>NET CURRENT ASSETS</u>		431,093
			<hr/>
1,629,147	TOTAL ASSETS LESS CURRENT LIABILITIES		1,613,957
(177,378)	<u>CREDITORS:</u> AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:-	10	(52,000)
			<hr/>
1,451,769			1,561,957
			<hr/>
	<u>CAPITAL AND RESERVES</u>		
45,100	CALLED UP SHARE CAPITAL	14	45,100
1,406,669	PROFIT AND LOSS ACCOUNT		1,516,857
			<hr/>
1,451,769	<u>SHAREHOLDERS' FUNDS</u>	16	1,561,957
			<hr/>

The Financial Statements were approved by the Board
of Directors and signed on their behalf by:-

X.....X

T. E. Prudhoe.
Director.

Dated this 27th day of JULY, 2004.

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

ASPAR PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

30th SEPTEMBER, 2003.

	<u>NOTE</u>	<u>2003.</u>	<u>2002.</u>
Net Cash Inflow from operating activities	17	725,838	762,011
Returns on investments and servicing of finance			
Interest received		8,714	3,992
Interest paid		(15)	(225)
Hire Purchase Interest paid		(22,626)	(19,115)
Net Cash Outflow from returns on investments and servicing of finance		(13,927)	(15,348)
Taxation		(36,950)	(49,111)
Capital Expenditure			
Purchase of tangible Fixed Assets		(422,913)	(256,611)
Sale of Tangible Fixed Assets		5,300	-
Net Cash Outflow from Capital Expenditure		(417,613)	(256,611)
Equity Dividends Paid		(90,200)	(45,100)
Financing			
Repayment of borrowings Finance Lease Rentals		(155,299)	(124,001)
Net Cash Outflow from financing		(245,499)	(169,101)
Increase/(Decrease) in Cash	18	11,849	271,840

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

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2003.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER, 2003.2. TANGIBLE FIXED ASSETS

	LEASE- HOLD PROP'Y.	PLANT & MACH. PURCH. OUTR.	MACH. UNDER FINANCE	FIXT. & FIT'S	MOTOR VEH.	TOTAL
<u>At Cost (or Acquisition)</u>						
Balance as at						
1st October, 2002.	186,079	1,322,439	551,000	427,574	54,721	2,541,813
Additions during						
the Year		510,475		12,394	29,745	552,614
Disposals		(6,500)			(11,500)	(18,000)
Transfer of Title		(162,000)	162,000			-
Balance as at						
30th September, 2003.	186,079	1,664,414	713,000	439,968	72,966	3,076,427

DEPRECIATION:-

Balance as at						
1st October, 2002.	106,351	955,789	248,998	253,700	37,257	1,602,095
Charge for the	17,675	116,546	142,600	78,613	17,487	372,921
Year						
Disposal		(6,391)			(10,062)	(16,453)
Balance as at						
30th September, 2003.	124,026	1,065,944	391,598	332,313	44,682	1,958,563

NET BOOK VALUE

At 30th September, 2003.	62,053	598,470	321,402	107,655	28,284	1,117,864
At 30th September, 2002.	79,728	366,650	302,002	173,874	17,464	939,718

COMMITMENTS FOR CAPITAL EXPENDITURE

	<u>2003.</u>	<u>2002.</u>
Contracted for but not provided in these Statements.	£-	£25,150

3. FIXED ASSET INVESTMENT

	<u>2003.</u>	<u>2002.</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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2003.4. OPERATING PROFIT

	<u>2003.</u>	<u>2002.</u>
The Profit is stated after charging:-		
Depreciation - Owned Assets	230,321	199,504
- Assets on Hire Purchase	142,600	110,200
Contracts or Finance		
Leases		
Directors' Remuneration and Social	152,792	206,622
Security payments		
Pension Costs	38,651	38,651
Audit Fee	8,900	8,100
Bank Interest	15	225
Hire Purchase Interest	22,626	19,115
	<hr/>	<hr/>
	595,905	582,417
	<hr/>	<hr/>

5. EMPLOYEES AND PENSIONS

	<u>2003.</u>	<u>2002.</u>
Average number of people (including Directors) employed by the Company during the Year:-		
Manufacturing	41	38
Administration	6	4
	<hr/>	<hr/>
	47	42
	<hr/>	<hr/>

Costs in respect of these employees:-

Salaries	768,588	708,790
Social Security Costs	65,346	63,498
Other Pension Costs	45,471	44,266
Staff Agency Fees	-	9,140
	<hr/>	<hr/>
	£879,405	£825,694
	<hr/>	<hr/>

6. DIRECTOR'S REMUNERATION

Management Remuneration	137,109	182,946
Pension Costs	38,651	38,651
	<hr/>	<hr/>
	£175,760	£221,597
	<hr/>	<hr/>

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2003.7. INTEREST PAYABLE

	<u>2003.</u>	<u>2002.</u>
Bank Overdraft Interest	15	225
Hire Purchase Interest	22,626	19,115
Taxation	(24)	(135)
	<hr/>	<hr/>
	£22,617	£19,205
	<hr/>	<hr/>

8. DEBTORS (Due within one Year):-

	<u>2003.</u>	<u>2002.</u>
Trade Debtors	743,253	534,543
Other Debtors	16,938	88
Prepayments and Accrued Income	118,983	117,186
	<hr/>	<hr/>
	£879,174	£651,817
	<hr/>	<hr/>

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

Trade Creditors	864,154	492,146
Corporation Tax	46,646	36,974
Other Taxes and Social Security	18,660	57,809
Accruals and Deferred Income	89,562	59,760
Obligations under Finance Leases and Hire Purchase Contracts	128,980	29,200
Directors' Loan Account	-	35,099
	<hr/>	<hr/>
	£1,148,002	£710,988
	<hr/>	<hr/>

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

Obligations under Finance Leases and Hire Purchase Contracts	£52,000	£177,378
	<hr/>	<hr/>

The Hire Purchase Contracts expire
between two and five years.

11. STOCKS

Raw Materials	£268,397	£346,902
Finished Goods and Goods for resale	£189,656	£106,679
	<hr/>	<hr/>
	£458,053	£453,581
	<hr/>	<hr/>

ASPAR PHARMACEUTICALS LIMITEDNOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2003.12. DIVIDEND

	<u>2003.</u>	<u>2002.</u>
Dividend Payable	£90,200	£45,100

13. 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, 2003 amounted to £53,565. (2002 £38,318.) 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.

14. CALLED UP SHARE CAPITAL

	<u>2003.</u>	<u>2002.</u>
Authorised 100,000 Ordinary Shares of £1. each.	100,000	100,000
Allotted and Fully Paid 45,100 Ordinary Shares of £1. each.	45,100	45,100

15. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2003.</u>	<u>2002.</u>
U. K. Corporation Tax at the prevailing rate based on profit for the Year	£46,646	£36,974

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the financial Year	<u>110,188</u>	<u>79,803</u>
Net increase in Shareholders' Funds	110,188	79,803
Shareholders' Funds at 1st October, 2002.	1,451,769	1,371,966
Shareholders' Funds at 30th September, 2003.	<u>1,561,957</u>	<u>1,451,769</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2003.

17. NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2003.</u>	<u>2002.</u>
Net Profit before Taxation	247,034	161,877
Depreciation	372,921	309,704
Interest Received	(8,714)	(3,992)
Interest Paid	15	225
Hire Purchase Interest Paid	22,626	19,115
Profit on Disposal of Asset	(3,753)	
(Increase)/Decrease in Stocks	(4,472)	1,203
(Increase)/Decrease in Debtors	(227,351)	95,081
Increase/(Decrease) in Creditors	327,532	178,798
	<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES	725,838	762,011
	<hr/>	<hr/>

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

	<u>2003.</u>	<u>2002.</u>
Increase/Decrease in Cash in the Year	11,849	271,840
Cash outflow from Finance Contracts in the Year	155,299	124,001
Inception of Lease and Finance Contracts	(129,701)	(64,000)
	<hr/>	<hr/>
Movement in Net Debt in the Year	37,447	331,841
Net Debt at 1st October, 2002.	23,441	(308,400)
	<hr/>	<hr/>
Net Debt at 30th September, 2003.	60,888	23,441
	<hr/>	<hr/>

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.2002.	Cash Flow	Non-Cash Items	At 30.9.2003.
Cash at Bank and in Hand	236,659	5,209		241,868
Overdraft Debt	(6,640)	6,640		-
Finance Contracts	(206,578)	155,299	(129,701)	(180,980)
	<hr/>	<hr/>	<hr/>	<hr/>
	23,441	167,148	(129,701)	60,888
	<hr/>	<hr/>	<hr/>	<hr/>

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2003.20. 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 £129,600. (2002 £25,150.)

21. 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 £45,471. (2002 £44,266.)

22. CONTINGENT LIABILITIES

There were no contingent liabilities at 30th September, 2003 (2002 NIL) except for deferred taxation.

23. 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.

24. TRANSACTIONS WITH RELATED PARTIES.

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