

2658906

"Brand of Trade."

ASPAR PHARMACEUTICALS LIMITED

ACCOUNTS AND REPORTS

FOR THE YEAR ENDED 30th SEPTEMBER, 2000.



ASPAR PHARMACEUTICALS LIMITED

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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, 2000 which disclose a Net Profit of £1,091,402. 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 improved growth and 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>2000.</u>	<u>1999.</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>2000.</u>	<u>1999.</u>
Mr. T. E. Prudhoe.	150,000	126,000
Mrs. S. J. Prudhoe.	31,200	22,303
	<hr/>	<hr/>
	£181,200	£148,303
	<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 £513.00. 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 29th day of JUNE, 2001.

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

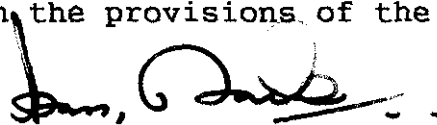
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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, 2000 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 29th day of JUNE, 2001.


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

ASPAR PHARMACEUTICALS LIMITEDTRADING AND PROFIT AND LOSS ACCOUNT for the YEAR ENDED 30th SEPTEMBER, 2000.

<u>1999.</u>	<u>NOTE</u>	<u>£.</u>
3,690,836	<u>SALES</u>	4,390,798
	<u>DEDUCT:-</u>	
185,831	Stock as at 1st October, 1999.	244,272
1,762,182	Purchases	1,887,412
1,948,013		2,131,684
244,272	<u>Less:</u> Stock as at 30th September, 2000.	451,228
		1,680,456
1,703,741		
1,987,095	<u>GROSS PROFIT</u>	2,710,342
757	<u>INTEREST RECEIVED</u>	15,093
36,269	<u>DISCOUNTS RECEIVED</u>	46,605
2,024,121		2,772,040
	<u>LESS EXPENSES:-</u>	
83,103	Rent, Rates and Service Charge	130,716
24,283	Lighting and Heating	28,719
11,895	Motor, Travelling and Entertaining	11,556
3,772	Telephone and Fax	5,127
550,609	Salaries, National Insurance 4 and Pension Contributions	616,058
18,331	Printing, Postage, Stationery, Advertising and Promotion	22,463
63,831	Carriage and Transport	69,101
18,054	Licences and Trade Subscriptions	13,352
21,981	Insurance	25,271
54,827	Repairs, Renewals and Maintenance	72,059
8,804	Protective Clothing and Staff Welfare	11,506
2,821	Hiring of Plant and Equipment	7,365
2,228	Leasing of Office Equipment	2,172
10,648	Cleaning and Waste Disposal	17,673
4,387	Bank Charges	4,352
37,451	Laboratory, Factory & Quality Control Expenses	47,230
20,349	Commission	12,831
725	Trade Journals and Publications	745
7,025	I.T. Support and Computer Accessories	4,032
26,721	Professional Fees and Legal Charges	36,340
5,230	Training Course Fees	1,310
33,746	Discounts Allowed	35,051
5,079	Sundry Expenses	6,371
		1,181,400
1,008,221	<u>NET TRADING PROFIT</u> carried forward	1,590,640

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, 2000.

<u>1999.</u>		<u>NOTE</u>	<u>£.</u>
1,008,221	<u>NET TRADING PROFIT</u> (before charging the following expenses):-		1,590,640
148,303	Director's Remuneration	5	181,200
15,672	Director's Social Security Payments	4	23,411
18,060	Director's Pension Contributions	5	38,647
6,750	Audit Fee		7,250
2,495	Bank Interest	6	73
2,324	Finance Lease Interest	6	-
9,211	Hire Purchase Interest	6	20,942
1,783	Loan and Other Interest	6	-
3,029	Loss/(Profit) on Disposal of Motor Vehicle		(5,039)
	<u>Depreciation:-</u>	2	
9,163	Leasehold Property		13,119
101,107	Plant and Machinery		156,898
8,467	Motor Vehicles		12,407
15,403	Fixtures, Fittings and Office Equipment		50,330
			<u>499,238</u>
666,454	<u>NET PROFIT</u> for the Year before Taxation		1,091,402
198,446	TAXATION	14	226,611
468,008	<u>NET PROFIT</u> for the Year after Taxation		864,791
90,200	DIVIDENDS	11	270,600
377,808	RETAINED PROFIT for the Year		594,191
302,343	SURPLUS BALANCE brought forward from previous Year		680,151
680,151	SURPLUS/(DEFICIT) BALANCE carried forward to next Year		1,274,342

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 LIMITEDBALANCE SHEET as at 30th SEPTEMBER, 2000.

<u>1999.</u>		<u>NOTE</u>	<u>£.</u>
	<u>FIXED ASSETS</u>	2	
73,769	Leasehold Property		115,974
291,569	Plant and Machinery		744,533
90,164	Fixtures, Fittings and Office Equipment		333,434
27,471	Motor Vehicles		44,824
			<hr/>
482,973			1,238,765
65,000	Investment	3	65,000
	<u>CURRENT ASSETS</u>		
244,272	Stock	10	451,228
778,951	Debtors and Prepayments	7	682,147
117,645	Cash at Bank		177,867
400	Cash in Hand		400
			<hr/>
			1,311,642
	<u>LESS: CURRENT LIABILITIES</u>		
	<u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
906,632	Creditors and Accrued Charges	8	902,382
-	Bank Overdraft		119,123 1,021,505
			<hr/>
	<u>AMOUNTS FALLING DUE AFTER ONE YEAR</u>		
57,358	Creditors	9	274,460
177,278	<u>NET CURRENT ASSETS LESS/(CURRENT LIABILITIES)</u>		15,677
			<hr/>
725,251	<u>TOTAL ASSETS LESS/(LIABILITIES)</u>		1,319,442
			<hr/>
	<u>REPRESENTED BY:-</u>		
	<u>CAPITAL AND RESERVES</u>		
45,100	Called Up Share Capital	13	45,100
680,151	Profit and Loss Appropriation Account		1,274,342
			<hr/>
725,251	<u>SHAREHOLDERS' FUNDS</u>	15	1,319,442
			<hr/>

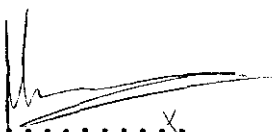
The accompanying accounting policies and notes form
an integral part of these financial statements.

ASPAR PHARMACEUTICALS LIMITED

BALANCE SHEET as at 30th SEPTEMBER, 2000.

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

x.....x



T. E. Prudhoe.
Director.

Dated this 29th day of JUNE, 2001.

ASPAR PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

30th SEPTEMBER, 2000.

	NOTE	2000	1999
Net Cash Inflow from operating activities	16	1,148,813	638,935
Returns on investments and servicing of finance			
Interest received		15,093	757
Interest paid		(73)	(4,278)
Hire Purchase Interest paid		(20,942)	(11,535)
Net Cash Outflow from returns on investments and servicing of finance		(5,922)	(15,056)
Taxation		(198,446)	(35,945)
Capital Expenditure			
Purchase of tangible Fixed Assets		(515,007)	(227,054)
Sale of tangible Fixed Assets		18,500	3,500
Net Cash Outflow from Capital Expenditure		(496,507)	(223,554)
Equity Dividends Paid		(270,600)	(90,200)
Financing			
Repayment of borrowings Finance Lease Rentals		(196,239)	(51,748)
Purchase of Shares			(110,000)
Debt		40,000	
Net Cash Outflow from financing		(236,239)	(161,748)
Increase/(Decrease) in Cash	17	(58,901)	112,432

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, 2000.1. 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, 2000.2. FIXED ASSETS

	LEASE- HOLD PROP'Y.	PLANT & MACH. PURCH. OUTR.	FIXT. & UNDER FINANCE	MOTOR VEH. FIT'S	TOTAL
<u>At Cost (or Acquisition)</u>					
Balance as at 1st October, 1999.	130,755	854,436	78,802	133,974	1,240,462
Additions during the Year	55,324	122,862	487,000	43,221	1,002,007
Disposal				(30,995)	(30,995)
Transfer of Title		56,449	(56,449)		
Balance as at 30th September, 2000.	186,079	1,033,747	509,353	427,574	2,211,474

DEPRECIATION:-

Balance as at 1st October, 1999.	56,986	620,306	21,363	43,810	15,024	757,489
Charge for the Year	13,119	104,845	52,053	50,330	12,407	232,754
Transfer of Title		15,775	(15,775)			
Eliminated on Disposal					(17,534)	(17,534)
Balance as at 30th September, 2000.	70,105	740,926	57,641	94,140	9,897	972,709

NET BOOK VALUE

At 30th September, 2000.	115,974	292,821	451,712	333,434	44,824	1,238,765
At 30th September, 1999.	73,769	234,130	57,439	90,164	27,471	482,973

COMMITMENTS FOR CAPITAL EXPENDITURE

	<u>2000.</u>	<u>1999.</u>
Contracted for but not provided in these Statements.	£-	£856,276

3. FIXED ASSET INVESTMENT

	<u>2000.</u>	<u>1999.</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, 2000.4. EMPLOYEES AND PENSIONS

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

	<u>2000.</u>	<u>1999.</u>
Manufacturing	40	65
Administration	4	4
	—	—
	44	69
	—	—

Costs in respect of these employees:-

Salaries	743,559	651,046
Social Security Costs	68,416	57,825
Other Pension Costs	38,647	18,060
Staff Agency Fees	8,694	5,713
	—	—
	£859,316	£732,644
	—	—

5. DIRECTOR'S REMUNERATION

Management Remuneration	181,200	148,303
Pension Costs	38,647	18,060
	—	—
	£219,847	£166,363
	—	—

6. INTEREST PAYABLE

Bank Overdraft Interest	73	2,495
Hire Purchase Interest	20,942	11,535
Loan and Other Interest	-	1,783
	—	—
	£21,015	£15,813
	—	—

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, 2000.7. DEBTORS (Due within one Year):-

	<u>2000.</u>	<u>1999.</u>
Trade Debtors	558,820	678,670
Other Debtors	22,708	3,211
Prepayments and Accrued Income	100,619	97,070
	<hr/>	<hr/>
	£682,147	£778,951
	<hr/>	<hr/>

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

Trade Creditors	419,684	502,812
Corporation Tax	247,834	198,446
Other Taxes and Social Security	76,044	81,595
Accruals and Deferred Income	40,993	39,611
Obligations under Finance Leases and Hire Purchase Contracts	117,827	44,168
Director's Loan Account	-	40,000
	<hr/>	<hr/>
	£902,382	£906,632
	<hr/>	<hr/>

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

Obligations under Finance Leases and Hire Purchase Contracts	<hr/>	<hr/>
	274,460	57,358

The Hire Purchase Contracts expire
between two and five years.

10. STOCKS

Raw Materials	£165,279	£142,230
Finished Goods and Goods for resale	£285,949	£102,042
	<hr/>	<hr/>
	£451,228	£244,272
	<hr/>	<hr/>

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2000.11. DIVIDEND

	<u>2000.</u>	<u>1999.</u>
Dividend Payable	£270,600	£90,200

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, 2000 amounted to £93,983. (1999 £24,372.) 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>2000.</u>	<u>1999.</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

14. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000.</u>	<u>1999.</u>
U. K. Corporation Tax at the prevailing rate based on profit for the Year	£247,834	£198,446
Adjustment in respect of prior period: Corporation Tax Refund	(21,223)	-
	£226,611	£198,446

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the financial Year	594,191	377,808
Net increase in Shareholders' Funds	594,191	377,808
Shareholders' Funds at 1st October 1999.	725,251	347,443
Shareholders' Funds at 30th September, 2000.	1,319,442	725,251

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2000.16. NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2000.</u>	<u>1999.</u>
Net Profit before Taxation	1,091,402	666,454
Depreciation	232,754	134,140
Interest Received	(15,093)	(757)
Interest Paid	73	4,278
Hire Purchase Interest Paid	20,942	11,535
Profit/Loss on Sale of Tangible Fixed Assets	(5,039)	3,029
Increase in Stocks	(206,956)	(58,441)
(Increase)/Decrease in Debtors	118,027	(320,057)
Increase/(Decrease) in Creditors	(87,297)	198,754
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>1,148,813</u>	<u>638,935</u>

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

	<u>2000.</u>	<u>1999.</u>
Increase/Decrease in Cash in the Year	(58,901)	112,432
Cash outflow from financing in the Year	40,000	-
Cash outflow from Finance Contracts in the Year	196,239	51,748
Inception of Lease and Finance Contracts	(487,000)	(24,954)
Movement in Net Debt in the Year	(309,662)	139,226
Net Debt at 1st October, 1999.	(23,481)	(162,707)
Net Debt at 30th September, 2000.	<u>(333,143)</u>	<u>(23,481)</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.1999.	Cash Flow	Non-Cash Items	At 30.9.2000.
Cash at Bank and in Hand	118,045	60,222		178,267
Overdraft	-	(119,123)		(119,123)
Debt	(40,000)	40,000		-
Finance Contracts	(101,526)	196,239	(487,000)	(392,287)
	<u>(23,481)</u>	<u>177,338</u>	<u>(487,000)</u>	<u>(333,143)</u>

ASPAR PHARMACEUTICALS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER, 2000.19. 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 £487,000. (1999 £24,954.)

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 £38,647. (1999 £18,060.)

21. CONTINGENT LIABILITIES

There were no contingent liabilities at 30th September, 2000 (1999 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.