

**DISHMAN EUROPE LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2000**



# **DISHMAN EUROPE LIMITED**

## **COMPANY INFORMATION**

---

**Directors**

J. R. Vyas Esq.  
Ms A. Vyas  
M. I. Armstrong Esq.

**Secretary**

Ms A. Vyas

**Company number**

03406047

**Registered office**

Suite 405A  
Langham House  
302 -308 Regent Street  
London  
W1R 5AL

**Auditors**

Munslow Messias  
First Floor  
143-149 Great Portland Street  
London  
W1W 6QN

---

# **DISHMAN EUROPE LIMITED**

## **CONTENTS**

---

	<b>Page</b>
<b>Directors' report</b>	1 to 2
<b>Auditors' report</b>	3
<b>Profit and loss account</b>	4
<b>Balance sheet</b>	5
<b>Notes to the accounts</b>	6 to 9
<b>Management profit and loss account</b>	10 to 11

---

# **DISHMAN EUROPE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31ST DECEMBER 2000**

---

The directors present their report and the audited accounts for the company for the year ended 31st December 2000.

### **Principal activities**

The company's principal activity continued to be that of the importation and distribution of chemical and pharmaceutical products.

### **Directors and their interests**

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st December	At 1st January 2000
		2000	
J. R. Vyas Esq.	£1 ordinary shares	-	-
Ms A. Vyas	£1 ordinary shares	-	-
M. I. Armstrong Esq.	£1 ordinary shares	-	-

### **Statement of directors' responsibilities**

Company law requires the directors to prepare accounts 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 year. In preparing those accounts 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 accounts;

Prepare the accounts 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 enable them to ensure that the accounts comply with 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.

# **DISHMAN EUROPE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31ST DECEMBER 2000**

---

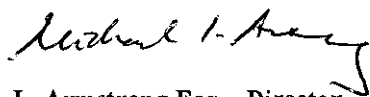
### **Auditors**

A resolution to re-appoint Munslow Messias, Chartered Certified Accountants and Registered Auditors, as auditors will be put to the members at the Annual General Meeting.

### **Small company exemptions**

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board



**M. I. Armstrong Esq., Director**  
**6th April 2001**

Suite 405A  
Langham House  
302 -308 Regent Street  
London  
W1R 5AL

# **AUDITORS' REPORT TO THE SHAREHOLDERS OF DISHMAN EUROPE LIMITED**

---

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

## **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

## **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Munslow Messias

**Munslow Messias**  
**Chartered Certified Accountants and Registered Auditors**  
**First Floor**  
**143-149 Great Portland Street**  
**London**  
**W1W 6QN**

**Date: 17th April 2001**

**DISHMAN EUROPE LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2000**

	Notes	2000 £	1999 £
Turnover	2	1,833,159	819,983
Cost of sales		(1,481,511)	(712,302)
Gross profit		351,648	107,681
Administrative expenses		(433,386)	(249,683)
		(81,738)	(142,002)
Other operating income		158,536	-
Operating profit/loss	3	76,798	(142,002)
Interest receivable		1,017	413
Interest payable and similar charges		(1,453)	(2,791)
Profit/Loss on ordinary activities before taxation		76,362	(144,380)
Tax on profit/loss on ordinary activities		-	-
Profit/Loss for the financial year		76,362	(144,380)
Retained loss brought forward		(192,097)	(47,717)
Retained loss carried forward		(115,735)	(192,097)

# DISHMAN EUROPE LIMITED

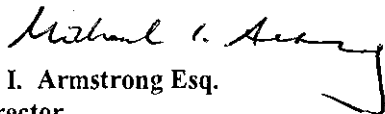
## BALANCE SHEET

AS AT 31ST DECEMBER 2000

	Notes	£	2000 £	£	1999 £
<b>Fixed assets</b>					
Tangible assets	5		13,426		13,450
<b>Current assets</b>					
Stocks		460,262		153,146	
Debtors	6	306,661		238,358	
Cash at bank and in hand		149,348		42,278	
		916,271		433,782	
<b>Creditors: amounts falling due within one year</b>	7	(886,432)		(480,329)	
<b>Net current assets/liabilities</b>			29,839		(46,547)
<b>Total assets less current liabilities</b>			43,265		(33,097)
<b>Capital and reserves</b>					
Share capital	8		159,000		159,000
Profit and loss account			(115,735)		(192,097)
<b>Shareholders' funds</b>			43,265		(33,097)

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board on 6th April 2001 and signed on its behalf by:

  
M. I. Armstrong Esq.  
Director



# **DISHMAN EUROPE LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2000**

---

### **1 Accounting policies**

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### **Turnover**

Turnover comprises the value of sales excluding value added tax and trade discounts.

#### **Tangible fixed assets and depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets using the reducing balance method over their expected useful lives. The rates and period generally applicable are:

Plant and machinery	15% per annum
---------------------	---------------

#### **Stocks**

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

#### **Deferred taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

#### **Contribution to pension funds**

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **2 Turnover**

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

# DISHMAN EUROPE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

### 3 Operating profit

*The operating profit is stated after charging or crediting:*

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	2,369	2,374
Pension contributions	9,281	-
Auditors' remuneration	2,000	2,000
	<u>118,614</u>	<u>61,000</u>

### 4 Directors' remuneration

	2000	1999
	£	£
Aggregate emoluments	<u>118,614</u>	<u>61,000</u>

During the year the company provided a loan to J.R. Vyas Esq, a director. The outstanding amounts were as follows: Beginning of year: £20; end of year: £10,494; maximum during the year: £25,895.

### 5 Tangible fixed assets

	Plant and machinery	Total
	£	£
Cost		
At 1st January 2000	17,112	17,112
Additions	2,345	2,345
At 31st December 2000	<u>19,457</u>	<u>19,457</u>
Depreciation		
At 1st January 2000	3,662	3,662
Charge for the year	2,369	2,369
At 31st December 2000	<u>6,031</u>	<u>6,031</u>
Net book value		
At 31st December 2000	<u>13,426</u>	<u>13,426</u>
At 31st December 1999	<u>13,450</u>	<u>13,450</u>

# DISHMAN EUROPE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

6	Debtors	2000 £	1999 £
	Trade debtors	275,363	229,350
	Amounts owed by fellow subsidiary undertakings	6,271	-
	Other debtors	4,467	5,780
	Prepayments and accrued income	10,066	3,208
	Director's loan account	10,494	20
		<u>306,661</u>	<u>238,358</u>
7	Creditors: amounts falling due within one year	2000 £	1999 £
	Bank overdrafts	-	130,510
	Trade creditors	25,649	61,236
	Amounts owed to parent undertaking	771,032	175,085
	Amounts owed to fellow subsidiary undertakings	58,575	83,246
	Other taxes and social security	7,603	3,736
	Accruals and deferred income	12,573	15,516
	Directors' loan - M I Armstrong	11,000	11,000
		<u>886,432</u>	<u>480,329</u>

The parent undertaking has indicated that it will continue to provide financial support to enable the company to continue to trade.

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

8	Share capital	2000 £	1999 £
	<b>Authorised</b>		
	500,000 Ordinary shares of £1.00 each	500,000	500,000
		<u>500,000</u>	<u>500,000</u>
	<b>Allotted</b>		
	159,000 Allotted, called up and fully paid ordinary shares of £1.00 each	159,000	159,000
		<u>159,000</u>	<u>159,000</u>

# **DISHMAN EUROPE LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2000**

---

### **9 Pension scheme**

The company operates a defined contribution pension scheme for the benefit of certain employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £9,281 (1999: £-).

### **10 Ultimate holding company**

In the directors' opinion the company's ultimate parent company and controlling party is Dishman Pharmaceuticals Pvt Limited, a company which is incorporated in India..

Goods to the value of £1,720,969 were purchased from the parent company. Goods to the value of £30,681 were sold to a fellow subsidiary undertaking. All transactions were carried out at arms' length on an open market value basis.

The amounts due to and from the parent company and fellow subsidiary undertakings are disclosed in notes 6 and 7 to the accounts.