

POLYWEAVE LIMITED

DIRECTORS' REPORT

Registered Number: 744368

Registered Office: Heron House, 15 Adam Street, London, WC2N 6LA

Directors: M.G. Parson
P.R. Chambers
D.A. Trollope Resigned 1 September 2000
C.K. Lomax Appointed 1 September 2000

Secretary: Smith & Nephew Nominee Services Limited

The directors present their report for the year ended 31st December 2000.

ACCOUNTS, ACTIVITIES AND AUDITORS

The directors submit the accounts of the company for the year ended 31st December 2000. The company is a dormant company within the meaning of S250 of the Companies Act 1985 (as amended) and no auditors have been appointed. No changes in the books of account of the company have taken place during the period and any expenses have been met by the ultimate holding company, Smith & Nephew plc. The accounts, therefore, consist of a balance sheet only.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year ended 31st December 2000 were those listed above.

None of the directors have any interest in the shares of the company.

The interests of the directors, who were directors as at 31st December 2000, in the share capital of the ultimate holding company were as follows:-

	Ordinary Shares		Options on Ordinary Shares	
	At 31/12/00	At 01/01/00*	At 31/12/00	At 01/01/00*
P.R. Chambers	1,729	2,111	31,064	29,663
M.G. Parson	5,286	23,558	70,362	180,362
C.K. Lomax	26,497	37,088	123,692	123,692

* Or date of appointment, if later.

On 7 August 2000, the ordinary share capital of Smith & Nephew plc was consolidated, by the issue of 9 new ordinary shares of 12²/₉p for every 11 ordinary shares of 10p held.



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The options granted under Executive and Employee Share Option Schemes are exercisable between 2001 and 2010 at prices ranging between 124p and 270p per share. During the year, under the rules of Smith & Nephew plc's Share Option Schemes, P.R. Chambers was granted 1,401 Share Options and M.G. Parson exercised 110,000 Share Options.

Approved by the Board on 19th June 2001

P.R. Chambers

**For and on behalf of
Smith & Nephew Nominee Services Limited
Secretary**

BALANCE SHEET AT 31ST DECEMBER 2000

NOTES	31st December 2000 £	31st December 1999 £
CURRENT ASSETS:		
Debtors	742,503	742,503
	-----	-----
NET ASSETS:	742,503	742,503
	=====	=====
CAPITAL AND RESERVES:		
Called up Share Capital	750,002	750,002
Profit and Loss Account	(7,499)	(7,499)
	-----	-----
TOTAL CAPITAL EMPLOYED:	742,503	742,503
	=====	=====

The company was a dormant company within the meaning of S250 of the Companies Act 1985 (as amended) throughout the accounting period ending at the date of this balance sheet.

Approved by the Board on 19th June 2001

P.R. Chambers

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Director

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NOTES ON THE BALANCE SHEET AT 31ST DECEMBER 2000

1. The company's ultimate holding company is Smith & Nephew plc, incorporated in England and Wales.
2. At 31st December 2000 and 31st December 1999 the share capital of the company was:

	Authorised £	Allotted, called up and fully paid £
Ordinary Shares of £1 each	750,100 =====	750,002 =====