

SOLVAY HEALTHCARE LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2009

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REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	3
Independent auditors' report	4
Income statement	5
Balance sheet	6
Statement of Changes in Equity	7
Cash flow statement	8
Notes to the accounts	9

DIRECTORS' REPORT

The directors present their annual report, together with the financial statements and auditors' report for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The principal activities of the Company are the marketing, sale and distribution of pharmaceutical products in the UK. Until 15 February 2010, Solvay Healthcare Limited was a part of the Solvay Group. The Solvay Group is an international chemicals and pharmaceuticals group with headquarters in Brussels. It is present in more than fifty countries and is involved in chemical, plastic and pharmaceutical activities.

REVIEW OF FINANCIAL ACTIVITIES

The directors are satisfied with the performance of the business during 2009. Revenue increased during the year by £0.48m (10%) (2008: 11%) and the underlying business continues to be profitable.

The balance sheet on page 6 shows that the company's financial position at the year end has, in net asset terms, improved to £15.59m from £13.18m.

FUTURE PROSPECTS

The business will continue to focus on the delivery of profitable and effective medicines while continuing to make efficiency improvements that will reduce the cost base in the face of continuing pricing pressures within the pharmaceutical industry.

PRINCIPAL RISKS AND UNCERTAINTIES

Despite a more favourable exchange rate than prior year, the Company continues to face pressure from the cost of imports. The current pricing regime (PPRS) provides some stability in the market but this could change again with a general election due in 2010. Any change of government will result in a measure of uncertainty in such a regulated market as pharmaceuticals.

GOING CONCERN

The Company meets its day to day working capital requirements through its profitable trading activities. Having considered the Company's cash flow forecasts and liquidity position in isolation from the Group, the Directors remain confident that the Company has more than adequate resources from operating cash flows to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the annual report and financial statements.

POST BALANCE SHEET EVENTS

On 28 September 2009, the Solvay Group announced its intention to sell its entire pharmaceutical business to Abbott Laboratories. Approval from the relevant authorities was completed in February 2010 and the takeover finalized on 15 February 2010.

DIVIDENDS

The directors did not formally declare a dividend during the accounting period and therefore, under IFRS, this has not been included as a liability in these financial statements (2008: £1,000).

DIRECTORS

The directors, who served throughout the year and to the date of signing, except as noted below, were as follows:

J Wessolowski
B Traverse
T Weidauer
G Van Roye

The secretary, which served throughout the year, was Solvay UK Holding Company Limited.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

Following the takeover by Abbott Laboratories Messrs Traverse and Van Roye resigned as directors effective 10 February 2010 They were replaced by Mr T C Freyman, Mr T J Dee and Mr F Weitkamp on 15 February 2010 Abogado Nominees Limited replaced Solvay UK Holding Company Limited as secretary on 10 February 2010

DIRECTORS' INTERESTS

None of the directors held any interests in the share capital of the Company during the year The directors' interests in the holding company are disclosed in that company's financial statements

SUPPLIER PAYMENT POLICY

Solvay Healthcare's standard payment terms are end of month following the month of invoice, although there are some exceptions to this The Company's policy is to ensure suppliers are aware of the payment terms and to apply them consistently as far as possible In 2009 the average trade creditor days was 59 days (2008 48)

CHARITABLE CONTRIBUTIONS

During the year the Company made charitable donations of £5,055 (2008 £9,755), principally to a local teenage support centre

DISABLED EMPLOYEES

The Company will continually strive to meet its obligations as an equal opportunities employer and will comply with all requirements of the Disability Discrimination Act 1995

EMPLOYEE CONSULTATION

The Company holds regular communication meetings to inform all employees about matters such as company performance and product development, and to recognise achievements by employees Where required, special committees are elected to deal with specific situations that arise, such as restructuring Other media such as staff magazines and pension newsletters are also used

PROVISION OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the Company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- each of the directors has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined in the Companies Act 2006) and to establish that the company's auditors are aware of that information

This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

AUDITORS

Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the annual general meeting

Registered Company Address
Abbott House
Vanwall Business Park
Vanwall Road
Maidenhead
SL6 4XE

Approved by the Board of Directors and signed on behalf of the Board by

T Weidauer

04.05 2010



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 2006.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLVAY HEALTHCARE LIMITED

We have audited the financial statements of Solvay Healthcare Limited for the year ended 31 December 2009 which comprise the income statement, the balance sheet, the cash flow statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Company Act 2006.

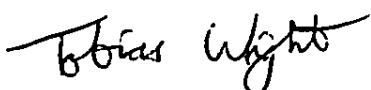
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Tobias Wright
Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Southampton, United Kingdom

11 May 2010

SOLVAY HEALTHCARE LIMITED

INCOME STATEMENT For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Revenue – continuing operations	3	50,511	45,756
Cost of sales		(30,535)	(26,540)
Gross profit		<u>19,976</u>	<u>19,216</u>
Other operating income	4	1,563	1,685
Distribution costs		(699)	(579)
Administrative expenses		(17,612)	(17,816)
Operating profit	5	<u>3,228</u>	<u>2,506</u>
Interest payable	7	(207)	(669)
Interest receivable	8	59	7
Profit before tax		<u>3,080</u>	<u>1,844</u>
Tax charge on profit on ordinary activities	9	(666)	(557)
Profit for the year from continuing operations	19	<u><u>2,414</u></u>	<u><u>1,287</u></u>

The Company has no recognised gains or losses other than the profit for the current and preceding year, and accordingly no Statement of comprehensive income is presented

SOLVAY HEALTHCARE LIMITED

BALANCE SHEET 31 December 2009

	Notes	2009 £'000	2008 £'000
Non-current assets			
Property, plant and equipment	10	281	334
Intangible assets	11	1,248	1,703
Investments	12	17,493	17,493
Retirement benefit asset	22	2,563	1,756
		<u>21,585</u>	<u>21,286</u>
Current assets			
Inventories	13	3,602	3,937
Trade and other receivables	14	14,621	20,466
Cash and cash equivalents		43	258
		<u>18,266</u>	<u>24,661</u>
Total assets		<u>39,851</u>	<u>45,947</u>
Current liabilities			
Trade and other payables	17	12,600	15,297
Current tax liabilities		612	206
Bank overdraft and loans	15	139	24
		<u>13,351</u>	<u>15,527</u>
Net current assets		<u>4,915</u>	<u>9,134</u>
Non-current liabilities			
Intercompany loans	15	10,226	16,790
Deferred tax liabilities	16	681	451
		<u>10,907</u>	<u>17,241</u>
Total liabilities		<u>24,258</u>	<u>32,768</u>
Net assets		<u>15,593</u>	<u>13,179</u>
Equity			
Share capital	18	10,000	10,000
Retained earnings	19	5,593	3,179
Total equity		<u>15,593</u>	<u>13,179</u>

The financial statements for Solvay Healthcare Limited, registered company no 00949253, were approved by the board of directors and authorised for issue on 04.05. 2010

They were signed on its behalf by



T Weidauer

Director

SOLVAY HEALTHCARE LIMITED

STATEMENT OF CHANGES IN EQUITY 31 December 2009

	Share Capital £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2008	10,000	2,892	12,892
Net profit for the year	-	1,287	1,287
Dividends paid	-	(1,000)	(1,000)
Balance at 1 January 2009	10,000	3,179	13,179
Net profit for the year	-	2,414	2,414
Balance at 31 December 2009	10,000	5,593	15,593
Balance at 31 December 2008	10,000	3,179	13,179

No dividend was paid for the year ending 31 December 2009 (2008 0 10p per share)

SOLVAY HEALTHCARE LIMITED

CASH FLOW STATEMENT For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Net cash from /(used in) operating activities	20	<u>6,200</u>	<u>(2,503)</u>
Investing activities			
Interest received		59	7
Purchases of property, plant and equipment		<u>(25)</u>	<u>(11)</u>
Net cash from/(used in) investing activities		<u>34</u>	<u>(4)</u>
Net increase/(decrease) in cash and cash equivalents		6,234	(2,507)
Cash and cash equivalents at beginning of year		(16,556)	(14,049)
Cash and cash equivalents at end of year	20	<u><u>(10,322)</u></u>	<u><u>(16,556)</u></u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

1 GENERAL INFORMATION

Solvay Healthcare Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out on page 1.

As at 31 December 2009, the Company is wholly owned by Sodufa BV, a company registered in The Netherlands. The ultimate holding company and controlling entity is Solvay SA, incorporated in Belgium. This is the head of the largest and smallest group in which these accounts are consolidated. Copies of Solvay SA's accounts can be obtained from Solvay SA, Rue du Prince Albert 33, Brussels, Belgium. See Note 25 for details regarding the change in ownership in 2010.

Adoption of new and revised standards

In the current year, the following new and revised Standard and Interpretation have been adopted. These changes do not have any impacts on the amounts reported in these financial statements.

IAS 1 (revised 2007) – Presentation of Financial Statements IAS 1(2007) has introduced a number of changes in the format and content of the financial statements. There are no changes in accounting policies during the current year. Should there be any changes in the future, the revised Standard has required the presentation of a third balance sheet when the entity has applied certain changes in accounting policies, makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements.

IFRS 8 – Operating Segments – IFRS 8 is a disclosure segment that requires the designation of a group's reportable segments in line with management reporting. This change has had no impact on these financial statements as the company consists of one reporting segment.

IAS 23 (revised 2007) – The principal change to the Standards was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements as it has always been the Group's accounting policy to capitalise borrowing costs incurred on qualifying assets.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 1	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 3	Business Combinations
IFRS 7	Financial Instruments – Disclosures
IAS27	Consolidated and Separate Financial Statements
IAS28	Investments in Associates
IFRIC17	Distributions of Non-Cash Assets to Owners
Improvements to IFRSs (April 2009)	

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Going Concern

As explained in the Directors' Report on page 1, the accounts have been prepared on a going concern basis.

Group accounts

The Company is exempt from the obligation to prepare and deliver consolidated financial statements under s400 of the Companies Act 2006. This is due to the fact that it is included in the consolidated financial statements prepared by Solvay SA, the ultimate parent company, which are publicly available.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, including carriage and insurance, but excluding VAT. Sales of goods are recognised when goods are delivered and title has passed.

Leasing

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Foreign currencies

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

The translations of foreign currencies are recorded at the rates of exchange prevailing on the date of the transactions. At each balance sheet date monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing on the balance sheet date and the gains or losses on translation are included in the income statement for the year.

Operating profit

Operating profit is stated after charging restructuring costs and before investment income and finance costs.

Borrowing costs

Borrowing costs are recognised in the income statement in the period in which they are incurred.

Retirement benefit costs

The Company operates a defined benefit pension plan which covers the majority of employees. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

A retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees on a straight-line basis over the average service life until the benefits become vested. The Company has not elected to present actuarial gains and losses arising in its defined benefit plan in the Statement of Recognised Income and Expense, and continues to recognise such gains and losses in the Income Statement using the 'corridor' approach.

Restructuring costs

All restructuring costs are accounted for on an accruals basis, when there is a constructive obligation to another party in respect of that particular cost.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged on a straight line basis over their estimated useful lives, which are subject to review each year, on the following bases:

Land and buildings	Over life of lease
Plant and machinery	3 – 20 years

Impairment reviews of the Company's property, plant and equipment are performed on an annual basis.

Intangible assets - patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight line basis over their estimate useful lives, considered to be 20 years.

Impairment reviews of the Company's intangible assets are performed on an annual basis.

Research and development

Expenditure on research activities is recognised as an expense in the year in which it is incurred. An asset arising from the company's development activities will only be recognised if the following conditions are met:

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development (continued)

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and
- the cost of the asset can be measured reliably

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using a standard cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Investments

Fixed asset investments are stated at cost having been reviewed for any potential impairment to their carrying value.

Financial instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of a debt and equity balance. The capital structure of the Company consists of debt (note 15), cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

Foreign currency risk management

Virtually all of the Company's financial transactions are undertaken in pounds sterling. All trade debtors and creditors are assigned in sterling to the Group's internal bank (CICC). Consequently, currency risk is minimal and no specific financial instruments are in place to deal with this. Exposure to exchange rate fluctuations is at Group level.

Interest rate risk management

The interest rate payable by the Company is determined by Bank of England base rates and the margin on the Group's EMTN issue, as detailed in note 15.

Credit risk management

All trade debtors are assigned by the Company to CICC. Payments are made by CICC according to the due dates, adjusted on a rolling basis to reflect actual payment experience. CICC examines information on current and potential third party customers supplied by independent rating agencies. The Group has credit insurance in place.

Liquidity risk management

Although ultimate responsibility for liquidity risk management rests with the board of directors, the Company's position is underwritten by the Group's treasury support function. The Group itself manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecasts and actual cash flows provided by the various group companies.

Financial assets

Trade receivables

Trade receivables and other receivables have fixed or determinable payments and are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impaired. For trade receivables, the carrying amount is reduced through the use of an allowance account.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances in bank accounts which are readily convertible to a known amount of cash with limited exchange risk.

Financial Liabilities

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Critical accounting estimates and judgements

Estimates and judgements are evaluated based on a number of factors including historical experience and expectation of future events that are believed to be reasonable. The preparation of financial statements under IFRS requires management to make estimates and assumptions concerning the future and the key areas are discussed below.

Impairment of investments

The carrying values of the investments are reviewed by reference to the future forecast results of the companies in which the investments are held.

Retirement benefits

This is an area that requires certain assumptions to be made in order to value our obligations and determine the costs charged to the income statement. These figures are particularly sensitive to assumptions in discount rates, mortality, rates of inflation and expected return on assets. Details of the assumptions made are given in note 23. Assumptions made are mutually consistent but may not be borne out in practice over the long term. The net asset before deferred tax stated in note 23 is based upon a valuation of scheme assets that are not intended to be realised in the short term and which may change significantly. The net asset stated in note 23 is also based on an actuarial valuation of scheme liabilities which is based upon cash flow projections over very long periods thus causing the valuation to be inherently uncertain.

3 REVENUE

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods provided in the normal course of business, net of discounts, including carriage and insurance, but excluding VAT. The turnover is attributable to one activity, being the sale of pharmaceutical products in the United Kingdom. In addition, none of the single external customer amount to 10 per cent or more of the company's revenue. Further segmental analysis is therefore not provided.

	2009	2008
	£'000	£'000
Sales of goods – Continuing operations	50,511	45,756

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

4 OTHER OPERATING INCOME

	2009 £'000	2008 £'000
Dividends received	1,563	834
Sundry income	-	851
	<u>1,563</u>	<u>1,685</u>

5 PROFIT FOR THE YEAR

Profit for the year is stated after (crediting)/charging

	2009 £'000	2008 £'000
Net foreign exchange losses/(gains)	73	(78)
Depreciation of property, plant and equipment	78	83
Amortisation of intangible assets	455	455
Staff costs (see note 6)	9,075	9,256
Cost of inventories recognised as expense	30,343	26,878
Auditors' remuneration (see below)	49	53
Operating lease rentals		
Plant and machinery	608	654
Others	187	181

	2009 £000	2008 £000
Fees payable to the company's auditors for the audit of the company's annual accounts	21	24
Fees payable to the company's auditors for audit related regulatory reporting	12	14
Total audit fees	<u>33</u>	<u>38</u>
Tax services - compliance	13	10
- advisory	3	5
Total non-audit fees	<u>16</u>	<u>15</u>
Total Auditor's remuneration	<u>49</u>	<u>53</u>

Fees payable in respect of the audit of associated pension schemes are borne by the Company in respect of the defined contribution scheme. The defined benefit pension scheme pays its own audit costs.

6 STAFF COSTS

The staff costs during the year including directors were

	2009 £'000	2008 £'000
Wages and salaries	7,650	7,802
Social security costs	862	893
Pension costs	563	561
Redundancy costs	-	255
	<u>9,075</u>	<u>9,511</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

6 STAFF COSTS (CONTINUED)

The average monthly number of employees (including directors) was

	2009 No	2008 No
Sales	116	119
Administration	43	44
	<u>159</u>	<u>163</u>

Details in relation to directors' remuneration are given in note 24

7 INTEREST PAYABLE

	2009 £'000	2008 £'000
Interest payable on bank overdraft	1	27
Interest payable on short term loans	205	640
Other	1	2
	<u>207</u>	<u>669</u>

Interest payable on short term loans relates to amounts paid to Group undertakings

8 INTEREST RECEIVABLE

	2009 £'000	2008 £'000
Interest receivable	<u>59</u>	<u>7</u>

9 TAX

	2009 £'000	2008 £'000
Current tax		
Current tax	448	238
Over provided in prior year	(12)	-
Current tax charge	<u>436</u>	<u>238</u>
Deferred tax (see note 16)		
Origination and reversal of temporary differences in the current year	230	343
Over provided in prior year	-	(24)
Deferred tax charge	<u>230</u>	<u>319</u>
Tax charge for the year	<u>666</u>	<u>557</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

9 TAX (CONTINUED)

	2009 £'000	2008 £'000
Deferred taxation (current year)		
Accelerated depreciation	4	4
Pensions	226	339
	<u>230</u>	<u>343</u>

The corporation tax charge for the year can be reconciled to the profit before tax per the income statement as follows

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	3,080	1,844
Tax on profit on ordinary activities at standard rate of 28% (2008 28.5%)	862	525
Differences between actual and effective rate of tax		
Expenses not deductible for tax purposes	254	294
Movement in short term timing differences		
Overseas dividend taxed at source	(438)	(238)
Adjustments to tax charge in respect of prior years	(12)	(24)
Actual tax charge in income statement	<u>666</u>	<u>557</u>

10 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'000	Plant and Machinery £'000	Total £'000
Cost			
At 1 January 2009	758	644	1,402
Additions	-	25	25
At 31 December 2009	<u>758</u>	<u>669</u>	<u>1,427</u>
Accumulated depreciation			
At 1 January 2009	461	607	1,068
Charge for the year	57	21	78
At 31 December 2009	<u>518</u>	<u>628</u>	<u>1,146</u>
Carrying amount			
At 31 December 2009	<u>240</u>	<u>41</u>	<u>281</u>
At 31 December 2008	<u>297</u>	<u>37</u>	<u>334</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

11 INTANGIBLE ASSETS

	Patents and trademarks £'000
Cost	
At 1 January 2009	2,276
Additions	-
	<u>2,276</u>
At 31 December 2009	<u>2,276</u>
Amortisation	
At 1 January 2009	573
Charge for the year	455
	<u>1,028</u>
At 31 December 2009	<u>1,028</u>
Carrying amount	
At 31 December 2009	<u>1,248</u>
At 31 December 2008	<u>1,703</u>

12 INVESTMENTS

	2009 £'000	2008 £'000
Solvay Healthcare Ireland Limited	4,438	4 438
Solvay Pharma India Limited	13,055	13,055
	<u>17,493</u>	<u>17 493</u>

Solvay Healthcare Limited owns the following shares in the above Group companies, of which the ultimate parent and controlling entity which consolidates these accounts is Solvay S A , incorporated in Belgium

- a Solvay Healthcare Ireland Limited, a company incorporated in Ireland 100%
- b Solvay Pharma India Limited, a company incorporated in India 44% held directly and 19% held via Solvay Healthcare Limited's ownership of British Colloids, a dormant company incorporated in the United Kingdom British Colloids was purchased for a nominal amount in 2004 and consequently no value is included in respect of the investment in the figures above

No impairment of investments required in the current year Amounts disclosed above reflect cost of investments

13 INVENTORIES

	2009 £'000	2008 £'000
Finished goods	<u>3,602</u>	<u>3,937</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

14 OTHER FINANCIAL ASSETS

Trade and other receivables

	2009 £'000	2008 £'000
Amount receivable for the sale of goods	299	72
Amounts owed by group undertakings	13,211	19,298
Other receivables	827	889
Prepayments and accrued income	284	207
	<u>14,621</u>	<u>20,466</u>

The bulk of the Company's sales orders and credit control are outsourced to a logistics partner. The average credit period taken on the sale of these goods is 66 (2008: 68 days). Varying credit terms apply to the Company's vaccines which are subject to a discount matrix. Bad debt experience is very limited and therefore no provision against the carrying amount is made. No interest has been charged on any overdue receivables during the year. The directors consider that the carrying amount of trade and other receivables approximates their fair value. In 2009 all remaining receivables were assigned to the Group's internal bank and credit risk within Solvay Healthcare Limited has been eliminated. All amounts are paid in the invoiced currency negating any exchange risk.

Included in the Company's trade receivable balance are debtors with a carrying amount which are past due but not impaired as follows:

	2009 £	2008 £
90 – 120 days	<u>2</u>	<u>-</u>

Bank balances and cash

Bank balances and cash comprise cash held by the Company. The carrying amount of these assets approximates their fair value.

Credit risk

The Company's principal financial assets are bank balances, trade and other receivables and investments, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

15 BORROWINGS

	2009 £'000	2008 £'000
Secured borrowing		
Bank overdrafts	36	16
Loans from group undertakings	<u>10,329</u>	<u>16,798</u>
Total borrowings	<u>10,365</u>	<u>16,814</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

15 BORROWINGS (CONTINUED)

	2009 £'000	2008 £'000
Amount due for settlement within 1 year	139	24
Amount due for settlement after more than 1 year	10,226	16,790
Total borrowings	10,365	16,814

Analysis by currency

All borrowings are in pounds sterling

The other principal features of the Group's borrowings are as follows

(i) Bank overdrafts are repayable on demand. Solvay UK Holding Company has a bank overdraft facility with National Westminster Bank Plc at the UK base rate plus 1%. This operates on a pooling arrangement with the other UK Group companies and is subject to a cross-guarantee dated 2 May 2002. The bank nets the balances on the Group accounts subject to an overall limit of £4,000,000. The rate payable by Solvay Healthcare is Bank of England base rate + or - 0.125 %

(ii) Current accounts are held with CICC (Coordination Internationale des Credits Commerciaux), a Group company, and any overdraft is charged at European Medium Term Note (EMTN) plus 20 basis points, and

(iii) The loan due after more than one year is with Solvay UK Holding Limited (SUKH). The interest payable is the rate payable by the Group on its EMTN issue plus a variable spread. On top of this there is a margin of 20 basis points payable to SUKH.

The exposure to the above interest rates is dependent on the UK base rate and European Medium Term Note and the effect of a 1 % increase in interest rates is to reduce the Company's profit for the year by £59,000 (2008: £84,000).

As all accounts are designated in sterling there is no exchange risk.

The average interest rates paid during the year were as follows

	2009 %	2008 %
Bank overdrafts	0.75	4.7
Loans from related parties	2.02	5.5

16 DEFERRED TAX

A deferred taxation (liability)/asset is recognised as follows

	2009 £'000	2008 £'000
At 1 January	(451)	(133)
(Charged) to income (see note 9)	(230)	(318)
At 31 December	(681)	(451)
 Represented by		
Capital allowances in excess of depreciation	37	41
Change in tax rates	-	9
Pension deficit	(718)	(501)
	(681)	(451)

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

16 DEFERRED TAX (CONTINUED)

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is £1,031,546 (2008 £995,048). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

17 OTHER FINANCIAL LIABILITIES

Trade and other payables

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 59 days. All invoiced trade payables are settled by the Group's internal bank according to the respective supplier terms.

The directors consider that the carrying amount of trade payables approximates their fair value.

	2009 £'000	2008 £'000
Trade creditors	2,872	3,900
Amounts owed to group undertakings	3,744	6,986
Taxation and social security	389	423
Accruals and deferred income	5,595	3,988
	<u>12,600</u>	<u>15,297</u>

Interest of £205,467 (2008 £639,379) was paid during the year in respect of short term inter-company borrowings (see Note 7).

18 SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised		
10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid		
10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

19 RETAINED EARNINGS

	£'000
Balance at 1 January 2008	2,892
Net profit for the year	1,287
Unpaid dividends	<u>(1,000)</u>
Balance at 1 January 2009	3,179
Net profit for the year	<u>2,414</u>
Balance at 31 December 2009	<u>5,593</u>
Balance at 31 December 2008	<u>3,179</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

20 NOTES TO THE CASH FLOW STATEMENT

	2009	2008
	£'000	£'000
Operating profit from continuing operations	3,228	2,506
Adjustments for		
Depreciation of property plant and equipment	78	83
Depreciation of intangible assets	455	451
Decrease in retirement benefit obligation	(807)	(1,211)
Operating cash flows before movements in working capital	2,954	1,829
Decrease/(increase) in inventories	335	(337)
Decrease/(increase) in receivables	5,845	(4,936)
(Decrease)/increase in payables	(2,697)	2,654
Cash from /(used in) operations	6,437	(790)
Income taxes paid	(30)	(44)
Dividends paid	-	(1,000)
Interest paid	(207)	(669)
Net cash from/(used in) operating activities	6,200	(2,503)

Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank, bank overdrafts and group loans. A reconciliation of net debt is shown below.

	1 January	Cash flow	31 December
	2009		2009
	£'000	£'000	£'000
Reconciliation of net debt			
Cash in hand and at bank	258	(215)	43
Bank overdrafts and loans	(24)	(12)	(36)
	<u>234</u>	<u>(227)</u>	<u>7</u>
Debt due after 1 year – group loans	(16,790)	6,461	(10,329)
Net debt	(16,556)	6,234	(10,322)

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

21 OPERATING LEASE ARRANGEMENTS

	2009 £'000	2008 £'000
Minimum lease payments under operating leases recognised as an expense in the year	796	834

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	2009 £'000	2008 £'000
Within one year	660	807
In the second to fifth years inclusive	1,119	1,497
After five years	-	-
	<u>1,779</u>	<u>2,304</u>

Operating lease payments represent rental payable by the Company for the leases of its office properties, cars and computer equipment. With the exception of the premises, leases are negotiated for an average term of three years and rentals are fixed for an average of three years.

22 RETIREMENT BENEFIT PLAN

The Company operates a funded defined benefit scheme. Under the plan, the employees are entitled to varying retirement benefits based on their final salary and a normal retirement age of 60. No other post-retirement benefits are provided. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2007 by Mercer Human Resource Consulting Limited. The present value of the defined benefit asset, and the related current service cost and past service cost, were measured using the projected unit credit method.

In addition to those from Solvay Healthcare limited, the scheme also includes employees from Solvay Chemicals Limited and Solvay Polymers Limited. The following IFRS compliant disclosures show the position of the entire scheme. During the year £295,612 (2008: £245,240) was charged to the income statement of Solvay Healthcare Limited in respect of the scheme. The Abbott takeover in February 2010 as discussed in Note 24 will lead to the entities under the scheme no longer being under joint control, which could lead to retirement benefit plan disclosure adjustments in the 2010 annual financial statements.

The key assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at 31 December 2009	31 December 2008
Discount rate	5.5%	6.25%
Expected return on plan assets	5.9%	5.9%
Expected rate of salary increases	4.75%	4.75%
Future pension increases	3.25%	3.1%
Inflation rate	3.25%	3.1%
Mortality tables		
Current male life expectancy (years)	20.3	20.3
Future male life expectancy (years)	21.3	21.3

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

22 RETIREMENT BENEFIT PLAN (CONTINUED)

The amount recognised in the balance sheet in respect of the Company's defined retirement benefit plan is recognised within non-current liabilities as follows

	Valuation at	
	31 December 2009	31 December 2008
	£'000	£'000
Present value of defined benefit obligations	28,636	24,824
Fair value of plan assets	(26,100)	(24,294)
Unrecognised actuarial losses	(5,099)	(2,286)
	<u>(2,563)</u>	<u>(1,756)</u>
Scheme surplus		

Amounts recognised in income in respect of the defined benefit plan were, as outlined above, a share of the total scheme position, which is as follows

	31 December 2009	31 December 2008
	£'000	£'000
Current service cost	276	325
Interest cost	1,546	1,514
Expected return on plan assets	(1,440)	(1,504)
	<u>382</u>	<u>335</u>

Of the charge for the year, £7,530 (2008 £12,638) is included in distribution costs in the income statement. The remainder is in administrative expenses.

The actual return on plan assets was £2,166 (2008 £571,000).

Movements in the present value of the defined benefit obligation were as follows

	Valuation at	
	31 December 2009	31 December 2008
	£'000	£'000
At 1 January	24,824	26,519
Service cost	276	325
Interest cost	1,546	1,514
Actuarial gains/(losses)	3,538	(2,263)
Actual employee contributions	52	56
Benefits paid	(1,600)	(1,327)
At 31 December	<u>28,636</u>	<u>24,824</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

22 RETIREMENT BENEFIT PLAN (CONTINUED)

Movements in the fair value of plan assets were as follows

	Valuation at	
	31 December 2009 £'000	31 December 2008 £'000
At 1 January	24,294	24,440
Expected return on plan assets	1,440	1,504
Actuarial gains/ (losses)	726	(1,925)
Contributions by employer	1,188	1,546
Contributions by employee	52	56
Benefits paid	(1,600)	(1,327)
At 31 December	26,100	24,294

The fair value of plan assets at the balance sheet date is analysed as follows

	Expected return		Valuation at	
	31 December 2009 %	31 December 2008 %	31 December 2009 £'000	31 December 2008 £'000
Equity instruments	52.0	32.8	13,572	7,979
Debt instruments	48.0	66.4	12,528	16,115
Cash	-	0.8	-	200
	100	100	26,100	24,294

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by or other assets used by the Company. Asset rate of return is actuarially calculated based upon actual equity value.

The history of the plan for the current and previous four years is as follows

	Valuation at				
	31 December 2009 £'000	31 December 2008 £'000	31 December 2007 £'000	31 December 2006 £'000	31 December 2005 £'000
Present value of defined benefit obligation					
Fair value of plan assets	26,100	24,294	24,440	21,400	19,440
(Surplus)/deficit	(2,563)	(1,756)	(545)	2,354	3,303
Experience adjustments on plan liabilities	-	-	-	-	1,101
Experience adjustments on plan assets	726	(2,393)	(856)	162	1,040
	24,263	20,145	23,039	23,916	24,884

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

23 RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related parties

	Sales of goods		Purchases of goods		Amounts owed by related parties		Amounts owed To related parties	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	2009	2008	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Solvay Pharmaceuticals Marketing & Licensing AG	1,112	1,974	29,014	28,667	389	1,097	410	-
Solvay Healthcare Ireland Ltd	213	293	-	-	17	24	-	-
Solvay Pharmaceuticals Inc	6	18	10	-	-	1	-	-
Solvay Pharmaceuticals NL	293	213	20	15	24	25	2	-
Solvay Pharmaceuticals DE	296	381	121	298	18	40	1	86
Solvay UK Holding Company Ltd	12	13	-	-	1	4	-	-
Solvay SA (BE)	1	9	341	81	-	-	-	-
Solvay SA (FR)	25	-	-	-	-	-	-	-
Solvay Interlox Ltd	295	33	460	127	19	-	2	-
3S Solvay Shared Services	-	4	39	39	-	-	-	-
Solvay Biologicals BV	-	-	1	-	-	-	-	-
CICC	-	-	169	130	12,743	18,121	3,234	6,915
Fournier Pharmaceuticals SA	-	-	800	927	-	-	97	-

The companies listed above are related parties because they are under common control with the Company

Sales of goods to related parties were made at the Company's usual list prices and purchases were made at market price

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties

Directors' remuneration

	2009	2008
	£'000	£'000
Directors' emoluments		
Aggregate emoluments	203	222

The highest paid director received emoluments of £203,416 (2008: £204,030)

	2009	2008
	No	No
Number of directors who are members of a defined benefit pension scheme	-	-

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

24 ULTIMATE AND CONTROLLING PARENT UNDERTAKING AND POST BALANCE SHEET EVENTS

Until 15 February 2010 the Company's ultimate and controlling parent undertaking was Solvay S A, a limited company incorporated in Belgium

At the end of the financial year the parent undertaking of the smallest and largest group of undertakings for which group accounts were drawn up and of which the Company was a member was Solvay S A

On 28 September 2009, the Solvay Group announced its intention to sell its entire pharmaceutical business to Abbott Laboratories. Following approval by the relevant authorities, the sale transaction was formally completed on 15 February 2010