

**Astra Tech Limited**

**Financial Statements**  
**Registered number 1480123**  
**31 December 2005**



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## Directors' report 2005

Directors: P Selley  
S Harwood

Registered office: Brunel Way  
Stonehouse  
Gloucestershire  
GL10 3SX

Secretary: P Trotman

Auditor: KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
London  
EC4Y 8BB

The Directors of Astra Tech Limited submit their report together with the Financial Statements of the Company for the year ended 31 December 2005.

### Review of Business

The principal activity of the company during the year was the sale and distribution of medical devices to hospitals, the community and the dental profession.

The profit for the year after taxation was £2,318,548 (2004: £1,857,333).

### Directors and directors' interests

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the accounts.

The Directors whose names appear at the head of this report were Directors of the Company at the date of the report and throughout the year.

None of the directors held any beneficial interests at any point during the year in the shares of the Company. The directors' interests in the shares of the ultimate parent company, AstraZeneca PLC are as discussed below:

	AstraZeneca PLC	
	Interest at end of year or resignation date	Interest at start of year or appointment date
P Selley	475	377
SJ Harwood	613	954

## Directors' report 2005 *(continued)*

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year except as indicated below:

### Number of options over AstraZeneca PLC shares

	At start of year	Granted	Exercised	At end of year	Exercise Price	Date from which exercisable	Expiry date
P Selley	4,659	-	-	4,659	2231p	25/03/06	25/03/13
	3,793	-	-	3,793	2529p	26/03/07	25/03/14
	-	4,866	-	4,866	2132p	24/03/08	24/03/15
	<u>8,452</u>	<u>4,866</u>	<u>-</u>	<u>13,318</u>			

	At start of year	Granted	Exercised	At end of year	Exercise Price	Date from which exercisable	Expiry date
SJ Harwood	372	-	372	-	2264p	01/12/04	01/06/05
	269	-	269	-	1756p	01/12/05	01/06/06
	209	-	-	209	2262p	01/12/07	01/06/08
	<u>850</u>	<u>-</u>	<u>641</u>	<u>209</u>			

## Directors' report 2005 (continued)

### Other

The directors do not recommend the payment of a dividend (2004: *£nil*).

The company made no political contributions during the year. Donations to UK charities amounted to £12,000 (2004: £11,600).

The company actively encourages the involvement of employees and a stated policy of the company is to provide all members of staff with an individual training programme. The methods of involvement include regular staff meetings and a company journal. The company participates in the AstraZeneca bonus scheme.

The employment policy does not discriminate between employees or potential employees on the grounds of sex, colour, race, ethnic or national origin, marital status or religious beliefs. In the case of the disabled, the company gives full consideration to applications for employment from disabled persons who can demonstrate that they have the necessary abilities. If an employee becomes disabled whilst in employment and, as a result, was unable to perform his/her normal duties, every effort would be made to offer suitable alternative employment and assist with retraining.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**Steve Harwood**  
*Director*

Brunel Way  
Stonehouse  
Gloucestershire  
GL10 3SX

23 October 2006

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' 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 UK Accounting Standards.

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG Audit Plc

8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

### **Independent auditors' report to the members of Astra Tech Limited**

We have audited the financial statements of Astra Tech Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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 described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

**Independent auditors' report to the members of Astra Tech Limited**  
*(continued)*

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

23 October 2006

**Profit and loss account**  
*for the year ended 31 December 2005*

	<i>Note</i>	<b>2005</b> £	<b>2004</b> £
<b>Turnover</b>	2	25,683,019	23,419,149
Cost of sales		(16,456,229)	(15,507,672)
<b>Gross profit</b>		9,226,790	7,911,477
Other operating expenses	3	(6,390,178)	(5,597,821)
<b>Operating profit</b>		2,836,612	2,313,656
Interest receivable and similar income	7	498,384	366,926
<b>Profit on ordinary activities before taxation</b>	4	3,334,996	2,680,582
Tax on profit on ordinary activities	8	(1,016,448)	(823,249)
<b>Profit on ordinary activities after taxation</b>		2,318,548	1,857,333
<b>Profit for the financial year</b>		2,318,548	1,857,333

No separate statement of total recognised gains and losses has been presented as all such gains or losses have been dealt with in the profit and loss account.

The results of the company relate exclusively to continuing operations.

**Balance sheet**  
**at 31 December 2005**

	Note	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	9		334,688		332,862
<b>Current assets</b>					
Stocks	10	1,517,699		1,562,058	
Debtors	11	16,386,308		12,797,493	
Cash at bank and in hand		186,883		889,031	
		<u>18,090,890</u>		<u>15,248,582</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,188,095)</u>		<u>(4,662,509)</u>	
<b>Net current assets</b>			<u>12,902,795</u>		<u>10,586,073</u>
<b>Total assets less current liabilities</b>			<u>13,237,483</u>		<u>10,918,935</u>
<b>Capital and reserves</b>					
Called up share capital	13	100,000		100,000	
Profit and loss account	14	13,137,483		10,818,935	
<b>Shareholders' funds</b>			<u>13,237,483</u>		<u>10,918,935</u>

These financial statements were approved by the board of directors on 23.10.06 and were signed on its behalf by:

*S. J. Harwood*

**S J Harwood**  
Director

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2005*

	2005 £	2004 £
<b>Profit for the financial year</b>	<b>2,318,548</b>	1,857,333
<b>Net addition to shareholders' funds</b>	<b>2,318,548</b>	1,857,333
Opening shareholders' funds	10,918,935	9,061,602
<b>Closing shareholders' funds</b>	<b>13,237,483</b>	10,918,935

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of AstraZeneca PLC, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of AstraZeneca PLC, within which this company is included, can be obtained from the address given in note 18.

#### ***Fixed assets and depreciation***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short leasehold improvements	-	life of lease
Plant and machinery	-	3 to 10 years
Computer equipment	-	3 to 5 years
Office fixtures and fittings	-	3 to 10 years

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Leases***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Post-retirement benefits***

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### ***Stocks***

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

#### ***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

## Notes (continued)

### 2 Analysis of turnover

	2005 £	2004 £
<i>By geographical market</i>		
United Kingdom	25,409,079	23,236,607
Rest of Europe	272,722	178,610
Other	1,218	3,932
	<u>25,683,019</u>	<u>23,419,149</u>

The company's turnover and profit before taxation were all derived from its principal activity.

### 3 Other operating expenses

	2005 £	2004 £
Selling and promotion	4,455,581	3,710,796
Distribution costs	875,699	760,861
Administrative expenses	1,058,898	1,126,164
	<u>6,390,178</u>	<u>5,597,821</u>

### 4 Profit on ordinary activities before taxation

	2005 £	2004 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	119,946	124,290
Hire of plant and machinery - rentals payable under operating leases	245	73
Hire of other assets - operating leases	236,250	236,250
	<u>356,441</u>	<u>360,613</u>

#### Auditors' remuneration:

Auditor's remuneration for the year was nil (2004: nil). Auditor's remuneration is borne by AstraZeneca UK Limited, a fellow group company.

## Notes (continued)

### 5 Remuneration of directors

	2005 £	2004 £
Directors' emoluments	97,241	119,521
Company contributions to defined benefit pension schemes	12,457	14,735
	<u>109,698</u>	<u>134,256</u>

	Number of directors	
	2005	2004
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	1	2
The number of directors who exercised share options was	1	0

Details of directors' share options are given in the directors' report.

### 6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2005	2004
Sales and distribution	65	57
Administration	15	15
	<u>80</u>	<u>72</u>

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	2,844,261	2,471,675
Social security costs	267,430	227,258
Other pension costs	348,004	348,941
	<u>3,459,695</u>	<u>3,047,874</u>

## Notes (continued)

### 7 Interest receivable and similar income

	2005 £	2004 £
Bank and other interest receivable	498,384	366,926

### 8 Taxation

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is higher (2004: higher) than the standard rate of corporation tax in the UK (30%, 2004: 30%). The differences are explained below.

	2005 £	2004 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,334,996	2,680,582
Current tax charge at 30% (2003: 30%)	1,000,499	804,175
<i>Effects of:</i>		
Expenses not deductible for tax purposes	17,522	27,593
Depreciation for the period in excess of capital allowances	5,658	7,287
Adjustments to tax charge in respect of previous periods	(7,231)	(15,806)
Tax on profit on ordinary activities	1,016,448	823,249

## Notes (continued)

### 9 Tangible fixed assets

	Short leasehold improvements £	Plant and machinery £	Computer equipment £	Office fixtures and fittings £	Total £
<b>Cost</b>					
At beginning of year	127,016	93,183	319,130	370,493	909,822
Additions	-	2,749	59,833	59,190	121,772
Disposals	-	(927)	-	-	(927)
At end of year	127,016	95,005	378,963	429,683	1,030,667
<b>Depreciation</b>					
At beginning of year	40,779	65,355	254,185	216,641	576,960
Charge for year	8,289	10,162	52,354	49,141	119,946
Disposals	-	(927)	-	-	(927)
At end of year	49,068	74,590	306,539	265,782	695,979
<b>Net book value</b>					
At 31 December 2005	77,948	20,415	72,424	163,901	334,688
At 31 December 2004	86,237	27,828	64,945	153,852	332,862

### 10 Stocks

	2005 £	2004 £
Finished goods and goods for resale	1,517,699	1,562,058

### 11 Debtors

	2005 £	2004 £
Trade debtors	3,992,640	3,674,043
Other debtors	3,583	757
Amounts owed by group undertakings	12,271,353	8,993,715
Prepayments and accrued income	118,732	128,978
	16,386,308	12,797,493

Included within debtors are deposits held in sub-accounts that are part of a group pooling system. In consequence, to the extent that other group companies have withdrawn amounts from the group pooling system, such amounts represent a receivable from the group.

**Notes (continued)**

**12 Creditors: amounts falling due within one year**

	2005 £	2004 £
Trade creditors	90,051	65,064
Amounts owed to group undertakings	1,359,138	1,440,886
Taxation and social security	3,392,096	2,965,726
Accruals and deferred income	346,810	190,833
	<u>5,188,095</u>	<u>4,662,509</u>

**13 Called up share capital**

	2005 £	2004 £
<i>Authorised</i>		
Equity: Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**14 Reserves**

	Profit and loss account £
At beginning of year	10,818,935
Retained profit for the year	2,318,548
	<u>13,137,483</u>
At end of year	

## Notes (continued)

### 15 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2005		2004	
	Land and Buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	60,000	-	60,000	-
Over five years	241,250	-	241,250	-
	<u>301,250</u>	<u>-</u>	<u>301,250</u>	<u>-</u>

### 16 Pension scheme

Astra Tech Ltd participates in AstraZeneca Group's UK retirement plan. The actuarial valuations of these schemes are given in the consolidated AstraZeneca PLC Group accounts.

The pension expense for the pension schemes amounted to £348,004 (2004: £348,941).

The Company is a member of a pension scheme providing benefits based on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits' the scheme has been accounted for by the Company as if the scheme was a defined contribution scheme.

### 17 Related party transactions

Under FRS 8, the company is exempt from the requirement to disclose related party transactions with AstraZeneca PLC and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of AstraZeneca PLC.

### 18 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of AstraZeneca PLC, incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by AstraZeneca PLC, who is the ultimate controlling party. The smallest group in which they are consolidated is that headed by Astra Tech AB, incorporated in Sweden. Copies of the consolidated accounts of AstraZeneca PLC are available to the public and may be obtained from AstraZeneca PLC, 15 Stanhope Gate, London, W1K 1LN.