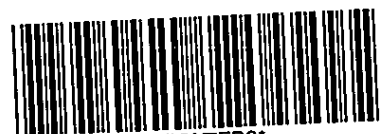


Astra Tech Limited

**Directors' report and financial
statements**

**Registered number 1480123
31 December 2008**

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Directors' Report

Directors: P Selley
S Harwood

Registered office: Brunel Way
Stonehouse
Gloucestershire
GL10 3SX

Secretary: P Trotman

Auditor: KPMG Audit Plc
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 2008.

Principal activities and business review

The Company is a wholly owned subsidiary of AstraZeneca PLC.

The principal activity of the Company is the sale and distribution of medical devices to hospitals, the community and the dental profession. There have not been any significant changes in the Company's principal activity in the year under review.

Reporting and measuring performance

Sales grew in 2008, with the overall increase in turnover being 8.0% (2007: 8.3%).

The Company's gross margin decreased in 2008 to 29% (2007: 32%), representing a decrease of 2% from £9,844,117 to £9,599,353.

Operating profit decreased from £2,857,058 to £2,014,521, a decrease of 29%. This represented a decrease in operating profit as a percentage of sales of 3 percentage points to 6%, Selling, distribution and administrative expenses as a percentage of sales have increased to 23% in 2008 from 22% in 2007.

The profit for the year after taxation was £2,120,326 (2007: £2,666,261).

The effective rate of tax for the year has decreased from 32% to 30%. The decrease in the effective rate for 2008 is largely due to a reduction in the statutory rate of corporation tax.

Future performance

The Company's strategy has one key priority: to continue to grow market share at or above market growth rates for all three main product areas, despite the reduction in prices and service fees following the outcome of the Department of Health consultation, in the Urology sector from April 2010.

Whilst the Directors are committed to maintaining the profitability of the Company, investment will continue to be made in resources and headcount to enable the Company to achieve its key strategies.

Directors' Report *(continued)*

Other

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.

The Directors do not recommend the payment of a dividend (2007: £nil).

The Company made donations to UK charities amounting to £4,970 (2007:£nil)

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 intranet updates. 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.

Disclosure of information to auditors

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 the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

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 was proposed at the Annual General Meeting.

By order of the board



Steve Harwood
Director

Brunel Way
Stonehouse
Gloucestershire
GL10 3SX

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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Financial Statements are required by law to 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 year.

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 is 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 2008 which comprise the Profit and Loss account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds 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 Auditor

The Directors' responsibilities for preparing the Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 whether in our opinion the information given in the Directors' Report is consistent with the Financial Statements.

In addition we report to you if, in our opinion, 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
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 2008 and of its profit for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Financial Statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

20 October 2009

Profit and Loss account
for the year ended 31 December 2008

	<i>Note</i>	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Turnover	2	33,592,467	31,105,129
Cost of sales		(23,993,114)	(21,261,012)
Gross profit		9,599,353	9,844,117
Other operating expenses	3	(7,584,832)	(6,987,059)
Operating profit		2,014,521	2,857,058
Interest receivable and similar income	7	1,012,875	1,043,321
Profit on ordinary activities before taxation	4	3,027,396	3,900,379
Tax on profit on ordinary activities	8	(907,070)	(1,234,118)
Profit on ordinary activities after taxation		2,120,326	2,666,261
Profit for the financial year		2,120,326	2,666,261

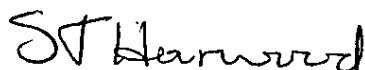
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains or losses have been dealt with in the Profit and Loss account.

The results of the Company relate exclusively to continuing operations.

Balance Sheet
at 31 December 2008

	<i>Note</i>	2008 £	2007 £
Fixed assets			
Tangible assets	9	384,719	421,133
Current assets			
Stocks	10	950,129	820,380
Debtors	11	25,291,580	23,751,871
Cash at bank and in hand		125,732	616,226
		<hr/>	<hr/>
		26,367,441	25,188,477
Creditors: amounts falling due within one year	12	(5,578,583)	(6,556,359)
		<hr/>	<hr/>
Net current assets		20,788,858	18,632,118
		<hr/>	<hr/>
Total assets less current liabilities		21,173,577	19,053,251
		<hr/>	<hr/>
Net assets		21,173,577	19,053,251
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	100,000	100,000
Profit and loss account	14	21,073,577	18,953,251
		<hr/>	<hr/>
Shareholders' funds		21,173,577	19,053,251
		<hr/>	<hr/>

These Financial Statements were approved by the Board of Directors on 7th October 2009 and were signed on its behalf by:



S J Harwood
Director

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 19.

Turnover

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

Stocks

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

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.

Notes (continued)

1 Accounting policies (continued)

Research and development expenditure

Expenditure on research and development is written off to the Profit and Loss account in the year in which it is incurred.

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.

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.

2 Analysis of turnover

	2008 £	2007 £
<i>By geographical market</i>		
United Kingdom	33,394,659	30,873,779
Rest of Europe	197,808	231,350
	<u>33,592,467</u>	<u>31,105,129</u>

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

3 Other operating expenses

	2008 £	2007 £
Selling and promotion	5,175,800	4,834,369
Distribution costs	927,317	874,304
Administrative expenses	1,481,715	1,278,386
	<u>7,584,832</u>	<u>6,987,059</u>

Notes (continued)

4 Profit on ordinary activities before taxation

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	143,770	140,421
Hire of plant and machinery - rentals payable under operating leases	203	201
Hire of other assets - operating leases	314,925	246,150
	<u> </u>	<u> </u>

Auditor's remuneration:

The auditor's remuneration in respect of the Company audit was £16,000 (2007: £15,000). Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's Financial Statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the Consolidated Financial Statements of the Company's parent, AstraZeneca PLC.

5 Remuneration of Directors

	2008 £	2007 £
Directors' emoluments	136,485	122,107
Company contributions to defined benefit pension schemes	19,488	15,930
	<u> </u>	<u> </u>
	155,973	138,037
	<u> </u>	<u> </u>

	Number of Directors 2008	2007
Retirement benefits are accruing to the following number of Directors under:		
Defined benefit schemes	1	1
	<u> </u>	<u> </u>
The number of Directors who exercised share options was	-	-
	<u> </u>	<u> </u>

Notes (continued)

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 2008	2007
Sales and distribution	75	68
Administration	18	18
	<u>93</u>	<u>86</u>

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	3,433,839	3,261,206
Social security costs	368,076	334,781
Other pension costs	381,828	407,071
	<u>4,183,743</u>	<u>4,003,058</u>

7 Interest receivable and similar income

	2008 £	2007 £
Bank and other interest receivable	<u>1,012,875</u>	<u>1,043,321</u>

8 Taxation

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2007: *higher*) than the standard rate of corporation tax in the UK (28.5%, 2007: 30%). The differences are explained below.

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,027,396	3,900,379
	<u>862,808</u>	<u>1,170,114</u>
Current tax charge at 28.5% (2007: 30%)		
<i>Effects of:</i>		
Expenses not deductible for tax purposes	52,984	73,925
Depreciation for the year in excess of capital allowances	9,483	4,717
Adjustments to tax charge in respect of previous years	(18,205)	(14,638)
	<u>907,070</u>	<u>1,234,118</u>
Tax on profit on ordinary activities		

Notes (continued)

8 Taxation (continued)

Deferred taxation

There was no material deferred tax arising in the year.

Factors affecting the tax charge in the future

In April 2008 the statutory rate of corporation tax was reduced to 28%. The reduction in the tax rate is not expected to have a material impact on the company's deferred tax position.

9 Tangible fixed assets

	Short leasehold improvements £	Plant and machinery £	Computer equipment £	Office fixtures and fittings £	Total £
Cost					
At beginning of year	164,219	204,961	437,198	499,457	1,305,835
Additions	-	180	30,739	77,195	108,114
Disposals	-	-	-	(842)	(842)
At end of year	164,219	205,141	467,937	575,810	1,413,107
Depreciation					
At beginning of year	70,330	109,768	380,516	324,088	884,702
Charge for year	11,904	25,175	33,162	73,529	143,770
Disposals	-	-	-	(84)	(84)
At end of year	82,234	134,943	413,678	397,533	1,028,388
Net book value					
At 31 December 2008	81,985	70,198	54,259	178,277	384,719
At 31 December 2007	93,889	95,193	56,682	175,369	421,133

10 Stocks

	2008 £	2007 £
Finished goods and goods for resale	950,129	820,380

Notes (continued)

11 Debtors

	2008 £	2007 £
Trade debtors	5,339,525	4,487,377
Other debtors	10,271	1,704
Amounts owed by group undertakings	19,748,195	19,121,506
Prepayments and accrued income	193,589	141,284
	<u>25,291,580</u>	<u>23,751,871</u>

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

12 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	165,376	251,402
Amounts owed to group undertakings	1,763,657	1,320,068
Taxation and social security	3,136,663	4,439,131
Accruals and deferred income	512,887	545,758
	<u>5,578,583</u>	<u>6,556,359</u>

13 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
Equity: Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>

14 Reserves

	Profit and loss account £
At beginning of year	18,953,251
Retained profit for the year	2,120,326
	<u>21,073,577</u>
At end of year	<u>21,073,577</u>

Notes (continued)

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	2,120,326	2,666,261
Net addition to shareholders' funds	2,120,326	2,666,261
Opening shareholders' funds	19,053,251	16,386,990
Closing shareholders' funds	21,173,577	19,053,251

16 Commitments

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

	2008 Land and Buildings £	2007 Land and Buildings £
Operating leases which expire:		
Within one year	-	-
In the second to fifth years inclusive	-	65,000
Over five years	246,250	246,250
	311,250	311,250

The lease expiring in the second to fifth year was assigned to another company during the year. Where this company were to default, the commitment to pay the operating lease charges would ultimately revert to Astra Tech Limited.

17 Pension scheme

Astra Tech Limited participates in AstraZeneca Group's UK retirement plans which include defined benefit and defined contribution schemes. The actuarial valuation of these schemes is given in the consolidated AstraZeneca PLC Group accounts.

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' and therefore the scheme has been accounted for by the Company as if the scheme was a defined contribution scheme. The pension expense attributable to these schemes amounted to £381,828 (2007: £407,071).

18 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.

Notes *(continued)*

19 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 Financial Statements of AstraZeneca PLC are available to the public and may be obtained from AstraZeneca PLC, 15 Stanhope Gate, London, W1K 1LN.