

ASTRA TECH LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 1994

Co. No. 1480123

BAKER TILLY
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST



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COMPANIES HOUSE 08/04/95

DIRECTORS AND OFFICERS

DIRECTORS

G Wennerstroem
R J Seaden

SECRETARY

S J Harwood

REGISTERED OFFICE

Stroudwater Business Park
Brunel Way
Stonehouse
Gloucestershire

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

DIRECTORS' REPORT

The directors submit their report and the financial statements of Astra Tech Limited for the year ended 31 December 1994.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the distribution of hospital disposable surgical and dental products.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The year provided a significant increase in sales of existing products whilst overhead costs were contained where possible. It is anticipated that business will expand further in 1995.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £658,582.

The directors recommend that no final dividend be paid on the ordinary shares this year (1993:£500,000), leaving £658,582 to be transferred to reserves.

DIRECTORS AND THEIR INTERESTS IN THE SHARES

The following directors have held office since 1 January 1994:-

G Wennerstroem
R J Seaden

DIRECTORS' INTERESTS IN SHARES

None of the directors has any beneficial interest in the shares of the company.

FIXED ASSETS

The changes in fixed assets during the year are explained in note 9 to the financial statements.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

S J Harwood

Secretary

14 February 1995

DIRÉCTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF ASTRA TECH LIMITED

We have audited the financial statements on pages 5 to 15.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY
Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

14 February 1995

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1994

	Notes	1994	1993
TURNOVER	2	5,398,070	4,345,173
Cost of sales		<u>3,003,646</u>	<u>2,358,905</u>
Gross profit		2,394,424	1,986,268
Other operating expenses	3	<u>1,410,879</u>	<u>1,304,759</u>
OPERATING PROFIT		983,545	681,509
Investment income	4	<u>20,575</u>	<u>33,748</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,004,120	715,257
Taxation	7	<u>345,538</u>	<u>246,174</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		658,582	469,083
Dividend	8	-	<u>500,000</u>
INCREASE/(DECREASE) IN RESERVES	15	<u>£ 658,582</u>	<u>(30,917)</u>

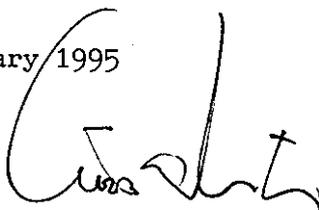
The profit for the year arises from the company's continuing operations.

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

BALANCE SHEET
31 December 1994

	Notes	1994	1993
FIXED ASSETS			
Tangible assets	9	<u>123,833</u>	<u>133,339</u>
CURRENT ASSETS			
Stocks	10	455,853	493,015
Debtors	11	1,401,333	1,186,218
Cash		660,583	418,758
		<u>2,517,769</u>	<u>2,097,991</u>
CREDITORS			
Amounts falling due within one year	12	<u>1,563,160</u>	<u>1,816,670</u>
NET CURRENT ASSETS		<u>954,609</u>	<u>281,321</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,078,442	414,660
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>5,200</u>	-
		<u>£ 1,073,242</u>	<u>£ 414,660</u>
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account	15	973,242	314,660
		<u>£ 1,073,242</u>	<u>£ 414,660</u>

Approved by the board on 14 February 1995

G Wennerstroem
..... DirectorR J Seaden
..... Director

CASH FLOW STATEMENT
for the year ended 31 December 1994

	1994	1993
OPERATING ACTIVITIES		
Operating profit	983,545	681,509
Depreciation of fixed assets	35,629	29,038
Loss on sale of fixed assets	434	-
(Increase) in debtors	(214,827)	(314,345)
(Increase)/decrease in stocks	37,162	(102,456)
Increase in creditors	112,115	271,615
	<u>954,058</u>	<u>565,361</u>
Net cash flow from operating activities		
RETURNS ON INVESTMENTS		
Interest on bank balance	20,287	34,198
	<u>20,287</u>	<u>34,198</u>
TAXATION		
Corporation tax paid	(205,963)	(280,549)
	<u>(205,963)</u>	<u>(280,549)</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	(26,557)	(76,008)
Proceeds from sale of fixed assets	-	-
	<u>(26,557)</u>	<u>(76,008)</u>
FINANCING ACTIVITIES		
Dividends paid	(500,000)	(500,000)
	<u>(500,000)</u>	<u>(500,000)</u>
Net (decrease)/increase in cash and cash equivalents	241,825	(256,998)
Cash and cash equivalents at 1 January 1994	418,758	675,756
Cash and cash equivalents at 31 December 1994	<u>£ 660,583</u>	<u>£ 418,758</u>

NOTES TO THE CASH FLOW STATEMENT

1. ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1994	1993	Change in year
Cash at bank and in hand	£ 660,583	£ 418,758	£ 241,825
	<u>£ 660,583</u>	<u>£ 418,758</u>	<u>£ 241,825</u>

2. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital
Financing at 1 January 1994 and 31 December 1994	£ 100,000
	<u>£ 100,000</u>

Financial statements for the year ended 31 December 1994

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	over the term of the lease
Plant and machinery	10 years
Fixtures and fittings	10 years
Computer and other equipment	3 to 5 years

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete and slow-moving items.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

PENSION CONTRIBUTIONS

The costs of providing pensions for employees are charged in the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working lives of the employees.

Financial statements for the year ended 31 December 1994

ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCY

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Transactions during the year are recorded at the approximate exchange rate ruling at the dates of the transaction.

All differences are taken to the profit and loss account.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

1. PARENT COMPANY

The ultimate parent company is Aktiebolaget Astra, a company incorporated in Sweden.

2. TURNOVER AND PROFIT ON ORDINARY
ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	1994	1993
United Kingdom	5,349,218	4,319,060
Europe	24,281	17,381
Other	24,571	8,732
	<u>£ 5,398,070</u>	<u>£ 4,345,173</u>

3. OTHER OPERATING EXPENSES

Selling expenses	865,694	808,471
Distribution costs	130,228	109,076
Administration expenses	414,957	387,212
	<u>£ 1,410,879</u>	<u>£ 1,304,759</u>

4. INVESTMENT INCOME

Bank interest receivable	<u>£ 20,575</u>	<u>£ 33,748</u>
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5. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:
Depreciation and amounts written off tangible fixed assets:

Charge for the year:		
owned assets	35,629	29,038
Loss on disposals	434	-
Operating lease rentals:		
Motor vehicles	119,552	91,904
Leasehold building	54,000	54,000
Auditors' remuneration and expenses:		
Audit services	7,961	7,393
Other services	1,740	535
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	1994	1993
6. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the year was:	No.	No.
Sales and distribution	19	15
Administration	6	6
	<u>25</u>	<u>21</u>
Staff costs for the above persons:		
Wages and salaries	506,384	454,342
Social security costs	46,283	44,444
Other pension costs	80,809	64,992
	<u>£ 633,476</u>	<u>£ 563,778</u>
 DIRECTORS' REMUNERATION		
Emoluments (including pension contributions and benefits in kind)	<u>£ 88,015</u>	<u>£ 84,576</u>
The directors' emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	<u>£ -</u>	<u>£ -</u>
The highest paid director	<u>£ 77,172</u>	<u>£ 74,392</u>
7. TAXATION		
Based on the profit of the year:		
UK Corporation tax at 33% (1993 - 33%)	350,000	250,000
(Over) provided in earlier years	(9,662)	(3,826)
Deferred tax at 33%	5,200	-
	<u>£ 345,538</u>	<u>£ 246,174</u>
8. DIVIDENDS		
On ordinary share capital		
Final proposed - £Nil per share (1993 - £5.00)	<u>£ -</u>	<u>£ 500,000</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

9. TANGIBLE FIXED ASSETS

	Short Leasehold improvements	Plant	Computer equipment	Office fixtures & fittings	TOTAL
Cost:					
1 January 1994	17,020	16,540	71,445	105,385	210,390
Additions	-	986	23,120	2,451	26,557
Disposals	-	-	(8,576)	(5,701)	(14,277)
31 December 1994	17,020	17,526	85,989	102,135	222,670
Depreciation:					
1 January 1994	1,536	2,505	36,600	36,410	77,051
Charged in the year	860	1,753	20,232	12,784	35,629
Disposals	-	-	(8,575)	(5,268)	(13,843)
31 December 1994	2,396	4,258	48,257	43,926	98,837
Net book value:					
31 December 1994	14,624	13,268	37,732	58,209	£ 123,833
31 December 1993	15,484	14,035	34,845	68,975	£ 133,339

10. STOCKS

Goods for resale	£ 455,853	£ 493,015
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11. DEBTORS

Trade debtors	1,334,912	978,543
Amount due from related company	-	7,725
Other debtors	587	130,193
Prepayments and accrued income	65,834	69,757
	£ 1,401,333	£ 1,186,218

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	1994	1993
12. CREDITORS		
Amounts falling due within one year:		
Trade creditors	45,031	19,459
Amount due to group undertakings	1,005,628	821,356
Proposed dividend	-	500,000
Corporation tax	350,000	215,625
Advance corporation tax	-	125,000
Other taxation and social security costs	143,865	106,936
Accruals and deferred income	18,636	28,294
	<u>£ 1,563,160</u>	<u>£ 1,816,670</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:

	Amount provided		Unprovided liability	
	1994	1993	1994	1993
Excess of tax allowances over depreciation	5,000	-	-	7,000
Other short term timing differences	200	-	-	100
	<u>£ 5,200</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 7,100</u>

	1994	1993
14. SHARE CAPITAL		
Authorised:		
100,000 ordinary shares of £1 each	<u>£ 100,000</u>	<u>£ 100,000</u>
Allotted, issued and fully paid:		
100,000 ordinary shares of £1 each	<u>£ 100,000</u>	<u>£ 100,000</u>

15. PROFIT AND LOSS ACCOUNT

1 January 1994	314,660	345,577
Surplus/(deficit) for the year	658,582	(30,917)
31 December 1994	<u>£ 973,242</u>	<u>£ 314,660</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	1994	1993
16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Profit for the financial year	658,582	469,083
Dividends	-	500,000
	<u>658,582</u>	<u>469,083</u>
Net reduction in shareholders' funds	658,582	(30,917)
Opening shareholders' funds	414,660	445,577
	<u>414,660</u>	<u>445,577</u>
Closing shareholders' funds	<u>£ 1,073,242</u>	<u>£ 414,660</u>
17. CAPITAL COMMITMENTS		
Capital expenditure contracted for but not provided in the financial statements	£ -	£ 10,000
	<u>£ -</u>	<u>£ 10,000</u>
Capital expenditure authorised by the directors but not contracted	£ 78,000	£ 40,000
	<u>£ 78,000</u>	<u>£ 40,000</u>
18. COMMITMENTS UNDER OPERATING LEASES		
At 31 December 1993 the company had annual commitments under non-cancellable operating leases as follows:		
Motor vehicles:		
expiring within 1 year	32,190	22,952
expiring between 2 and 5 years	74,308	68,578
Leasehold building:		
expiring after 5 years	54,000	54,000
	<u>54,000</u>	<u>54,000</u>
	<u>£ 160,498</u>	<u>£ 145,530</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

19. PENSION COMMITMENTS

The Company's employees are members of the Astra Pharmaceuticals Limited Pension Scheme which provides benefits based on final pensionable salary. The assets of the Scheme are held separately from those of the Company, being invested with Insurance Companies. Contributions to the Scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the Company. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method, the most recent valuation being at 1 October 1992, although actuaries have reviewed the scheme at 1 October 1994.

The assumptions which have the most significant effect on the results of the valuation are the rate at which current salaries and pensions will increase and the return the scheme will earn on its assets. It was assumed for the valuation that salaries would increase by 7.5% per annum and the investment returns would be 9.0% per annum and that present and future pensions would increase at the rate of 5% per annum. The most recent actuarial review of the market value of the scheme's assets was £11,713,200, actuarially estimated to represent 94% of the benefits that had accrued to members of the scheme after allowing for expected future increases in earnings.

The contributions of the company and its employees will remain as 15.4% and 2% respectively and resulted in a pension charge for the year of £80,809 (1993:£64,992). The increase has arisen due to the number of new members joining the scheme during the year.