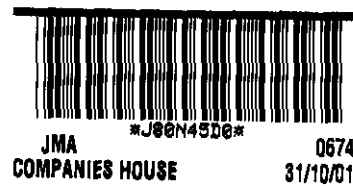


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LAB (GREAT BRITAIN) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000



LAB (GREAT BRITAIN) LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2000

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LAB (GREAT BRITAIN) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2000

DIRECTORS:	E Haley D Johnston, App 1.8.01
SECRETARY:	P Deasy
REGISTERED OFFICE:	Parkwood House 169 Chorley New Road Bolton BL1 4QZ
REGISTERED NUMBER:	1743940 (England and Wales)
AUDITORS:	Stafford Worsley Smethurst Chartered Accountants Registered Auditor Parkwood House 169 Chorley New Road Bolton BL1 4QZ
BANKERS:	Barclays Bank plc The Wellsprings Victoria Square Bolton Lancashire BL1 1BY

LAB (GREAT BRITAIN) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their report with the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing pharmaceutical research services and clinical studies.

DIRECTORS

The directors during the year under review were:

A Bell

E Haley

- appointed 1/9/00

The directors holding office at 31st December 2000 did not hold any beneficial interest in the issued share capital of the company at 1st January 2000 (or date of appointment if later) or 31st December 2000.

CHANGE OF NAME

On 14 May 2001 the company changed its name to AAI (Great Britain) Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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

The auditors, Stafford Worsley Smethurst, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
P Deasy - SECRETARY

Dated: 30/10/01

LAB (GREAT BRITAIN) LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
LAB (GREAT BRITAIN) LIMITED

We have audited the financial statements of LAB (GREAT BRITAIN) LIMITED for the year ended 31st December 2000 on pages four to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 transactions with the company is not disclosed.

We read the Report of the Directors 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 United Kingdom 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.

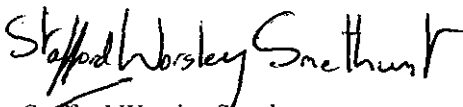
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going concern

In forming our opinion we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the reliance on the support of the parent company AAI Deutschland GmbH & Co KG. The financial statements have been prepared on a going concern basis, the validity of which depends on the continuation of this support. The financial statements do not include any adjustments that would result from a withdrawal of this support. In view of the significance of this matter we consider that it should be brought to your attention, however our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Stafford Worsley Smethurst
Chartered Accountants
Registered Auditor
Parkwood House
169 Chorley New Road
Bolton
BL1 4QZ

Dated: 30th October 2001

LAB (GREAT BRITAIN) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2000

		2000	1999
	Notes	£	£
TURNOVER		-	-
Cost of sales		1,973	11,034
GROSS LOSS		(1,973)	(11,034)
Administrative expenses		59,807	78,289
		(61,780)	(89,323)
Other operating income		-	1
OPERATING LOSS	2	(61,780)	(89,322)
Interest payable and similar charges	3	1,314	(51,125)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(63,094)	(38,197)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(63,094)	(38,197)
Deficit brought forward		(478,739)	(440,542)
DEFICIT CARRIED FORWARD		<u>£(541,833)</u>	<u>£(478,739)</u>

The notes form part of these financial statements

LAB (GREAT BRITAIN) LIMITED

BALANCE SHEET
31ST DECEMBER 2000

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		1,489		2,490
CURRENT ASSETS:					
Debtors	5	798		2,312	
Cash at bank		-		10,790	
		<u>798</u>		<u>13,102</u>	
CREDITORS: Amounts falling due within one year	6	<u>23,844</u>		<u>18,632</u>	
NET CURRENT LIABILITIES:			<u>(23,046)</u>		<u>(5,530)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>(21,557)</u>		<u>(3,040)</u>
CREDITORS: Amounts falling due after more than one year	7		<u>520,176</u>		<u>475,599</u>
			<u>£(541,733)</u>		<u>£(478,639)</u>
CAPITAL AND RESERVES:					
Called up share capital	8		100		100
Profit and loss account			<u>(541,833)</u>		<u>(478,739)</u>
SHAREHOLDERS' FUNDS:			<u>£(541,733)</u>		<u>£(478,639)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



D Johnston, App 1.8.01 - DIRECTOR

Approved by the Board on 30.10.01

The notes form part of these financial statements

LAB (GREAT BRITAIN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company is dependent on the financial support of its parent company, AAI Deutschland GmbH & Co KG, in order to ensure that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of the business. On the basis of this continued support, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc	- Straight line over 6 years and 25% straight line
-------------------------	---

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. OPERATING LOSS

The operating loss is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	1,001	1,025
Auditors' remuneration	1,500	1,500
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	30,762	43,604
	<u> </u>	<u> </u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	2000	1999
	£	£
Foreign exchange differences	1,131	(51,511)
Bank charges	183	386
	<u> </u>	<u> </u>
	1,314	(51,125)
	<u> </u>	<u> </u>

LAB (GREAT BRITAIN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1st January 2000 and 31st December 2000	24,172
DEPRECIATION:	
At 1st January 2000	21,682
Charge for year	1,001
At 31st December 2000	22,683
NET BOOK VALUE:	
At 31st December 2000	1,489
At 31st December 1999	2,490

**5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Other debtors	798	2,312

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank loans and overdrafts	19	-
Trade creditors	-	4,485
Directors' current accounts	-	11,514
Social security & other taxes	15,900	-
Accrued expenses	7,925	2,633
	23,844	18,632

**7. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Due to group companies	520,176	475,599

8. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000 £	1999 £
100	Ordinary	£1	100	100

LAB (GREAT BRITAIN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

9. **ULTIMATE PARENT COMPANY**

The company is a subsidiary of AAI Deutschland GmbH & Co KG, a company incorporated in Germany.