

AQUACULTURE HOLDINGS LIMITED

Report and Financial Statements

31 December 2002

**Deloitte & Touche LLP
London**



AQUACULTURE HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Balance sheet	5
Notes to the accounts	6

AQUACULTURE HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Dr P D Smith
J P Maguire
P M McCarthy
W H Behrend

SECRETARY

J P Maguire

REGISTERED OFFICE

Schering-Plough House
Falcon Way
Shire Park
Welwyn Garden City
Hertfordshire
AL7 1TW

BANKERS

National Westminster Bank Plc
Watford

SOLICITORS

Hewitson Becke & Shaw
Cambridge

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

AQUACULTURE HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The company did not trade during the year. There has been no income and expenditure and no change has arisen in the position of the company. Any expenses have been met by the holding company.

DIRECTORS AND THEIR INTERESTS

The directors, who served throughout the year except as noted, are set out below. As at 1 January 2002 and 31 December 2002 no director had any interest in the shares of the company.

Dr P D Smith

J P Maguire (appointed 16 April 2002)

P M McCarthy (appointed 16 April 2002)

W H Behrend (appointed 16 April 2002)

R G Wardle (resigned 16 April 2002)

Dr J M Walsh (resigned 16 April 2002)

W A H Molesworth (resigned 16 April 2002)

S G Pritchard (resigned 16 April 2002)

AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

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



J P Maguire

Secretary

28 January 2004

AQUACULTURE HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; 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 which 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 1985. They are also responsible for the company's system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUACULTURE HOLDINGS LIMITED

We have audited the financial statements of Aquaculture Holdings Limited for the year ended 31 December 2002 which comprise the balance sheet and the related notes 1 to 4. 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 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

30 January 2004

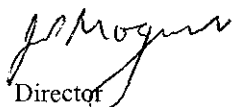
AQUACULTURE HOLDINGS LIMITED

BALANCE SHEET 31 December 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtors	2	<u>275,989</u>	<u>275,989</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>275,989</u>	<u>275,989</u>
CAPITAL AND RESERVES			
Called up share capital	3	272,250	272,250
Share premium account		3,500	3,500
Profit and loss account		<u>239</u>	<u>239</u>
		<u>275,989</u>	<u>275,989</u>

These financial statements were approved by the Board of Directors on 28 January 2004.

Signed on behalf of the Board of Directors


Director

AQUACULTURE HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

2. CURRENT ASSETS

Debtors of £275,989 (2001: £275,989) are due after more than one year from fellow subsidiaries.

3. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
'A' ordinary shares of £1 each	20,000	20,000
Convertible 'B' ordinary shares of £1 each	267,000	267,000
Non voting convertible 'C' ordinary shares of £1 each	13,000	13,000
	<u>300,000</u>	<u>300,000</u>
Called up, allotted and fully paid		
'A' ordinary shares of £1 each	18,995	18,995
'B' ordinary shares of £1 each	164,075	164,075
'B' deferred shares of £1 each	89,180	89,180
	<u>272,250</u>	<u>272,250</u>

'A' ordinary shares

'A' ordinary shares are equity shares which carry an entitlement to a dividend. Holders of 'A' ordinary shares have one vote for every share held.

Convertible 'B' ordinary shares

The holders of convertible 'B' ordinary shares may convert their shares into both 'B' ordinary shares and 'B' deferred shares in accordance with the procedures set out in the Articles of Association.

'B' ordinary shares

'B' ordinary shares are equity shares which carry an entitlement to a dividend. Holders of 'B' ordinary shares have one vote for every share held. These shares rank pari passu with the 'A' ordinary shares.

'B' deferred shares

'B' deferred shares are non-equity shares which do not carry an entitlement to a dividend, but do have rights on winding up. Holders of 'B' deferred shares do not have any votes.

Non voting convertible 'C' shares

The holders of convertible 'C' shares may convert their shares into 'A' ordinary shares upon the conversion of the convertible 'B' shares (as above). No shares have been issued at the year end.

AQUACULTURE HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

4. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of this company is AVL Holdings Limited, a company incorporated in Great Britain.

On 16 April 2002 the whole of the issued share capital of the company was acquired by Schering-Plough Limited, a company incorporated in Great Britain.

Schering-Plough Corporation, a company registered in the United States of America, is the ultimate controlling party, and is the parent of the largest group for which group accounts are prepared.

The parent of the smallest group for which group accounts are prepared is AVL Holdings Limited.