

Acam Holdings (UK) Limited

Annual Report and Accounts

for the year ended

31 December 2002

Registered Number: 03366621



DIRECTORS

Mr R E B Allnutt
Mr G C Long
Mr K P Kissane

SECRETARY

Mrs S M Henderson

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants
London

PRINCIPAL BANKERS

J P Morgan Chase Bank

SOLICITORS

Freshfields

REGISTERED OFFICE

Amersham Place
Little Chalfont
Buckinghamshire
HP7 9NA

REGISTERED NUMBER

03366621

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are the investment in and the holding of companies in the healthcare sector.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the period end financial position were satisfactory, and the Directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

Details of the results for the period and the transfer to reserves are shown on page 7 and in note 13 respectively.

The profit on ordinary activities before taxation of the Company is £27,842,970 (2001: £54,786,583). The retained profit of £590,079 (2001: £655,208) has been transferred to reserves.

The Directors declared an interim dividend of £27,000,000 (2001 - £54,000,000). The Directors do not recommend the payment of a final dividend (2001 - nil).

DIRECTORS

The Directors listed below have been Directors of the Company during the year ended 31 December 2002.

Mr R E B Allnutt

Mr G C Long

Mr K P Kissane

DIRECTORS' INTERESTS

There were no beneficial interests held by the Directors of the Company in the shares of the Company at 31 December 2002.

The interests of the Directors (including their families' beneficial interests) in the shares and share options at 31 December 2002 of Amersham plc, of which Acam Holdings (UK) Limited is a subsidiary, are set out below.

Interest in ordinary shares of Amersham plc

	31 December 2002	1 January 2002
	Ordinary 5p shares	Ordinary 5p shares
Mr R E B Allnutt	63,147	61,943
Mr K P Kissane	1,214	1,845
Mr G C Long	2,610	-
	<u>66,971</u>	<u>63,788</u>

Interests in share options

		At 1 January 2002 Ordinary 5p shares	Ordinary 5p shares granted during the period	Date of grant	Option price	Lapses during the period	Ordinary 5p shares exercised during the period	Exercise price	At 31 December 2002 Ordinary 5p shares
		Number	Number				Number		Number
Mr R E B Allnutt	SAYE	4,295	629	02/10/2002	£4.49	-	1,204	£5.715	3,720
Mr R E B Allnutt	ESOS	161,970	46,436	06/03/2002	£7.15	-	-	-	208,406
Mr R E B Allnutt	Options for All	1,000	-	-	-	-	-	-	1,000
Mr R E B Allnut	LTIP	18,603	-	-	-	-	-	-	18,603
Mr K P Kissane	SAYE	4,850	526	02/10/2002	£4.49	-	1,008	£5.715	4,368
Mr K P Kissane	ESOS	78,714	22,208	06/03/2002	£7.15	-	-	-	100,742
Mr K P Kissane	Options for All	1,000	-	-	-	-	-	-	1,000
Mr G C Long	SAYE	6,221	1,360	02/10/2002	£4.49	-	2,610	£5.715	4,971
Mr G C Long	ESOS	88,227	23,964	06/03/2002	£7.15	-	-	-	112,191
Mr G C Long	Options for All	1,000	-	-	-	-	-	-	1,000

DIRECTORS' REPORT (cont.)

Options are exercisable at various dates up to September 2012 under the Executive Share Option Scheme (ESOS) and the Save As You Earn (SAYE) scheme. In addition, Amersham plc, operates a Long Term Incentive Plan (LTIP) which is intended to provide a long term incentive to executives.

On 15 October 2001 options over 1000 shares were granted to all employees in the Group, under the Company's "Options for All" programme. The options are not subject to performance conditions, and are normally exercisable after three years but not more than six years from the date of grant. The options were granted under the rules of the Executive Share Option Scheme approved by shareholders at the Annual General Meeting in 2001.

POLITICAL AND CHARITABLE DONATIONS

There were no political or charitable donations in the period (2001: £nil).

ELECTIVE RESOLUTIONS

In accordance with section 366a of the Companies Act 1985, a resolution was passed by written resolution on 29 October 1998, to dispense with the holding of an Annual General Meeting in 1998 and subsequent years.

In accordance with section 252 of the Companies Act 1985, a resolution was passed by written resolution on 29 October 1998 to dispense with the laying of accounts and reports before the Company in General Meeting in 1998 and subsequent years.

In accordance with Section 386 and 379A of the Companies Act 1985, a resolution was passed by written resolution on 21 October 1999 to dispense with the obligation to appoint auditors annually.

AUDITORS

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 19 February 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. An ordinary resolution was passed on 19 February 2003 to reappoint PricewaterhouseCoopers LLP as auditors to the company.

By order of the board

Susan M. Henderson

Mrs S.M.Henderson
Company Secretary
8 October 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 at the end of the year and of the profit or loss for the year. 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, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 safeguarding of the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

to the members of Acam Holdings (UK) Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the annual report and accounts in accordance with applicable United Kingdom Law and accounting standards are set out in the statement of Directors' responsibilities (Page 5).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 transactions is not disclosed.

Basis of audit 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

8 October 2003

PROFIT AND LOSS STATEMENT
For the year ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER		-	-
OPERATING PROFIT		-	-
Income from fixed asset investments		27,000,000	54,000,000
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		27,000,000	54,000,000
Interest receivable and similar income	5	1,285,703	2,074,790
Interest payable and similar charges	5	(442,733)	(1,288,207)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,842,970	54,786,583
Taxation on profit on ordinary activities	6	(252,891)	(131,375)
PROFIT FOR THE FINANCIAL YEAR		27,590,079	54,655,208
Equity dividends	7	(27,000,000)	(54,000,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		590,079	655,208

All the activities of the Company are continuing.

The Company has no recognised gains or losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above, and their historical cost equivalents.

The notes on pages 10 to 14 form part of these financial statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2002

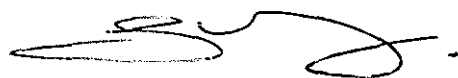
	Notes	2002 £	2001 £
Profit for the financial year		27,590,079	54,655,208
Equity dividends paid and proposed	7	(27,000,000)	(54,000,000)
Share Premium Account		551,905,780	-
New Share Capital Issued		100	-
Net additions to shareholders' funds		552,495,959	655,208
Opening shareholders' funds		114,235,420	113,580,212
Closing shareholders' funds		666,731,379	114,235,420

BALANCE SHEET
at 31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Investments	8	664,375,992	112,470,112
CURRENT ASSETS			
Debtors	9	31,079	51,761
Short term deposits and investments	10	12,420,199	17,871,355
		<u>12,451,278</u>	<u>17,923,116</u>
CREDITORS - Amounts falling due within one year	11	<u>(10,095,891)</u>	<u>(16,157,808)</u>
NET CURRENT ASSETS		<u>2,355,387</u>	<u>1,765,308</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>666,731,379</u>	<u>114,235,420</u>
NET ASSETS		<u>666,731,379</u>	<u>114,235,420</u>
CAPITAL AND RESERVES			
Called up share capital	12	256	156
Share premium account	13	664,357,290	112,451,510
Profit and loss account	13	<u>2,373,833</u>	<u>1,783,754</u>
TOTAL SHAREHOLDERS' FUNDS		<u>666,731,379</u>	<u>114,235,420</u>

The notes on pages 10 to 14 form part of these financial statements.

The financial statements on pages 7 to 14 were approved by the Board of Directors on 8 October 2003 and were signed on its behalf by:



Mr G C Long
Director

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2002

1) ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost convention, the accounting policies set out below, and in accordance with the Companies Act 1985 and applicable accounting standards.

New Accounting Standards

The following new accounting standard issued by the UK Accounting Standards Board, has been adopted this year: Financial Reporting Standard (FRS) 19 Deferred Taxation. The change to existing accounting policies arising from the adoption of FRS 19 is described in Account Note 6.

Taxation

Taxation charged against profits is calculated at the current rate of UK taxation. Provision is made for all timing differences that would give rise to a liability in accordance with FRS 19. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recoverable.

Foreign currencies

It is the Company's policy, where appropriate, to protect the sterling value of its estimated future foreign currency receivables through the use of forward contracts or currency options. Net revenues and related net receivables covered by forward exchange contracts or options are translated into sterling at contract rates. No account is taken of the potential but unrealised profits or losses on open forward exchange contracts or options which are intended as a hedge against future transactions; such profits and losses are accounted for so as to match the exchange differences arising on the underlying currency transactions.

Company Investments

Investments in subsidiary and other undertakings are held at original cost less impairment in value, except where they are foreign currency investments hedged in whole or in part by related foreign currency borrowings or other hedging instruments. Hedged investments are held at cost less permanent diminution in value but are retranslated for foreign exchange movements to the extent that they are hedged. Where the amount of foreign currency hedge is in excess of cost, the investment is stated at the underlying foreign currency net asset value.

2) CONSOLIDATED FINANCIAL STATEMENTS

Under section 228(1) of the Companies Act 1985, the Company is exempt from the requirement to prepare consolidated financial statements since it is a wholly owned subsidiary of Amersham plc, a Company registered in England and Wales. In addition, since Amersham plc has produced consolidated financial statements, which are publicly available, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996).

3) DIRECTORS' EMOLUMENTS

No Director received emoluments or other benefits during the year to 31 December 2002, (2001: nil).

4) EMPLOYEES

Acam Holdings (UK) Limited has no employees, or employee related costs, (2001: nil).

NOTES TO THE FINANCIAL STATEMENTS as at 31 December 2002

5) INTEREST RECEIVABLE AND PAYABLE

	2002 £	2001 £
Interest Receivable and Similar Income		
Foreign exchange gains	-	12,892
Interest receivable on deposit with Amersham plc	77,364	35,506
Interest on inter-company promissory note	1,208,288	2,021,895
Other interest receivable	51	4,497
	<u>1,285,703</u>	<u>2,074,790</u>
Interest Payable and Similar Charges		
Foreign exchange losses	46,531	-
Interest payable on short term loan with Amersham plc	396,202	1,288,207
	<u>442,733</u>	<u>1,288,207</u>

6) TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge/(credit) is based on the taxable profit for the year and comprises:

	2002 £	2001 £
UK corporation tax at 30% (2001: 30%)		
Current	252,891	235,975
Double tax Relief	-	-
Under/(over)provision in respect of prior year	-	(104,600)
Total current taxation	<u>252,891</u>	<u>131,375</u>

The current tax charge for the period is lower (2001 – lower) than the standard rate of corporation tax in the UK of 30%. The differences are explained below.

	2002 £	2001 £
United Kingdom Corporation Tax at 30% (2001:30%)		
Profit/(Loss) on ordinary activities before tax before exceptional items	27,842,970	54,786,583
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001:30%)	8,352,891	16,435,975
Effects of:		
Adjustments in respect of prior period	-	(104,600)
Non-taxable UK dividend income	(8,100,000)	(16,200,000)
Total current taxation	<u>252,891</u>	<u>131,375</u>

The company has adopted FRS 19 'Deferred Tax' in the Financial Statements. The Company has no recognised or unrecognised tax asset or liability (2001:£nil).

NOTES TO THE FINANCIAL STATEMENTS as at 31 December 2002

7) EQUITY DIVIDENDS

	2002 £	2001 £
Ordinary dividends paid: £105,468.75 per share (2001 - paid £346,153.85 per £1.00 share)	27,000,000	54,000,000
	<u>27,000,000</u>	<u>54,000,000</u>

8) FIXED ASSET INVESTMENTS

	£
Cost or valuation	
At 1 January 2002	112,470,112
Increase in Investment in Acam Overseas Holdings Ltd	551,905,880
Investment in Amersham Biosystems AB	551,905,880
Disposal of Investment in Amersham Biosystems AB	(551,905,880)
At 31 December 2002	<u>664,375,992</u>

The investments are comprised of the following shareholdings in subsidiary undertakings.

Subsidiary Undertaking	County of incorporation or registration	Proportion of Nominal value of issued shares held	Cost or Valuation 1 January 2002 £	Movement £	Cost or valuation 31 December 2002 £
Acam Overseas Holdings Ltd ⁽¹⁾	Great Britain	100%	107,006,742	551,905,880	658,912,622
Amersham Health Holdings Inc ⁽²⁾	United States	20%	5,463,370	-	5,463,370
			<u>112,470,112</u>	<u>551,905,880</u>	<u>664,375,992</u>

⁽¹⁾Principal business is the investing in and holding of Companies in the healthcare sector.

⁽²⁾Principal business is the supply of products for the diagnosis and treatment of disease.

On 1 August 2002, Acam Holdings (UK) Limited entered into a two stage share for share exchange transaction with regard to an Investment in Amersham Biosystems AB, a Company incorporated in Sweden.

Acam Holdings (UK) Limited acquired the shares of Amersham Biosystems AB from Amersham plc, the consideration of £551,905,880 being settled by Acam Holdings (UK) Limited, issuing 100 shares with a par value of 100p each, giving rise to an increase in share capital of £100 and share premium of £551,905,780.

Immediately after this transaction, Acam Holdings (UK) Limited disposed of its shares in Amersham Biosystems AB to Acam Overseas Holdings Ltd, the consideration of £551,905,880 being the receipt of 100 ordinary shares with a par value of 70p each in ACAM Overseas holdings Ltd.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2002

9) DEBTORS

	2002 £	2001 £
Amounts owed by group undertakings	31,077	51,759
Other debtors	2	2
	<u>31,079</u>	<u>51,761</u>

10) SHORT TERM DEPOSITS AND INVESTMENTS

	2002 £	2001 £
Short term deposit	2,291	2,240
Short term deposit with Amersham plc	2,976,914	2,144,977
Inter company promissory note	9,440,994	15,724,138
	<u>12,420,199</u>	<u>17,871,355</u>

The deposit with Amersham plc is denominated in sterling, is repayable on demand and bears interest at one month sterling LIBID less a half of one percent.

Following a payment of US\$7,600,000 during the year, the remaining balance on the inter company promissory note of US\$15,200,000, (2001 - \$22,800,000), is repayable in two instalments. The two equal instalments of \$7,600,000 are repayable in December 2003 and 2004. Interest is payable on the note at a rate of 7.9% per annum.

11) CREDITORS - Amounts falling due within one year

	2002 £	2001 £
Short term loan payable to Amersham plc	9,440,994	15,724,138
UK Corporation Tax	640,170	387,279
Accruals and deferred income	14,727	46,391
	<u>10,095,891</u>	<u>16,157,808</u>

The loan with Amersham plc is denominated in sterling, is repayable on demand and bears interest at one month sterling LIBID less a half of one percent.

12) CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised 1,000 ordinary shares of £1.00 each (Dec 2001: 1,000)	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid 256 ordinary shares of £1.00 each (Dec 2001:156)	<u>256</u>	<u>156</u>

The details of the change in share capital can be found in Note 8.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2002

13) SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 31 December 2001	112,451,510	1,783,754
Movement in Share Premium Account (net of issue costs £ nil)	551,905,780	-
Retained profit for the financial year	-	590,079
At 31 December 2002	<u>664,357,290</u>	<u>2,373,833</u>

14) RELATED PARTY TRANSACTIONS

The Company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Amersham plc Group or investors in the Amersham plc Group.

15) ULTIMATE PARENT COMPANY

Amersham plc a company incorporated in Great Britain, is the immediate parent company of Acam Holdings (UK) Limited and the ultimate controlling party. This is the largest group of which the Company is a member and for which consolidated financial statements are drawn up. A copy of its financial statements can be obtained from its registered office at:

Amersham Place
Little Chalfont
Buckinghamshire
HP7 9NA