

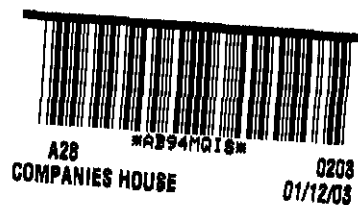


New Splint Limited

Directors' report and
financial statements

Period ended 30 September 2002

Registered number: 2090807



New Splint Limited

Directors' report and financial statements

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New Splint Limited

Directors and other information

Directors

L. Brehony
B. McGrane
L. Salter
P. Virgin

Secretary

A. Ralph

Registered office

9 Murrell Green Business Park
London Road
Hook, NR Basingstoke
Hampshire
RG27 9GR
United Kingdom

Bankers

HBSC Bank Plc
2 Victoria Road
Farnborough
Hants GU14 7NX

Solicitors

Arthur Cox Solicitors
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2

New Splint Limited

Directors' report

The directors present their annual report and audited financial statements of the company for the 15 month period ended 30 September 2002.

Principal activity

The principal activity of the company in the year under review was that of the wholesale and retail distribution of orthopaedic and other health care products.

Review of business

The results for the year and financial position of the company are as shown in the annexed financial statements.

Dividends

No interim dividend was paid during the period. The directors recommend a final dividend of £11.20 per share (2001: £3.20). The total distribution of dividends for the period ended 30 September 2002 will be £560,000 (2001: £160,000).

Directors

The directors holding office on 30 September 2002 were:

B. McGrane (Appointed 8 April 2002)
L. Brehony (Appointed 8 April 2002)
L. Salter
P. Virgin

Beneficial interests of the directors, secretary their families and nominees in the ordinary share capital of the ultimate holding company, United Drug plc are set out below:

Name	Date of appointment	Interest at end of period
L. Brehony	8 April 2002	1,235
B. McGrane	8 April 2002	53,233
A. Ralph	8 April 2002	2,217

Except as disclosed above, no director or secretary of the company held any interests in the shares of the company, or the ultimate holding company during the year.

H.D. Link resigned as a director of the company on 8 April 2002.



New Splint Limited

Directors' report *(continued)*

Auditors

In accordance with Section 385 of the Companies Act, 1985, Pride Brewster Auditors resigned as auditors during the year and KPMG Chartered Accountants were appointed in their place.

On behalf of the board

A handwritten signature in black ink, appearing to read 'L. Brehony', written over a horizontal line.

L. Brehony
Director

25 August 2003

New Splint 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 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 presume that the company will continue in business.

The directors are responsible for keeping 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board



L. Brehony
Director



Chartered Accountants

1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditors' report to the members of New Splint Limited

We have audited the financial statements on pages 7 to 18.

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 auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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 with the company 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.

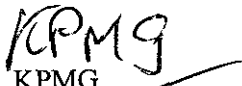




Independent auditors' report to the members of New Splint Limited

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company at 30 September 2002 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors

25 August 2003

New Splint Limited

Statement of accounting policies *(continued)* *for the 15 month period ended 30 September 2002*

Basis of preparation

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

Turnover

Turnover represents net invoiced value of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	5% on cost
Furniture and Fittings	20% on cost
Motor Vehicles	33% on cost
Office Equipment	20% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing difference 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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

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.

New Splint Limited

Profit and loss account

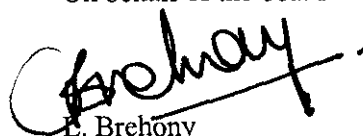
for the 15 month period ended 30 September 2002

	Notes	15 months to 30 September 2002 STG£	12 months to 30 June 2001 STG£
Turnover	1	6,461,154	4,503,260
Cost of sales		(2,589,896)	(2,103,389)
Gross profit		3,871,258	2,399,871
Operating costs		(2,392,568)	(2,001,498)
Operating profit	3	1,478,690	398,373
Interest receivable and similar income (net)	4	10,853	4,899
Profit on ordinary activities before taxation		1,489,543	403,272
Tax on profit on ordinary activities	5	(475,491)	(95,333)
Profit for the financial year attributable to ordinary shareholders		1,014,052	307,939
Dividends	6	(560,000)	(160,000)
Profit retained for the financial year		454,052	147,939
Retained profit brought forward		544,428	396,489
Retained profit carried forward		998,480	544,428

Total recognised gains and losses

The company has no recognised gains or losses other than the profits for the current and previous periods.

On behalf of the board


E. Brehony
Director

New Splint Limited

Balance sheet at 30 September 2002

	Notes	30 September 2002		30 June 2001	
		STG£	STG£	STG£	STG£
Fixed assets					
Tangible assets	7		190,020		316,754
Current assets					
Stock	8	514,029		447,903	
Debtors	9	765,739		756,108	
Cash at bank and in hand		1,496,574		629,074	
		2,776,342		1,833,085	
Creditors: amounts falling due within one year	10	(1,917,882)		(1,473,045)	
Net current assets			858,460		360,040
Total assets less current liabilities			1,048,480		676,794
Creditors: amounts falling due after more than one year	11		-		(82,366)
			1,048,480		594,428
Capital and reserves					
Called up share capital	15	50,000		50,000	
Profit and loss account		998,480		544,428	
Shareholders' funds	16		1,048,480		594,428

On behalf of the board


L. Brehony
Director

New Splint Limited

Notes

forming part of the financial statements

1 Turnover

	15 month period to 30 September 2002 STG£	12 month period to 30 June 2001 STG£
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Turnover analysed by geographical markets is as follows:

United Kingdom	6,461,154	4,503,260
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All turnover derives from sale of orthopaedic and other health care products.

2 Staff costs

	15 month period to 30 September 2002 STG£	12 month period to 30 June 2001 STG£
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Wages and salaries	1,249,731	1,320,751
Social security costs	163,697	149,792
Other pension costs	198,044	189,483
	<u>1,611,472</u>	<u>1,660,026</u>

The average monthly number of employees during the year was as follows:

Directors	2	3
Administration	9	4
Sales representatives	12	13
	<u>23</u>	<u>20</u>

New Splint Limited

Notes (continued)

3 Operating profit

The operating profit is stated after charging/(crediting):

	15 month period to 30 September 2002 STG£	12 month period to 30 June 2001 STG£
Depreciation	101,090	67,067
Profit on disposal of fixed assets	-	(33,000)
Auditors' remuneration	15,957	13,295
Directors' pensions	110,000	146,785
Directors' emoluments	757,200	806,335

The number of directors to whom retirement benefits were accruing was as follows:

	15 month period to 30 September 2002 STG£	12 month period to 30 June 2001 STG£
Money purchase schemes	2	2

Information regarding the highest paid directors is as follows:

	15 month period to 30 September 2002 STG£	12 month period to 30 June 2001 STG£
Emoluments etc	378,600	404,063
Pension contributions to money purchase scheme	55,000	73,393

New Splint Limited

Notes (continued)

4 Interest receivable and similar income (net)	15 month period to 30 September 2002 STG£	12 month period to 30 June 2001 STG£
<i>Interest payable and similar charges</i>		
On bank loans and overdrafts wholly repayable within five years	-	(4,554)
Hire purchase interest	(3,893)	(4,564)
	(3,893)	(9,118)
<i>Interest receivable</i>		
Interest arising from cash deposits and investments	14,746	14,017
	10,853	4,899

5 Taxation

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%).
The differences are explained below:

	15 month period to 30 September 2002 STG£	12 month period to 30 June 2001 STG£
Profit on ordinary activities before tax	1,489,543	403,272
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	446,863	120,982
<i>Effects of:</i>		
Expenses deductible for corporation tax purposes	(27,316)	(26,859)
Adjustments to tax charge in respect of prior periods	-	1,210
Other	55,944	-
Current tax charge for the 2002 period	475,491	95,333

New Splint Limited

Notes (continued)

6 Dividends

	15 months to 30 September 2002 STG£	12 months to 30 June 2001 STG£
Equity shares:		
Final dividend paid of £11.20 per share (2001: £3.20 per share)	560,000	160,000

7 Tangible fixed assets

	Freehold property STG£	Motor STG£	Fixtures fittings & office equipment STG£	Total STG£
Cost				
At 1 July 2001	225,048	181,662	84,489	491,199
Additions	-	-	1,073	1,073
Disposals	-	(118,752)	-	(118,752)
At 30 September 2002	225,048	62,910	85,562	373,520
Depreciation				
At 1 July 2001	-	119,345	55,100	174,445
Charge for year	49,510	35,600	15,980	101,090
Disposals	-	(92,035)	-	(92,035)
At 30 September 2002	49,510	62,910	71,080	183,500
Net book value				
At 31 September 2002	175,538	-	14,482	190,020
At 30 June 2001	225,048	62,317	29,389	316,754

New Splint Limited

Notes (continued)

8 Stocks	30 September	30 June
	2002 STG£	2001 STG£
Stock for resale	387,817	320,309
Stock on permanent loan	126,212	127,594
	514,029	447,903
9 Debtors	30 September	30 June
	2002 STG£	2001 STG£
Trade debtors	772,733	754,013
Other debtors	(8,119)	970
Prepayments	1,125	1,125
	765,739	756,108
10 Creditors: amounts falling due within one year	30 September	30 June
	2002 STG£	2001 STG£
Bank loans and overdrafts (see note 12)	-	15,000
Hire purchase contracts (see note 13)	-	42,423
Trade creditors	766,980	516,082
Directors current accounts	-	22,796
Dividends proposed	-	160,000
V.A.T.	207,566	172,747
Other taxes and social security	10,694	57,089
Other creditors	-	40,847
Taxation	477,338	94,123
Accrued expenses	34,002	351,938
Amounts owed to group companies	421,302	-
	1,917,882	1,473,045

New Splint Limited

Notes (continued)

11 Creditors: amounts falling due after more than one year

	30 September 2002 STG£	30 June 2001 STG£
Bank loans (see note 11)	-	31,831
Hire purchase contracts (see note 12)	-	50,535
	-	82,366

12 Loans and overdrafts

An analysis of the maturity of loans and overdrafts is given below:

	30 September 2002 STG£	30 June 2001 STG£
<i>Amounts falling due within one year or on demand:</i>		
Bank loans	-	15,000
<i>Amounts falling due between one and two years:</i>		
Bank loans	-	15,000
<i>Amounts falling due between two and five years:</i>		
Bank loans	-	16,831

New Splint Limited

Notes (continued)

13 Obligations under hire purchase contracts and leases

	30 September 2002 STG£	30 June 2001 STG£
<i>Gross obligations repayable:</i>		
Within one year	-	47,475
Between one and five years	-	59,034
	-	106,509
<i>Finance charges repayable:</i>		
Within one year	-	5,052
Between one and five years	-	8,499
	-	13,551
<i>Net obligations repayable:</i>		
Within one year	-	42,423
Between one and five years	-	50,535
	-	92,958

The following payments are committed to be paid within one year:

	30 September 2002 STG£	30 June 2001 STG£
<i>Operating leases expiring:</i>		
Within one year	-	17,006
Between one and five years	-	20,659
	-	37,665

New Splint Limited

Notes (continued)

14 Secured debts

The following secured debts are included within creditors:

	30 September 2002 STG£	30 June 2001 STG£
Bank loans	-	46,831
15 Share capital	30 September 2002 STG£	30 June 2001 STG£
<i>Authorised</i>		
100,000 ordinary shares of STG£1 each	100,000	100,000
<i>Allotted, called up and fully paid:</i>		
50,000 ordinary shares of STG£1 each	50,000	50,000
16 Reconciliation of movements in shareholders' funds	30 September 2002 STG£	30 June 2001 STG£
Profit for the financial year	1,014,052	307,939
Dividends	(560,000)	(160,000)
Net addition to shareholders's funds	454,052	147,939
Opening shareholders' funds	594,428	446,489
	1,048,480	594,428

New Splint Limited

Notes *(continued)*

17 Group membership

As of 1 April 2002, the company is a wholly owned subsidiary undertaking of United Drug plc, an undertaking incorporated and operating in the Republic of Ireland.

The consolidated financial statements of this group are available to the public and may be obtained from The Company Secretary, United Drug plc, United Drug House, Belgard Road, Tallaght, Dublin 24, Ireland.

18 Related party transactions

The directors are availing of the exemption available under FRS8 Related Party Disclosures, not to disclose details of transactions with other companies in United Drug plc group.

19 Approval of financial statements

The directors approved the financial statements on 25 August 2003.