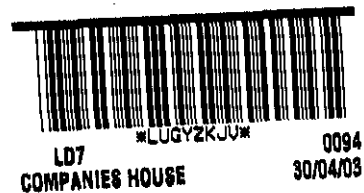


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Company Registration No. 3591021 (England and Wales)

BR PHARMA INTERNATIONAL LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002



BR PHARMA INTERNATIONAL LIMITED

COMPANY INFORMATION

Director	B Rabin Esq
Secretary	Mrs R M Rabin
Company number	3591021
Registered office	Lynwood House 373/375 Station Road Harrow Middlesex HA1 2AW
Auditors	Newman & Partners Lynwood House 373/375 Station Road Harrow, Middlesex HA1 2AW
Business address	Unit 2 Block D, Queens Road Barnet Hertfordshire EN5 4DJ

BR PHARMA INTERNATIONAL LIMITED

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BR PHARMA INTERNATIONAL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2002

The director presents his report and financial statements for the year ended 30 June 2002.

Principal activities

The principal activity of the company continued to be that of the wholesale of pharmaceutical products.

Introduction of Euro Currency

The company has finalised its assessment of the risks and uncertainties associated with the introduction of the Euro currency. Based on this, the director considers the impact will not be material in the context of the company and no significant course of action will be required or material costs incurred.

Director

The following director has held office since 1 July 2001:

B Rabin Esq

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary Shares of £ 1 each	
	30 June 2002	1 July 2001
B Rabin Esq	100	100

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Newman & Partners be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

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

By order of the board

29 APR 2003



Mrs R M Rabin
Secretary

BR PHARMA INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BR PHARMA INTERNATIONAL LIMITED

We have audited the financial statements of BR Pharma International Limited on pages 3 to 13 for the year ended 30 June 2002. These financial statements have been prepared under the historical cost convention and 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 the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

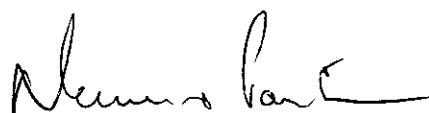
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Newman & Partners
Chartered Accountants
Registered Auditor



.....
Lynwood House
373/375 Station Road
Harrow, Middlesex
HA1 2AW

29 APR 2003

BR PHARMA INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 £	2001 £
Turnover	2	18,242,425	3,774,340
Cost of sales		(16,160,438)	(3,282,845)
Gross profit		2,081,987	491,495
Distribution costs		(24,568)	(22,977)
Administrative expenses		(1,766,705)	(154,941)
Operating profit	3	290,714	313,577
Other interest receivable and similar income		2,650	20,936
Interest payable and similar charges	4	(614)	(20)
Profit on ordinary activities before taxation		292,750	334,493
Tax on profit on ordinary activities	5	(85,246)	(67,920)
Profit on ordinary activities after taxation		207,504	266,573
Dividends	6	-	(120,000)
Retained profit for the year	13	207,504	146,573

The profit and loss account has been prepared on the basis that all operations are continuing operations.

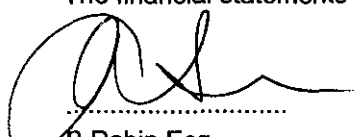
There are no recognised gains and losses other than those passing through the profit and loss account.

BR PHARMA INTERNATIONAL LIMITED

BALANCE SHEET AS AT 30 JUNE 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	7		80,990		26,314
Current assets					
Stocks	8	1,078,444		583,443	
Debtors	9	1,904,502		794,342	
Cash at bank and in hand		846,033		324,308	
		<u>3,828,979</u>		<u>1,702,093</u>	
Creditors: amounts falling due within one year	10	<u>(3,312,997)</u>		<u>(1,347,005)</u>	
Net current assets			515,982		355,088
Total assets less current liabilities			<u>596,972</u>		<u>381,402</u>
Provisions for liabilities and charges	11		(8,066)		-
			<u>588,906</u>		<u>381,402</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		588,806		381,302
Shareholder's funds - equity interests	14		<u>588,906</u>		<u>381,402</u>

The financial statements were approved by the Board on 29 APR 2003


B Rabin Esq
Director

BR PHARMA INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2002

	2002		2001	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		644,630		(27,015)
Returns on investments and servicing of finance				
Interest received	2,650		20,936	
Interest paid	(614)		(20)	
Net cash inflow for returns on investments and servicing of finance		2,036		20,916
Taxation		(69,030)		(55,820)
Capital expenditure				
Payments to acquire tangible assets	(71,121)		(24,930)	
Net cash outflow for capital expenditure		(71,121)		(24,930)
Equity dividends paid		-		(120,000)
Net cash inflow/(outflow) before management of liquid resources and financing		506,515		(206,849)
Increase/(decrease) in cash in the year		506,515		(206,849)

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2002

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2002	2001
		£	£
	Operating profit	290,714	313,577
	Depreciation of tangible assets	16,445	5,453
	Increase in stocks	(495,001)	(558,016)
	Increase in debtors	(1,110,160)	(565,464)
	Increase in creditors within one year	1,942,632	777,435
	Net cash inflow/(outflow) from operating activities	644,630	(27,015)

2	Analysis of net funds	1 July 2001	Cash flow	Other non-cash changes	30 June 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	324,308	521,725	-	846,033
	Bank overdraft	-	(15,210)	-	(15,210)
		<u>324,308</u>	<u>506,515</u>	<u>-</u>	<u>830,823</u>
	Net funds	324,308	506,515	-	830,823

3	Reconciliation of net cash flow to movement in net funds	2002	2001
		£	£
	Increase/(decrease) in cash in the year	506,515	(206,849)
	Movement in net funds in the year	506,515	(206,849)
	Opening net funds	324,308	531,157
	Closing net funds	830,823	324,308

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33.33% reducing balance method
Fixtures, fittings and equipment	15% reducing balance method

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

3	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	16,445	5,453
	Loss on foreign exchange transactions	-	1,133
	Operating lease rentals	24,440	8,696
	Auditors' remuneration	13,790	8,000
	and after crediting:		
	Profit on foreign exchange transactions	(403)	-
4	Interest payable	2002	2001
		£	£
	On bank overdraft	614	-
	On overdue tax	-	20
		614	20

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

5	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	77,250	69,100
	Adjustment for prior years	(70)	(1,180)
	Current tax charge	<u>77,180</u>	<u>67,920</u>
	Deferred tax		
	Deferred tax charge/credit current year	8,066	-
		<u>85,246</u>	<u>67,920</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>292,750</u>	<u>334,493</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.85% (2001: 21.08%)	<u>90,313</u>	<u>70,511</u>
	Effects of:		
	Depreciation	5,073	1,149
	Capital allowances	(10,070)	(2,560)
	Adjustments to previous periods	(70)	(1,180)
	Deferred tax	(8,066)	-
		<u>(13,133)</u>	<u>(2,591)</u>
	Current tax charge	<u>77,180</u>	<u>67,920</u>
6	Dividends	2002 £	2001 £
	Ordinary interim paid	<u>-</u>	<u>120,000</u>

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

7 Tangible fixed assets

	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 July 2001	4,402	29,986	34,388
Additions	7,491	63,630	71,121
At 30 June 2002	11,893	93,616	105,509
Depreciation			
At 1 July 2001	1,899	6,175	8,074
Charge for the year	3,331	13,114	16,445
At 30 June 2002	5,230	19,289	24,519
Net book value			
At 30 June 2002	6,663	74,327	80,990
At 30 June 2001	2,503	23,811	26,314

8 Stocks

	2002	2001
	£	£
Finished goods and goods for resale	1,078,444	583,443

9 Debtors

	2002	2001
	£	£
Trade debtors	1,806,111	715,273
Other debtors	85,183	74,474
Prepayments and accrued income	13,208	4,595
	1,904,502	794,342

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

10 Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	15,210	-
Trade creditors	893,429	920,749
Corporation tax	77,250	69,100
Other taxes and social security costs	1,461,067	204,169
Director's current account	772,847	142,987
Other creditors	866	-
Accruals and deferred income	92,328	10,000
	<u>3,312,997</u>	<u>1,347,005</u>

11 Provisions for liabilities and charges

	Deferred taxation £
Profit and loss account	8,066
Balance at 30 June 2002	<u>8,066</u>

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	<u>8,066</u>	<u>-</u>

12 Share capital

	2002 £	2001 £
Authorised		
100 Ordinary Shares of £ 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary Shares of £ 1 each	<u>100</u>	<u>100</u>

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2001	381,302
Retained profit for the year	207,504
Balance at 30 June 2002	588,806

14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	207,504	266,573
Dividends	-	(120,000)
Net addition to shareholder's funds	207,504	146,573
Opening shareholder's funds	381,402	234,829
Closing shareholder's funds	588,906	381,402

15 Financial commitments

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2002 £	2001 £
Expiry date:		
Between two and five years	30,000	15,000

16 Director's emoluments

	2002 £	2001 £
Emoluments for qualifying services	1,281,108	19,563
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	1,281,108	19,563

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2002

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Administration	<u>7</u>	<u>3</u>
Employment costs		
	£	£
Wages and salaries	1,423,938	76,875
Social security costs	<u>164,214</u>	<u>7,561</u>
	<u>1,588,152</u>	<u>84,436</u>

18 Control

The ultimate controlling interest is held by B Rabin Esq, who is the director of the company.

19 Related party transactions

Included in other creditors is an amount of £772,847 (2001: £142,987) due to B Rabin Esq, who is the director of the company.

As at the balance sheet date BR Pharma Limited, a company which is wholly owned by the director of the company, B Rabin Esq, owed BR Pharma International Limited £28,498 (2001: £-).

Included within other debtors is an amount of £55,685 (2001: £-) owed by C D Pharma GmbH, a company incorporated in Germany whose parent company, C D Pharma Limited, is wholly owned by B Rabin Esq, who is the director of the company. During the year goods to the value of £4,870 and £332 were purchased and sold respectively to C D Pharma Limited. All transactions were at an arms length basis.