

BR PHARMA INTERNATIONAL LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004



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BR PHARMA INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report and financial statements for the year ended 30 June 2004.

Principal activities and review of the business

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

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 July 2003:

B Rabin	
R Rabin	(Appointed 23 April 2004)
J Rabin	(Appointed 23 April 2004)

Directors' interests

The directors' beneficial & non-beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2004	1 July 2003
B Rabin	-	100
R Rabin	-	-
J Rabin	-	-

	Ordinary shares of 1p each	
	30 June 2004	1 July 2003
B Rabin	8,000	-
R Rabin	6,500	-
J Rabin	6,500	-

	'A' Ordinary shares of 1p each	
	30 June 2004	1 July 2003
B Rabin	-	-
R Rabin	-	-
J Rabin	-	-

B Rabin has a beneficial interest in 1,500 ordinary 1p shares.

B & R Rabin have a non-beneficial interest as trustees of The Rabin Family Children's Trust in 6,500 ordinary shares.

J Rabin has a beneficial interest as beneficiary of The Rabin Family Children's Trust in 6,500 ordinary shares.

2,000 'A' Ordinary £0.01 shares are held, on a non-beneficial basis, by SIP Trustees Limited on behalf of the BR Pharma SIP. The directors of SIP Trustees Limited are Mr M J Anderson and Mrs C P Munro who are both partners in Haslers, auditors of our company. Neither of the partners have any involvement in the audit of our company.

BR PHARMA INTERNATIONAL LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004**

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

Haslers were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

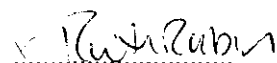
Directors' responsibilities

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.

On behalf of the board



R Rabin

Director

19-10-04

BR PHARMA INTERNATIONAL LIMITED**INDEPENDENT AUDITORS' REPORT TO BR PHARMA INTERNATIONAL LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 30 June 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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

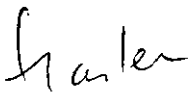
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



Haslers
Chartered Accountants
Registered Auditor

19 October 2004

.....
Johnston House
8 Johnston Road
Woodford Green
Essex
IG8 0XA

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2004**

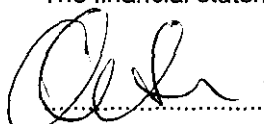
	Notes	2004 £	2003 £
Gross profit		4,332,006	3,456,627
Distribution costs		(5,062)	(8,544)
Administrative expenses		(999,712)	(395,102)
Operating profit	2	3,327,232	3,052,981
Investment income	3	46,036	-
Other interest receivable and similar income		8,018	22,530
Interest payable and similar charges	4	(36)	(221)
Profit on ordinary activities before taxation		3,381,250	3,075,290
Tax on profit on ordinary activities	5	(994,992)	(934,236)
Profit on ordinary activities after taxation		2,386,258	2,141,054
Dividends	6	-	(1,466,666)
Retained profit for the year	15	2,386,258	674,388

BR PHARMA INTERNATIONAL LIMITED
**ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2004**

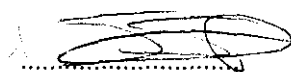
	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	7		167,765		68,415
Current assets					
Stocks	8	2,428,450		688,126	
Debtors	9	2,304,039		2,104,481	
Investments	10	440,184		1,808,263	
Cash at bank and in hand		1,251,326		598,211	
		6,423,999		5,199,081	
Creditors: amounts falling due within one year	11	(7,442,691)		(3,991,733)	
Net current (liabilities)/assets			(1,018,692)		1,207,348
Total assets less current liabilities			(850,927)		1,275,763
Provisions for liabilities and charges	12		(11,521)		(12,469)
			(862,448)		1,263,294
Capital and reserves					
Called up share capital	14		100		100
Other reserves	15		(4,512,000)		-
Profit and loss account	15		3,649,452		1,263,194
Shareholders' funds - equity interests	16		(862,448)		1,263,294

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 19-10-04.



B Rabin
Director



J Rabin
Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004**

	£	2004 £	£	2003 £
Net cash inflow from operating activities		5,817,140		1,637,563
Returns on investments and servicing of finance				
Interest received	8,018		22,530	
Interest paid	(36)		(221)	
Dividends received	46,036		-	
Net cash inflow for returns on investments and servicing of finance		54,018		22,309
Taxation		-		(83,023)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(154,522)		(1,198)	
Payments to acquire own shares	(6,432,000)		-	
Receipts from sales of tangible assets	400		-	
Net cash outflow for capital expenditure		(6,586,122)		(1,198)
Net cash (outflow)/inflow before management of liquid resources and financing		(714,964)		1,575,651
Management of liquid resources				
Current asset investments	1,368,079		(1,808,263)	
		1,368,079		(1,808,263)
Increase/(decrease) in cash in year		653,115		(232,612)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004**

1	Reconciliation of operating profit to net cash inflow from operating activities	2004		2003	
		£		£	
	Operating profit	3,327,232		3,052,981	
	Depreciation of tangible assets	33,205		13,773	
	Loss on disposal of tangible assets	21,567		-	
	(Increase)/decrease in stocks	(1,740,324)		390,318	
	Increase in debtors	(199,558)		(199,979)	
	Increase/(decrease) in creditors within one year	4,375,018		(1,619,530)	
	Net cash inflow from operating activities	5,817,140		1,637,563	
2	Analysis of net funds	1 July 2003	Cash flow	Other non-cash changes	30 June 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	598,211	653,115	-	1,251,326
	Liquid resources:				
	Current asset investments	1,808,263	(1,368,079)	-	440,184
	Net funds	2,406,474	(714,964)	-	1,691,510
3	Reconciliation of net cash flow to movement in net funds	2004		2003	
		£		£	
	Increase/(decrease) in cash in the year	653,115		(232,612)	
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(1,368,079)		1,808,263	
	Movement in net funds in the year	(714,964)		1,575,651	
	Opening net funds	2,406,474		830,823	
	Closing net funds	1,691,510		2,406,474	

BR PHARMA INTERNATIONAL LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

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:

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15 - 33.3% reducing balance

1.5 Leasing

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

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

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

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 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.

1.11 Contributions to Share Incentive Plan (SIP)

In accordance with UITF 38, contributions to the SIP are not recognised in the Profit & Loss account until such time as the shares vest unconditionally with the employees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004
2 Turnover**Geographical market**

	Turnover	
	2004	2003
	£	£
United Kingdom	20,240,020	21,948,143
European Union	368,225	430,227
	<u>20,608,245</u>	<u>22,378,370</u>

3 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	33,205	13,773
Loss on disposal of tangible assets	21,567	-
Loss on foreign exchange transactions	130	-
Operating lease rentals	80,056	30,000
Auditors' remuneration	10,000	14,000
and after crediting:		
Profit on foreign exchange transactions	-	(78,208)
	<u>-</u>	<u>(78,208)</u>

4 Investment income

	2004	2003
	£	£
Income from current asset investments	46,036	-
	<u>46,036</u>	<u>-</u>

5 Interest payable

	2004	2003
	£	£
On bank loans and overdrafts	36	221
	<u>36</u>	<u>221</u>

BR PHARMA INTERNATIONAL LIMITED
**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004**

5	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	(924,015)	924,061
	Adjustment for prior years	(46)	5,772
		<u>(924,061)</u>	<u>929,833</u>
	Current tax charge		
		(924,061)	929,833
	Deferred tax		
	Deferred tax charge/credit current year	1,919,053	4,403
		<u>994,992</u>	<u>934,236</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	3,381,250	3,075,290
		<u>3,381,250</u>	<u>3,075,290</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	1,014,375	922,587
		<u>1,014,375</u>	<u>922,587</u>
	Effects of:		
	Non deductible expenses	1,617	100
	Depreciation add back	9,962	4,132
	Capital allowances	(15,538)	(2,758)
	Loss on disposal	6,470	-
	Adjustments to previous periods	(46)	5,772
	Tax losses carried forward	2,510	-
	Dividends and distributions received	(13,811)	-
	Other tax adjustments	(1,929,600)	-
		<u>(1,938,436)</u>	<u>7,246</u>
	Current tax charge	(924,061)	929,833
		<u>(924,061)</u>	<u>929,833</u>
6	Dividends	2004	2003
		£	£
	Ordinary final proposed	-	1,466,666
		<u>-</u>	<u>1,466,666</u>

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004
7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 July 2003	-	106,707	106,707
Additions	16,759	137,763	154,522
Disposals	-	(30,676)	(30,676)
At 30 June 2004	16,759	213,794	230,553
Depreciation			
At 1 July 2003	-	38,292	38,292
On disposals	-	(8,709)	(8,709)
Charge for the year	2,514	30,691	33,205
At 30 June 2004	2,514	60,274	62,788
Net book value			
At 30 June 2004	14,245	153,520	167,765
At 30 June 2003	-	68,415	68,415

8 Stocks

	2004 £	2003 £
Finished goods and goods for resale	2,428,450	688,126

9 Debtors

	2004 £	2003 £
Trade debtors	2,163,030	2,000,539
Other debtors	94,952	95,703
Prepayments and accrued income	46,057	8,239
	2,304,039	2,104,481

10 Current asset investments

	2004 £	2003 £
Cash at bank & short term investments	1,691,510	2,406,474

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004

11 Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	592,344	358,333
Corporation tax	-	924,060
Other taxes and social security costs	414,029	403,761
Directors' current accounts	4,074,256	499,524
Other creditors	606,277	441
Accruals and deferred income	289,119	338,948
Proposed dividend	1,466,666	1,466,666
	<u>7,442,691</u>	<u>3,991,733</u>

12 Provisions for liabilities and charges

	Deferred tax liability
	£
Balance at 1 July 2003	12,469
Profit and loss account	(947)
	<u>11,521</u>
Balance at 30 June 2004	<u>11,521</u>

The deferred tax liability is made up as follows:

	2004	2003
	£	£
Accelerated capital allowances	<u>11,521</u>	<u>12,469</u>

13 Pension costs**Defined contribution**

	2004	2003
	£	£
Contributions payable by the company for the year	<u>1,781</u>	<u>-</u>

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

14 Share capital	2004 £	2003 £
Authorised		
100 Ordinary shares of £1 each	-	100
8,000 Ordinary shares of 1p each	80	-
2,000 'A' Ordinary shares of 1p each	20	-
	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid		
100 Ordinary shares of £1 each	-	100
8,000 Ordinary shares of 1p each	80	-
2,000 'A' Ordinary shares of 1p each	20	-
	<u>100</u>	<u>100</u>

During the year the authorised share capital of £100 was subdivided into 8,000 Ordinary £0.01 shares and 2,000 'A' Ordinary £0.01 shares.

BR PHARMA INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004
16 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2003	-	1,263,194
Retained profit for the year	-	2,386,258
Movement during the year	(4,512,000)	-
Balance at 30 June 2004	(4,512,000)	3,649,452

Other reserves
Reserves for own shares

Cost of shares purchased and balance at 30 June 2004 (6,432,000)

Reserve for deferred tax on investment in own shares

Provision for deferred tax on own shares and balance at 30 June 2004 1,920,000

Other reserves as above (4,512,000)

Investment in own shares

	Shares held in trust	Nominal Value	Cost	Total
	Number	£	£	£
At 1 July 2003	-	-	-	-
Shares purchased	2,000	20	6,432,000	6,432,000
Provision for diminution in value	-	-	-	-
Awarded by the SIP	-	-	-	-
Revaluation in the year	-	-	-	-
At 30 June 2004	2,000	20	6,432,000	6,432,000

The BR Pharma International Limited share incentive plan was established to purchase shares for the benefit of the employees.

During the year, SIP Trustees Limited purchased, on behalf of the BR Pharma SIP, 2,000 1p 'A' Ordinary shares from B Rabin, a director of the company at a cost of £6,432,000.

BR PHARMA INTERNATIONAL LIMITED
**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004**

16 Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the financial year	2,386,258	2,141,054
Dividends	-	(1,466,666)
	<u>2,386,258</u>	<u>674,388</u>
Movements on other reserves	(4,512,000)	-
	<u>(2,125,742)</u>	<u>674,388</u>
Net (depletion in)/addition to shareholders' funds	(2,125,742)	674,388
Opening shareholders' funds	1,263,294	588,906
	<u>1,263,294</u>	<u>588,906</u>
Closing shareholders' funds	(862,448)	1,263,294
	<u>(862,448)</u>	<u>1,263,294</u>

17 Financial commitments

At 30 June 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
Between two and five years	<u>120,000</u>	<u>30,000</u>

18 Directors' emoluments	2004	2003
	£	£
Emoluments for qualifying services	<u>10,667</u>	<u>32,000</u>

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

19 Transactions with directors

At the year end there are interest free loans from the following directors to the company:

B Rabin £2,346,853 (2003 : £499,524),

R Rabin £1,723,702 (2003 : £-),

J Rabin £3,701 (2003 : £-).

During the year, there were interest free loans from the company to the directors which were fully repaid by the year end. The maximum overdrawn position during the year was as follows:

B Rabin £190,476,

R Rabin £654,496,

J Rabin £654,496.

There is a personal guarantee by the directors for the bank facility which is secured by a legal charge on a property owned by the directors.

During the year, rent was paid to the directors amounting to £77,333 (2003 : £-) in respect of the property from which the company trades.

20 Employees

Number of employees

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

	2004 Number	2003 Number
Admin	8	6
Production	12	10
	<u>20</u>	<u>16</u>

Employment costs

	£	£
Wages and salaries	214,109	285,043
Social security costs	14,627	25,591
Other pension costs	1,781	-
	<u>230,517</u>	<u>310,634</u>