PATHEON UK LIMITED

Report and Accounts

31 October 2003



Registered number: 3764421

DIRECTORS
R Tedford
A Braca
J Blaker

SECRETARY
R Morris

REGISTERED OFFICE
Kingfisher Drive
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SN3 5BZ

BANKERS
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AUDITORS
Ernst & Young LLP
Apex Plaza
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DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 October 2003.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is one of providing commercial manufacturing and development services for prescription and over-the-counter drugs to the international pharmaceutical industry. Going forward, the intended focus of the business will be in the area of sterile manufacture and development.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to (£3,598,000) (2002: profit of £386,000). A preference dividend of £120,000 was proposed during the year, of which £60,000 was paid. No ordinary dividends were recommended by the directors.

EVENTS AFTER THE BALANCE SHEET DATE

On 1st November 2003, the Inter-company loan payable to Patheon International Inc. of Canadian $24,820,254 was converted into a distributable capital contribution in Patheon UK Limited. During August 2004 a further capital contribution was made with the conversion of the inter-company payable to Patheon Europe Sales and Service RT of £9,321,052.There is no exchange or taxation impact on these contributions.

DISABLED EMPLOYEES

The Company gives full consideration to applications for employment from disabled persons, where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

The Company has the policy of providing employees with information including all employee meetings conducted through monthly sessions. In addition, regular focus group sessions are conducted between management and employees to allow for a free flow of information and ideas. A discretionary bonus scheme for all employees is in operation that is linked to financial performance of the company.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown on page 2. No director had any disclosable interest in the share capital of the company during the year.

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General meeting.

On behalf of the board

Robert C. Tedford
Director

Date 19 November 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period 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 accounts, 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 accounts 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 accounts 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATHEON (UK) LIMITED

We have audited the company's financial statements for the year ended 31 October 2003, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 25. These financial statements have been prepared on the basis of 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 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 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 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 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 affairs of the company as at 31 October 2003,and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Apex Plaza, Reading, Berkshire, RG1 1YE
Date 1 December 2004

PROFIT AND LOSS ACCOUNT
For the Year Ended 31 October 2003

	Notes	2003 £'000	2002 £'000
TURNOVER	2	29,690	31,589
Change in work in progress		41	165
Raw materials and consumables		(9,426)	(9,720)
Staff costs	5	(16,364)	(15,770)
Depreciation and amortisation		(1,189)	(872)
Other operating charges		(5,720)	(5,471)
Interest payable and similar charges	6	(1,575)	(315)
Interest receivable and other income	7	15	592
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(4,528)	198
Tax credit on (loss)/ profit on ordinary activities	8	930	188
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(3,598)	386
Preference dividends payable on non-equity shares	9	(120)	(120)
(LOSS) / PROFIT RETAINED FOR THE FINANCIAL YEAR		(3,718)	266

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 October 2003

There were no recognised gains and losses other than the Loss attributable to shareholders of (£3,598,000) in the year ended 31 October 2003 (2002: Profit £386,000).

BALANCE SHEET
As at 31 October 2003

	Notes	*31 October 2003* £'000	*31 October 2002* £'000
FIXED ASSETS			
Intangible asset	10	(15,687)	(16,609)
Tangible assets	11	33,737	32,940
		18,050	16,331
CURRENT ASSETS			
Stocks	12	3,868	4,130
Debtors	13	6,748	4,683
		10,616	8,813
CREDITORS: amounts falling due within one year	14	20,610	18,182
NET CURRENT (LIABILITIES)/ASSETS		(9,994)	(9,369)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,056	6,962
CREDITORS: amounts falling due after more than one year			
Loans	15	7,736	2,621
Obligations under finance leases and hire purchase contracts	16	7	18
		7,743	2,639
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	17	-	292
		313	4,031
CAPITAL AND RESERVES			
Called-up share capital	18	2,100	2,100
Profit and loss account	19	(1,787)	1,931
Shareholders' funds:			
Equity		(1,687)	2,031
Non equity		2,000	2,000
		313	4,031

The accounts were approved by the Board of Directors on November 19, 2004 and signed on its behalf by

Robert C. Tedford, Director

NOTES TO THE ACCOUNTS
As at 31 October 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared on a going concern basis, the validity of which depends on the continuing support of the Patheon Inc. group. The company has received a letter of support from Patheon Inc. confirming this support. In addition, as noted in the directors report , since the balance sheet date two inter-company loans have been converted to a capital contribution , amounting to £20,410,925.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Buildings	40	Years
Computer Hardware	4	Years
Computer Software	3	Years
Plant and Equipment	15	Years
Laboratory Equipment	5	Years
Furniture and Fittings	10	Years
Change Parts	5	Years

Goodwill

Goodwill is the difference between the consideration paid for the acquired entity and the aggregated amount of the fair value of that entity's identifiable assets and liabilities. Negative goodwill up to the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the period in which the non-monetary assets are recovered, whether through depreciation or sale.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All exchange differences are taken to the profit and loss account.

NOTES TO THE ACCOUNTS
As at 31 October 2003

1 **ACCOUNTING POLICIES** (continued)

Operating and finance leases
Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of the future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligations are charged to profit & loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Cash flow statement
The company has adopted the exemption provisions under FRS1 (Revised) and has not prepared a cash flow statement.

Pensions
The company operates a defined benefit pension scheme, which requires contributions to be made to a separately administered trust fund. Contributions to these funds are charged in the profit and loss account so as to spread the cost of pensions over the employees working lives with the company.

2. **TURNOVER**
Turnover, which is stated net of value added tax, represents the amount derived from the provision of services which fall within the Company's continuing ordinary activities. Turnover is attributable to one continuing activity, the provision of manufacturing and development services to the pharmaceutical industry.

The analysis by geographic market is as follows:

	2003	*2002*
	£'000	*£'000*
United Kingdom	4,505	5,073
Other geographical regions	25,185	26,516
	29,690	31,589

3. **(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAX**
This is stated after charging/(crediting):

	2003	*2002*
	£'000	*£'000*
Depreciation of owned fixed assets	2,107	1,705
Depreciation of assets held under finance lease	4	4
	2,111	1,709
Amortisation of negative goodwill	(922)	(837)
Depreciation & Amortisation	1,189	872
Auditors' remuneration	29	24
Non -audit Services	30	13
Operating lease rentals – plant and machinery	161	175

NOTES TO THE ACCOUNTS
As at 31 October 2003

4. DIRECTORS' REMUNERATION

The directors did not receive any remuneration for their services during the year to 31 October 2003. None of the directors were members of the pension scheme.

5. STAFF COSTS

	2003 *£'000*	*2002* *£'000*
Wages and salaries	13,807	13,300
Social security costs	1,071	996
Other pension costs	1,486	1,474
	16,364	15,770

The average monthly number of employees during the year was as follows:	*2003* *No.*	*2002* *No.*
Production & service	315	306
Administration and other	234	226
	549	532

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 *£'000*	*2002* *£'000*
Interest payable to group undertakings	328	103
Finance charges payable under finance leases	55	26
Bank charges	277	186
Loss on Foreign exchange	915	-
	1,575	315

NOTES TO THE ACCOUNTS
As at 31 October 2003

7. INTEREST RECEIVABLE AND OTHER INCOME

	2003 *£'000*	*2002* *£'000*
Gain on foreign exchange	-	592
Interest receivable on repayment of Corporation tax	15	-
	15	592

8. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

	2003 *£'000*	*2002* *£'000*
UK corporation tax credit		
Prior year adjustment	638	15
Deferred taxation	292	173
	930	188

Factors affecting current tax
The tax assessed on the profit / (loss) on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are reconciled below:

	2003 *£'000*	*2002* *£'000*
(Loss) / Profit on ordinary activities before tax	(4,528)	198
(Loss) / Profit on ordinary activities multiplied by standard rate of Corporation tax in UK of 30.00% (2002: 30.00%)	(1,359)	59
Effect of:		
Expenses not deductible for tax purposes	163	7
Depreciation in excess of capital allowances	315	63
Other timing differences	141	(139)
Adjustments in respect of prior periods	(638)	(15)
Unrelieved tax losses	740	10
Total current tax credit	(638)	(15)

NOTES TO THE ACCOUNTS
As at 31 October 2003

9. DIVIDENDS

	2003	*2002*
	£'000	*£'000*
Non-equity dividend on preference shares:		
Interim dividend	60	60
Final dividend	60	60
	120	120

The final dividend was paid during the next financial year following the capital contribution described in Note 24.

10. INTANGIBLE ASSET

	Negative Goodwill
	£'000
Cost:	
At 1 November 2002	(19,302)
At 31 October 2003	(19,302)
Amortisation:	
At 1 November 2002	2,693
Written back during the year	922
At 31 October 2003	3,615
Net book value:	
31 October 2003	(15,687)
1 November 2002	(16,609)

Negative goodwill arising on the acquisition of the trade and assets of Hoechst Marion Roussel (HMR) Swindon is being written back to profit and loss in line with the period in which the non-monetary assets are recovered, whether through depreciation or sale.

NOTES TO THE ACCOUNTS
As at 31 October 2003

11. TANGIBLE FIXED ASSETS

	Land and buildings £'000	*Plant and machinery* £'000	*Fixtures and fittings* £'000	*Total* £'000
Cost:				
At 1 November 2002	15,685	21,633	295	37,613
Additions	447	2,455	6	2,908
At 31 October 2003	16,132	24,088	301	40,521
Depreciation:				
At 1 November 2002	1,057	3,577	39	4,673
Provided during the year	438	1,643	30	2,111
At 31 October 2003	1,495	5,220	69	6,784
Net Book Value:				
At 31 October 2003	14,637	18,868	232	33,737
At 1 November 2002	14,628	18,056	256	32,940

The net book value of plant and machinery above includes an amount of £44,000 (2002: £48,000) in respect of assets held under finance leases.

The land is held under a long-term lease and has a Net Book Value at 31 October 2003 of £1,463,000 (2002: £1,485,000).

12. STOCKS

	2003 £'000	*2002* £'000
Raw material	2,365	2,493
Engineering stores	503	422
Work in process	1,000	1,215
	3,868	4,130

13. DEBTORS

	2003 £'000	*2002* £'000
Trade debtors	5,816	4,148
Amounts due from parent undertaking	12	82
Corporation Tax recoverable	431	15
Prepayments	489	438
	6,748	4,683

14. CREDITORS: amounts falling due within one year

	2003	*2002*
	£'000	*£'000*
Current instalment due on bank loan (note 15)	637	480
Obligations under finance leases and hire purchase contracts (note 16)	11	14
Overdraft	3,193	3,994
Trade creditors	2,567	1,692
Amounts due to parent undertaking	11,089	10,213
Dividends	60	-
Other taxes and social security costs	*528*	*509*
Accruals	2,525	1,280
	20,610	18,182

The bank overdraft is secured by mortgage on leasehold property and both fixed and floating charges over certain of the Company's other assets.

15. LOANS

	2003	*2002*
	£'000	*£'000*
Wholly repayable within five years;		
£7,182,167 from Patheon Europe Rt. at Libor plus 2%, wholly repayable in July 2006	7,182	1,861
£1,191,409 from HSBC relating to Asset Finance at Libor plus 2%, wholly repayable by May 2005	1,191	1,240
	8,373	3,101
Less: Included in creditors; amounts falling due within one year	(637)	(480)
	7,736	2,621

16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	2003	*2002*
	£'000	*£'000*
Amounts payable:		
Within one year	14	14
In two to five years	8	22
	22	36
Less: finance charges allocated to future periods	4	7
	18	29
Finance leases are analysed as follows:		
Current obligations	11	11
Non-current obligations	7	18
	18	29

17. PROVISIONS FOR LIABILITIES AND CHARGES

Provision for deferred tax

	Deferred tax liability
	£'000
At 1st November 2002	292
Released to Profit and loss account	(292)
As at 31 October 2003	-

The deferred tax consists of:

	Recognised	**Non-Recognised**	**Recognised**	**Non-Recognised**
	2003	2003	2002	2002
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	1,084	864	-
Other timing difference	-	(1,333)	(572)	-
Total deferred tax (asset) liabilities	-	(249)	292	-

The deferred tax asset arising mainly from unutilised tax losses has not been recognised in the financial statements due to uncertainty over the availability of future taxable profits against which the asset will reverse.

NOTES TO THE ACCOUNTS
As at 31 October 2003

18. SHARE CAPITAL

	Authorised		Allotted, called-up and fully paid	
	2003	*2002*	*2003*	*2002*
	No	*No*	*£'000*	*£'000*
Ordinary shares of £1 each	2,000,000	2,000,000	100	100
6% preference shares of £1 each	8,000,000	8,000,000	2,000	2,000
Total	10,000,000	10,000,000	2,100	2,100

The preference shares were issued at par. They carry a dividend right of 6% per annum payable half yearly in April and October. The dividend rights are cumulative. On a winding up of the company the preference shares have the right to receive, in preference to ordinary shareholders, £1 per share plus any accrued dividend. The preference shares carry voting rights at meetings of 1 vote per share whereas the ordinary shares carry 100 votes per share.

19. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital	*Profit and loss account*	*Total*
	£'000	*£'000*	*£'000*
At 31October 2001	2,100	1,665	3,765
Profit for the year	-	266	266
At 31 October 2002	2,100	1,931	4,031
Loss for the year	-	(3,718)	(3,718)
At 31 October 2003	2,100	(1,787)	313

20. OTHER FINANCIAL COMMITMENTS

The company had annual commitments under non-cancellable operating leases as set out below:

	2003	*2002*
	£'000	*£'000*
Operating leases which expire		
Other Operating Leases		
Within one year	68	4
In two to five years	183	318
	251	322

None of these leases relate to Land or Buildings.

NOTES TO THE ACCOUNTS
As at 31 October 2003

21. RELATED PARTY TRANSACTIONS

Patheon UK is a 100% owned subsidiary of Patheon Inc. and accordingly is not required to disclose related party transactions with companies within the same group.

22. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £1.3 million as at 31st October 2003. (2002; £1.0 million)

23. PENSIONS

In line with the requirements of FRS17, published by the Accounting Standards board in November 2000, details in respect of the scheme are provided below in accordance with both SSAP24 and FRS17.

The Patheon UK Pension Plan scheme was established by the company following the acquisition by Patheon UK Limited of the HMR Swindon facility. The figures allow for a potential bulk transfer of assets from the HMR scheme to the Patheon UK Scheme to cover pension liabilities associated with the past service to the date of acquisition of members transferring to the new scheme. Recently it was discovered that some employees might be disadvantaged by a transfer, in that their pre-acquisition pensions may be more valuable left in the HMR scheme, ie be treated as a deferred member. This issue has been communicated to all members and they have been asked to review their original consents to transfer. The directors anticipate no financial adverse affect from this review.

(a) SSAP24

The company operates a funded defined benefit pension plan. Contributions are made to a separately administered trust fund. Contributions and the pension cost of £1.5M are assessed by an independent actuary and charged in the profit and loss account so as to spread the cost of pensions over the employees working lives with the company.

The most recent actuarial valuation had an effective date of 30 September 2001. It used the projected unit method. The principal assumptions used were real investment returns of 5% before retirement and 3% thereafter, with real pay rises of 2%. The audited market value of the assets was £1.4M. The liabilities were 99% funded.

The eventual funded status of the plan will depend on which employees transfer from the previous HMR scheme. Overall the transfer is not expected to affect funded status materially.

(b) FRS17 "Retirement Benefits" Disclosures

An actuarial valuation was undertaken as at 30 September 2001. This valuation was updated to 31 October 2003, by an independent qualified actuary, in accordance with the transitional arrangements of FRS17. As required by FRS17, the defined benefit liabilities have been measured using the projected unit method.

The major assumptions used by the actuary to calculate scheme liabilities at 31 October 2003 under FRS 17 were (in normal terms):

Rate of increase in salaries	4.40%
Rate of increase of pensions in payment	2.40%
Discount rate	5.60%
Inflation assumption	2.40%

The assets in the scheme and the expected rate of return were:

23. PENSIONS (CONTINUED)

	Long-term rate of return expected a 31 October 2003 %	*Value at 31 October 2003 £'000*	*Long-term rate of return expected a 31 October 2002 %*	*Value at 31 October 2002 £'000*
Equities	8.00%	19,506	8.00%	17,230
Bonds	4.50%	3,011	4.50%	2,660
Other	4.10%	283	4.10%	250
Total market value of assets		22,800		20,140
Actuarial present value of liabilities		(30,279)		(27,380)
Deficit in the scheme		(7,479)		(7,240)
Related deferred tax asset		2,244		2,170
Net pension liability		(5,235)		(5,070)

The reconciliation of net assets and reserves under FRS 17 is as follows:

	2003 *£000*	2002 *£000*
Net assets		
Net assets as stated in balance sheet excluding pension liability	313	4,031
Pension liability	(5,235)	(5,070)
Net assets including pension liability	(4,922)	(1,039)
Reserves		
Profit and loss reserve excluding pension liability	(1,787)	1,931
Pension liability under FRS 17	(5,235)	(5,070)
Profit and loss reserve including amounts relating to defined benefit scheme deficit	(7,022)	(3,139)

Contributions are at the rate of 15% of pensionable salaries.

	£m *2003*	£m 2002
Analysis of the amount charged to operating profit		
Employer's part of current service cost	*1.60*	1.60
Total operating charge	*1.60*	1.60
Analysis of the amount credited / (charged) to other finance income		
Expected return on pension scheme assets	*1.71*	1.54
Interest on pension scheme liabilities	*(1.70)*	(1.56)
Net return - credit/(charge)	*0.01*	(0.02)

23. PENSIONS (CONTINUED)

	2003	2002
Analysis of amount recognised in Statement of Recognised Gains and Losses (STRGL)	£m	£m
Actual return less expected return on pension scheme assets	(0.50)	(0.44)
Experience gains and (losses) arising on the scheme liabilities	0.40	(0.19)
Changes in assumptions underlying the present value of scheme liabilities	-	(0.60)
Actuarial gain / (loss) recognised in STRGL	(0.10)	(1.23)
Movement in scheme deficit during the year		
Surplus / (deficit) in scheme at beginning of the year	(7.24)	(6.00)
Movement in year:		
Current service cost	(1.60)	(1.62)
Aggregate contributions	1.48	1.67
Other finance income / (expense)	(0.01)	(0.06)
Actuarial gain/(loss) recognised in STRGL	(0.11)	(1.23)
Surplus / (deficit) in scheme at end of the year	(7.48)	(7.24)
History of experience gain and losses		
Difference between expected and actual return on scheme assets:		
Amount - gain / (loss)	(0.50)	(0.44)
Percentage of scheme assets	(2%)	(2%)
Experience gains and losses on scheme liabilities		
Amount - gain / (loss)	(0.40)	(0.19)
Percentage of the present value of the scheme liabilities	(1%)	(1%)
Total amount recognised in STRGL		
Amount - gain / (loss)	(0.10)	(1.23)
Percentage of the present value of the scheme liabilities	0%	(4%)

24. EVENTS AFTER THE BALANCE SHEET DATE

On 1st November 2003, the Inter-company loan payable to Patheon International Inc. of Canadian $24,820,254 was converted into a distributable capital contribution in Patheon UK Limited. On 18th August 2004 a further capital contribution was made with the conversion of the inter-company payable to Patheon Europe Sales and Service RT of £9,321,052.There is no exchange or taxation impact on these contributions.

25. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Patheon International Inc., a company incorporated in Canada. The ultimate parent company and controlling party is Patheon Inc., a company also incorporated in Canada. The smallest and largest group of which the company is a member and for which group accounts are prepared is Patheon Inc. A copy of the group accounts can be obtained from the headquarters at the following address: -

Patheon Inc.
7070 Mississauga Road, Suite 350
Mississauga
Ontario, L5N 7J8
Canada