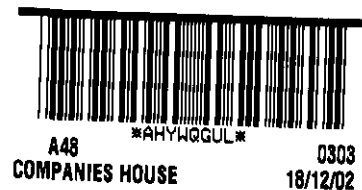


Company Registration No. 3031712 (England and Wales)

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001



SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

COMPANY INFORMATION

Directors	D Bhatti P Bhatti S McIver	(Appointed 25 October 2002)
Secretary	S Mciver	
Company number	3031712	
Registered office	52 Throwley Way Sutton Surrey SM1 4BF	
Accountants	Bhalloo & Company Limited 52 Throwley Way Sutton Surrey SM1 4BF	
Business address	83 Sanderson Road Markham Ontario Canada L6C 2H2	
Bankers	Bank of Montreal First Canadian Place Toronto Ontario Canada M5X 1A3	

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

CONTENTS

	Page
Directors' report	1
Profit and loss account	2
Statement of total recognised gains and losses	3
Balance sheet	4
Notes to the financial statements	5 - 7

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

The directors present their report and financial statements for the year ended 31 August 2001.

Principal activities

The principal activity of the company continued to be that of marketing and sale of pharmaceutical products.

Directors

The following directors have held office since 1 September 2000:

D Bhatti

P Bhatti

M Knox

S McIver

(Resigned 11 October 2002)

(Appointed 25 October 2002)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2001	1 September 2000
D Bhatti	-	-
P Bhatti	-	-
M Knox	-	-


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

On behalf of the board

.....
D Bhatti

Director

9-12-2002



SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Turnover		115	-
Cost of sales		(2,352)	-
Gross loss		(2,237)	-
Administrative expenses		(11,035)	(20,942)
Other operating income		46,829	-
Operating profit/(loss)	2	33,557	(20,942)
Other interest receivable and similar income		629	-
Interest payable and similar charges		-	(177)
Profit/(loss) on ordinary activities before taxation		34,186	(21,119)
Tax on profit/(loss) on ordinary activities	3	7,223	-
Profit/(loss) on ordinary activities after taxation	7	41,409	(21,119)

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

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 2001

	2001	2000
	£	£
Profit/(loss) for the financial year	41,409	(21,119)
Currency translation differences on foreign currency net investments	-	(1,161)
Total recognised gains and losses relating to the year	41,409	(22,280)

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

BALANCE SHEET AS AT 31 AUGUST 2001

	Notes	2001 £	£	2000 £	£
Current assets					
Cash at bank and in hand		273		247	
Creditors: amounts falling due within one year	4	<u>(3,336)</u>		<u>(1,336)</u>	
Total assets less current liabilities			(3,063)		(1,089)
Creditors: amounts falling due after more than one year	5		<u>(3,592)</u>		<u>(46,975)</u>
			<u>(6,655)</u>		<u>(48,064)</u>
Capital and reserves					
Called up share capital	6		1,000		1,000
Profit and loss account	7		<u>(7,655)</u>		<u>(49,064)</u>
Shareholders' funds - equity interests	8		<u>(6,655)</u>		<u>(48,064)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 9-12-2002

D Bhatt
Director

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 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 directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 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 Operating profit/(loss)

	2001 £	2000 £
Operating profit/(loss) is stated after charging:		
Auditors' remuneration	-	1,800
and after crediting:		
Profit on foreign exchange transactions	(16)	(3,829)

3 Taxation

	2001 £	2000 £
Domestic current year tax		
Adjustment for prior years	(7,223)	-
Current tax charge	<u>(7,223)</u>	<u>-</u>
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	<u>34,186</u>	<u>(21,119)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2000 : 0.00%)	-	-
Effects of:		
Adjustments to previous periods	<u>(7,223)</u>	<u>-</u>
Current tax charge	<u>(7,223)</u>	<u>-</u>

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

4	Creditors: amounts falling due within one year	2001	2000
		£	£
	Other creditors	3,336	1,336
		<u> </u>	<u> </u>
5	Creditors: amounts falling due after more than one year	2001	2000
		£	£
	Loan from parent undertaking	3,592	46,975
		<u> </u>	<u> </u>
6	Share capital	2001	2000
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
7	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 September 2000		(49,064)
	Retained profit for the year		41,409
			<u> </u>
	Balance at 31 August 2001		(7,655)
			<u> </u>
8	Reconciliation of movements in shareholders' funds	2001	2000
		£	£
	Profit/(Loss) for the financial year	41,409	(21,119)
	Other recognised gains and losses	-	(1,161)
		<u> </u>	<u> </u>
	Net addition to/(depletion in) shareholders' funds	41,409	(22,280)
	Opening shareholders' funds	(48,064)	(25,784)
		<u> </u>	<u> </u>
	Closing shareholders' funds	(6,655)	(48,064)
		<u> </u>	<u> </u>

SYNER-MED PHARMACEUTICALS (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

9 Control

The company is a subsidiary undertaking of Syner-Med (Pharmaceutical Products) Limited, incorporated in England and Wales.

10 Related party transactions

The company has taken advantage of the exemptions conferred by FRS 8 not to disclose transactions with other group companies.