

Sal Pharma Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2001



Company Registration No. 2462111

Sal Pharma Limited

DIRECTORS AND OFFICERS

DIRECTORS

H D Wordsworth
J E Kearsey

SECRETARY

J E Kearsey

COMPANY NUMBER

2462111

REGISTERED OFFICE

Invicta Works
Grantham
Lincolnshire
NG31 6JE

AUDITORS

Baker Tilly (formerly HLB Kidsons)
Chartered Accountants
City Plaza
Temple Row
Birmingham
B2 5AF

Sal Pharma Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Sal Pharma Limited for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company is the manufacture and sale of autoclaves.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company commenced trading on 1 January 2001, being dormant in the prior year.

The profit and loss account for the year is set out on page 5.

The directors consider the affairs of the company to be satisfactory and a similar level of activity is expected in 2002.

DIRECTORS

The directors of the company, during the year were:

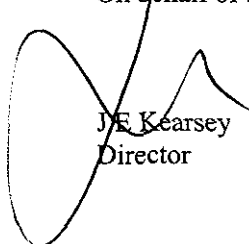
H D Wordsworth
J E Kearsey

None of the directors had any beneficial interests in the shares of the company during the year ended 31 December 2001. Their interests in the shares of the parent undertaking are disclosed in the financial statements of that company.

AUDITORS

Baker Tilly have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



J E Kearsey
Director

30 Dec 2002

Sal Pharma Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF SAL PHARMA LIMITED

We have audited the financial statements on pages 5 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

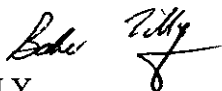
BASIS OF OPINION

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY
Registered Auditors
Chartered Accountants
City Plaza
Temple Row
Birmingham
B2 5AF

31 October 2002

Sal Pharma Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2001

	<i>Notes</i>	2001 £	2000 £
TURNOVER	1	751,005	-
Cost of sales		(447,171)	-
		<hr/>	<hr/>
Gross profit		303,834	-
Distribution costs		(113,369)	-
Administration expenses		(176,200)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	14,265	-
Tax on profit on ordinary activities	4	(5,600)	-
		<hr/>	<hr/>
PROFIT FOR THE YEAR	9	8,665	-
		<hr/>	<hr/>

There are no recognised gains or losses other than the profit for the year of £8,665 (2000: £Nil).

Sal Pharma Limited

BALANCE SHEET

31 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	5	58,922	-
		<u> </u>	<u> </u>
CURRENT ASSETS			
Debtors	6	174,171	-
Cash at bank and in hand		207,601	-
		<u> </u>	<u> </u>
		381,772	-
CREDITORS: Amounts falling due within one year	7	(1,188,044)	(756,015)
		<u> </u>	<u> </u>
NET CURRENT LIABILITIES		(806,272)	(756,015)
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(747,350)	(756,015)
		<u> </u>	<u> </u>
CAPITAL AND RESERVES (EQUITY)			
Called up share capital	8	2	2
Profit and loss account	9	(747,352)	(756,017)
		<u> </u>	<u> </u>
DEFICIT ON SHAREHOLDERS' FUNDS	10	(747,350)	(756,015)
		<u> </u>	<u> </u>

Approved by the board on 30 Dec 2002

J E Kearsey Director

Sal Pharma Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

TANGIBLE FIXED ASSETS

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned.

The principal annual rates for this purpose are:

Land and buildings	5%
Plant and machinery	10-33⅓%
Computers, fixtures and fittings	10-33⅓%

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Wordsworth Holdings plc and the cash flows of the company are included in the consolidated cash flow statement of that company. Consequently, the company is exempt under the terms of Financial Reporting Standard Number 1 (revised) from publishing a cash flow statement.

DEFERRED TAXATION

Provision is made for deferred taxation at the rates of corporation tax ruling at the dates when reversals are expected to occur except in respect of any timing differences which are unlikely to result in a tax liability in the foreseeable future.

LEASED ASSETS

Operating lease costs are charged to the profit and account as incurred.

GOING CONCERN

These accounts are prepared on a going concern basis because in the directors opinion the company will continue to operate for the foreseeable future due to the support of the parent company, Wordsworth Holdings plc.

Sal Pharma Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2001

1 TURNOVER

Turnover represents the sale of goods and services at invoiced value, excluding value added tax from continuing operations. All turnover is generated in the United Kingdom.

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2001 £	2000 £
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IS STATED AFTER CHARGING/(CREDITING)

Operating leases			
motor vehicles	49,168	-	
Depreciation for the period			
owned assets	29,467	-	
	<u> </u>	<u> </u>	

Auditors remuneration is borne by the parent company, Wordsworth Holdings plc.

3	STAFF COSTS	2001 £	2000 £
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Wages and salaries	233,306	-	
Social security costs	28,992	-	
	<u> </u>	<u> </u>	
	262,298	-	
	<u> </u>	<u> </u>	

The average number of persons (including executive directors) employed by the company during the year was:

	Number	Number
Production	8	-
Administrative	4	-
	<u> </u>	<u> </u>
	12	-
	<u> </u>	<u> </u>

None of the directors received any emoluments from the company.

Sal Pharma Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2001

4	TAX ON PROFIT ON ORDINARY ACTIVITIES			2001 £	2000 £
	United Kingdom corporation tax			5,600	-
				<u> </u>	<u> </u>
5	TANGIBLE FIXED ASSETS				
		<i>Freehold properties</i> £	<i>Plant and machinery</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
	COST				
	At 1 January 2001	-	-	-	-
	Transfer from parent undertaking	19,598	107,550	64,913	192,061
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 2001	19,598	107,550	64,913	192,061
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	DEPRECIATION				
	At 1 January 2001	-	-	-	-
	Transfer from parent undertaking	2,749	39,048	61,875	103,672
	Charged in the year	907	25,522	3,038	29,467
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 2001	3,656	64,570	64,913	133,139
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	NET BOOK VALUE				
	31 December 2001	15,942	42,980	-	58,922
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	31 December 2000	-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Sal Pharma Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2001

6	DEBTORS	2001 £	2000 £
	Trade debtors	141,980	-
	Other debtors	32,191	-
		<u>174,171</u>	<u>-</u>

7	CREDITORS: Amounts falling due within one year	2001 £	2000 £
	Trade creditors	84,640	-
	Amount due to parent undertaking	1,097,214	756,015
	Corporation tax	5,600	-
	Accruals and deferred income	590	-
		<u>1,188,044</u>	<u>756,015</u>

NOTE

The bank overdrafts of the companies within the Wordsworth Holdings plc group are secured by a fixed and floating charge over the assets of the group and a multilateral cross guarantee.

8	CALLED UP SHARE CAPITAL	2001 £	2000 £
	Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

9	RESERVES	<i>Profit and loss account £</i>
	At 1 January 2001	(756,017)
	Profit for the year	8,665
	At 31 December 2001	<u>(747,352)</u>

Sal Pharma Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2001

10	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2001 £	2000 £
	Profit for the financial year	8,665	-
	Opening deficit in shareholders' funds	(756,015)	(756,015)
		<hr/>	<hr/>
	Closing deficit in shareholders' funds	(747,350)	(756,015)
		<hr/>	<hr/>

11 OPERATING LEASE COMMITMENTS

At 31 December 2001 the company had annual commitments under non cancellable operating leases on motor vehicles as set out below:

	2001 £
Operating leases expiring	
Within one year	4,915
Within two to five years	27,377
	<hr/>

12 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 not to disclose any transactions between the company and fellow group companies, as it is a 100% subsidiary of Wordsworth Holdings plc and is included in the consolidated accounts of that company.

13 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking is Wordsworth Holdings plc, a company registered in England and Wales.

The directors regard the HDW 1988/2 Trust as the company's ultimate controlling party by virtue of its greater than 50% interest in the shares of Wordsworth Holdings plc.