

BDH LIMITED

Directors' report and financial statements

31 December 1995

Registered Number 660457



BDH LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Profits and dividends

The Company did not trade during the year and accordingly has made neither a profit nor a loss.

The directors propose payment of a dividend on the 4% preference shares and no dividend on the ordinary shares.

Directors

The directors holding office during the year were as follows:

Mr W Hönn
Mr RB O'Connell
Dr DH Durant
Mr D Treusch

Directors' interests

No directors had any interest in the shares of the Company or of its holding company at the beginning or end of the year.

Statement of 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.

BDH LIMITED

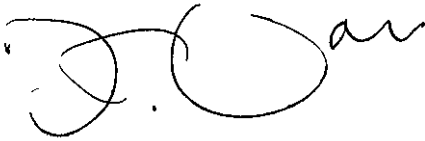
DIRECTORS' REPORT (continued)

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 also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board of Directors on 12 August 1996 and was signed on its behalf by:

A handwritten signature in black ink, appearing to be 'JR Vass', written over a horizontal line.

JR Vass

Secretary

REPORT OF THE AUDITORS, KPMG, TO THE MEMBERS OF BDH LIMITED

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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, are 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 31st December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

Chartered Accountants
Registered Auditors

Southampton

12 September 1996

BDH LIMITED

PROFIT AND LOSS ACCOUNT

The Company did not trade during the year and accordingly has made neither a profit nor a loss. The directors propose payment of a dividend on the 4% preference shares of £2,000 (1994 - £2,000).

BALANCE SHEET AT 31 DECEMBER 1995

	Note	1995 £'000	1994 £'000
Current assets			
Debtors	3	6,353	6,355
		<u>6,353</u>	<u>6,355</u>
Net assets		<u>6,353</u>	<u>6,355</u>
Capital and reserves			
Called up share capital	4	700	700
Profit and loss account	5	5,653	5,655
		<u>6,353</u>	<u>6,355</u>
Total shareholders' funds	6	<u>6,353</u>	<u>6,355</u>
Analysis of shareholders' funds			
Equity shareholders		6,303	6,305
Non-equity shareholders		50	50
		<u>6,353</u>	<u>6,355</u>

These financial statements were approved by the Board of Directors on 12 August 1996 and were signed on its behalf by:



RB O'Connell

Director

BDH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 These financial statements have been prepared in accordance with applicable accounting standards. The Company did not trade during the year and accordingly has made neither a profit nor a loss. No profit and loss account has therefore been prepared. Emoluments of directors of the Company were £nil (1994 - £nil).

2 Dividends

	1995 £'000	1994 £'000
4% non-cumulative preference	2	2
	=====	=====

3 Debtors

	1995 £'000	1994 £'000
Amounts due within one year:		
Amounts owed by parent undertaking	6,353	6,355
	=====	=====

4 Called up share capital

	Number	1995 £'000	1994 £'000
Authorised, allotted and fully paid:			
<i>Equity</i>			
Ordinary shares of £1 each	650,000	650	650
<i>Non-equity</i>			
4% non-cumulative preference shares of £1 each	50,000	50	50
		700	700
		=====	=====

BDH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Reserves

Profit and Loss account	1995 £'000	1994 £'000
Retained profit brought forward	5,655	5,657
Proposed dividend	(2)	(2)
Profit and loss account carried forward	<u>5,653</u>	<u>5,655</u>

Of the profit and loss account carried forward £624,000 (1994 - £624,000) is unrealised and therefore not available for distribution.

6 Reconciliation of movements in shareholders' funds

	1995 £'000	1994 £'000
Result for the financial year	-	-
Dividends proposed	(2)	(2)
	<u>(2)</u>	<u>(2)</u>
Opening shareholders' funds	6,355	6,357
Closing shareholders' funds	<u>6,353</u>	<u>6,355</u>

7 Holding company

The ultimate holding company is Merck KGaA (incorporated in Germany). The consolidated financial statements of this group are available to the public from Frankfurter Strasse 250, 64271 Darmstadt, Germany. The smallest group in which the Company is consolidated is that headed by Merck Ltd (registered in England and Wales). The consolidated financial statements of this group are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.