

A1 PHARMACEUTICALS PLC
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000

Registered Number: 2690345 (England & Wales)



A1 PHARMACEUTICALS PLC
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000

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The following pages do not form part of the Statutory Accounts

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A1 PHARMACEUTICALS PLC
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 APRIL 2000

The directors present their annual report with the accounts of the company for the year ended 30 April 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was wholesale marketing and distribution of pharmaceutical products.

REVIEW OF BUSINESS

A summary of the results for the year is given on page 5 of the accounts.

The directors consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>2000</u>	<u>1999</u>
G S Lewis	25,500	25,500
C Lewis	25,500	25,500
B W Maxim	-	-

EMPLOYEES

The directors endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as for other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is received.

A1 PHARMACEUTICALS PLC
REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2000

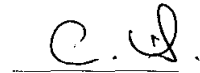
CREDITOR PAYMENT POLICY

The company's policy for paying creditors is normally to pay at the end of the month following the month in which the invoice is received, unless the creditors terms are different. At the balance sheet date the average time outstanding was 54 days (1999 - 79 days).

AUDITORS

The auditors, Levett Charles and Co will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the
board of directors



C Lewis
Secretary

Dated: 29-11-2000

A1 PHARMACEUTICALS PLC

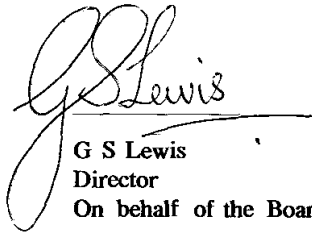
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial accounts 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 accounts 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 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 to enable them to ensure that the financial 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.

Dated: 29-11-2008


G S Lewis
Director
On behalf of the Board

AUDITORS' REPORT TO THE SHAREHOLDERS OF
A1 PHARMACEUTICALS PLC

We have audited the financial accounts on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts 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 accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Levett Charles & Co

LEVETT CHARLES & CO
Registered Auditors
Chartered Accountants

Dated: 29-11-2000

Abacus House
70 - 72 High Street
Bexley
Kent DA5 1AJ

AI PHARMACEUTICALS PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2000

	<u>Notes</u>	<u>2000</u>		<u>1999</u>	
		£	£	£	£
TURNOVER	2		11,901,919		11,965,131
Cost of Sales			<u>10,940,181</u>		<u>11,079,172</u>
<u>GROSS PROFIT</u>			961,738		885,959
Net Operating Expenses					
Administrative Expenses			<u>862,426</u>		<u>789,874</u>
<u>OPERATING PROFIT</u>	3		99,312		96,085
Income from Investments	5		<u>831</u>		<u>2,062</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>			100,143		98,147
Interest Payable	7		<u>1,917</u>		<u>1,049</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			98,226		97,098
Tax on Ordinary Activities	6		<u>23,000</u>		<u>18,147</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			£ <u>75,226</u>		£ <u>78,951</u>
 <u>STATEMENT OF RETAINED EARNINGS</u>					
Retained Profit Brought Forward			255,377		176,427
Retained Profit for the Year			<u>75,226</u>		<u>78,951</u>
<u>RETAINED PROFIT CARRIED FORWARD</u>			£ <u>330,603</u>		£ <u>255,378</u>

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

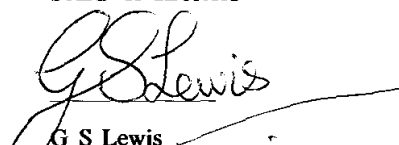
The notes on pages 9 to 12 form part of these accounts.

AI PHARMACEUTICALS PLC

BALANCE SHEET
AS AT 30 APRIL 2000

	<u>Notes</u>	<u>2000</u>		<u>1999</u>	
		£	£	£	£
CURRENT ASSETS					
Stock and Work in Progress	8	830,458		850,024	
Debtors	9	3,880,938		3,850,583	
Cash at Bank and in Hand		143,814		-	
		<u>4,855,210</u>		<u>4,700,607</u>	
CREDITORS : Amounts Falling					
Due within One Year	10	(4,511,105)		(4,431,729)	
NET CURRENT ASSETS			<u>344,103</u>		<u>268,878</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		£	<u>344,103</u>	£	<u>268,878</u>
CAPITAL AND RESERVES					
Share Capital	12		13,500		13,500
Profit and Loss Account			<u>330,603</u>		<u>255,378</u>
<u>TOTAL SHAREHOLDERS' FUNDS</u>	11	£	<u>344,103</u>	£	<u>268,878</u>

Signed on behalf of the
board of directors


G S Lewis
Director

Dated: 29-11-2000

The notes on pages 9 to 12 form part of these accounts.

A1 PHARMACEUTICALS PLC

Cash Flow Statement for the Year Ended 30 April 2000

		<u>2000</u>	<u>1999</u>
		£	£
	<u>Notes</u>		
Net cash outflow from operating activities	1.	118,619	(523,871)
Returns on Investments and servicing of finance	2.	(1,086)	1,013
Taxation		(23,000)	(18,429)
Decrease in Cash in the period		<u>(94,533)</u>	<u>(541,287)</u>
		=====	=====
Reconciliation of net cash flow to movement in net debt			
Increase/(Decrease) in cash in the period		<u>94533</u>	<u>(541,287)</u>
Change in net debt resulting from cash flows		94533	(541,287)
Movement in net debt in the period		<u>94533</u>	<u>(541,287)</u>
Net debt at 1 May 1999		<u>(954,872)</u>	<u>(413,585)</u>
Net debt at 30 April 2000		<u>(860,339)</u>	<u>(954,872)</u>
		=====	=====

A1 PHARMACEUTICALS PLC

Notes to the Cash Flow Statement
for the Year Ended 30 April 2000

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<u>2000</u>	<u>1999</u>
	£	£
Operating Profit	99,312	96,085
Decrease/(Increase) in Stocks	19,566	(336,109)
(Increase) in Debtors	(30,335)	(1,274,186)
Increase in Creditors	30,096	990,339
Net Cash outflow from operating activities	<u>118,619</u>	<u>(523,871)</u>
	=====	=====

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<u>2000</u>	<u>1999</u>
	£	£
Returns on Investments and servicing of Finance		
Interest Received	831	2,062
Interest Paid	(1,917)	(1,049)
	<u>(1,086)</u>	<u>1,013</u>
	=====	=====

3. **ANALYSIS OF CHANGES IN NET DEBT**

	<u>At 1/5/99</u>	<u>Cash flow</u>	<u>At 30/4/00</u>
Net cash :			
Cash at Bank and in Hand	-	143,814	143,814
Bank Overdraft	(954,872)	(49,281)	(1,004,143)
	<u>(954,872)</u>	<u>94,533</u>	<u>(860,339)</u>
	=====	=====	=====
Analysed in Balance Sheet			
Cash at Bank and in Hand	-		143,814
Bank overdraft	(954,872)		(1,004,143)
	<u>(954,872)</u>		<u>(860,339)</u>
	=====		=====

A1 PHARMACEUTICALS PLC

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Stocks

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

Leased Assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

The Turnover and Profit (1999 - Profit) before taxation for the year is attributable to the principal activity of the Company which is wholesale marketing and distribution of pharmaceutical products

Turnover attributable to each geographical market is as follows:

	<u>2000</u>	<u>1999</u>
	£	£
United Kingdom	11,782,197	11,799,806
Europe	118,448	159,541
United States of America	1,274	5,784
	<u>11,901,919</u>	<u>11,965,131</u>

3. OPERATING PROFIT

The Operating Profit (1999 - Profit) is stated after charging:

	<u>2000</u>	<u>1999</u>
	£	£
Staff Costs - note 4	465,100	450,676
Auditors' Remuneration	5,250	4,500
	<u>470,350</u>	<u>455,176</u>

A1 PHARMACEUTICALS PLC

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000

4. STAFF COSTS

The costs incurred were as follows:

	<u>2000</u> £	<u>1999</u> £
Wages and Salaries	465,100	450,676

The average monthly number of employees during the year was as follows:

Office and Management	7	8
Production and Sales	15	13
	<u>22</u>	<u>21</u>

5. INCOME FROM INVESTMENTS

	<u>2000</u> £	<u>1999</u> £
Bank Interest Received	831	2,062

6. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	<u>2000</u> £	<u>1999</u> £
Corporation Tax	21,000	18,147
Prior Year Adjustment	2,000	-

Corporation tax has been charged on the profit at the small company rate.

7. INTEREST PAYABLE

	<u>2000</u> £	<u>1999</u> £
Bank Interest	1,917	1,049

AI PHARMACEUTICALS PLC

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000**

8. <u>STOCKS</u>		<u>2000</u>	<u>1999</u>
		£	£
	Finished Goods and Goods for Resale	830,458	850,024

9. <u>DEBTORS</u>		<u>2000</u>	<u>1999</u>
		£	£
	Amounts due within one year:		
	Trade Debtors	3,384,735	3,183,239
	Due from Related Parties	483,095	605,693
	Other Debtors	13,108	4,675
	Prepayments	-	56,976
		<u>3,880,938</u>	<u>3,850,583</u>

10. <u>CREDITORS: Amounts Falling Due within One Year</u>		<u>2000</u>	<u>1999</u>
		£	£
	Bank Overdraft	1,004,153	954,872
	Trade Creditors	1,622,903	2,473,929
	Due to Related Parties	990,287	839,030
	Other Creditors:		
	Taxation	21,000	21,000
	Social Security and Other Taxes	413,167	127,488
	Accruals	459,595	15,410
		<u>4,511,105</u>	<u>4,431,729</u>
	Bank Overdraft	<u>1,004,153</u>	<u>954,872</u>

The bank overdraft includes an amount secured by a fixed charge on the company's debts and a floating charge on the other assets of the company

11. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		<u>2000</u>	<u>1999</u>
		£	as restated £
	Profit for the financial year	75,226	78,951
	Opening shareholders' funds	268,878	189,926
	Closing shareholders' funds	<u>344,103</u>	<u>268,878</u>

A1 PHARMACEUTICALS PLC

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000

12. **SHARE CAPITAL**

	<u>2000</u>	<u>1999</u>
	£	£
Ordinary Shares of £1 each:		
Authorised	<u>1,000,000,000</u>	<u>1,000,000,000</u>
1,000 Allotted, Issued and Fully Paid	<u>1,000</u>	<u>1,000</u>
50,000 Allotted and Issued	<u>12,500</u>	<u>12,500</u>

13. **RELATED PARTY DISCLOSURES**

The following companies and persons are related to the company under the definition of FRS8.

G S and C Lewis T/A A1 Partnership

During the year the company purchased goods to the value of £200,000 from the partnership. At the balance sheet date £483,095 was owed by the above company and is included in amounts owed by related parties.

Lewmax Limited

During the year the company purchased goods to the value of £127,500 from Lewmax Limited. At the balance sheet date £338,299 was owing to the company and included in amounts due to related parties.

Community Pharmacy Supplies Ltd

During the year the company sold goods to the value of £416,094 and purchased goods to the value of £348,613 from Community Pharmacy Supplies Ltd. At the balance sheet date £642,987 was owed to the above company and included in amounts due to related parties.