

**Barclay Pharmaceuticals Limited
Annual report and financial statements
for the year ended 31 December 2008**

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Barclay Pharmaceuticals Limited

Annual report and financial statements for the year ended 31 December 2008

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Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Results

Details of the results for the financial year are set out in the profit and loss account on page 8.

Principal activities

The principal activity of the company during the year was the sale and distribution of pharmaceutical and other products.

Review of business and future developments

The directors monitor the progress of the company and the implementation of its strategy by reference to key performance indicators. The indicators employed include turnover, gross profit and operating margin. These are discussed in more detail below.

The performance of the company had been affected in the prior year by a major reorganisation of operations at Stoke, and the transfer of all activity to a new warehouse. Excellent progress was made in 2008 in moving the operation and the business forward, contributing to the 7.2% increase in turnover which was reported for the year.

The market for generic and imported pharmaceutical products continues to be extremely competitive. The decline of sterling against the euro in 2008 also had a major impact on the margin of the company. Both of these factors contributed to an overall fall in gross profit during the year (from 7.5% of turnover in 2007 to 5.8% of turnover in 2008).

The company continues to focus on the cost efficiency of the services delivered to its customers and suppliers. The directors consider that regular investment in customer facing systems and supply chain support are key to achieving this. As a result, the company successfully managed to reduce its cost base during the period with distribution and administrative costs falling by 4.4% to £17.4 million in 2008.

Despite this reduction in the cost base, the market factors described earlier meant that operating profit fell during the year (from 1.3% of turnover in 2007 to 0.2% in 2008).

The company continued to expand its sourcing and supply of generic and imported pharmaceutical products during the year, and this strategy will continue in 2009. The company has also maintained an ongoing and rigorous review of customer service, and has continued to develop key relationships with pharmaceutical manufacturers and suppliers.

The directors are confident that the company is well placed to exploit remaining and new profit opportunities during 2009 and beyond.

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 December 2008 (continued)

Dividends

The directors do not recommend the payment of a final dividend (2007: £nil). An interim dividend of 40 pence per share (2007: 40 pence per share) was paid during the year, amounting to £10.0 million (2007: £10.0 million).

Political and charitable contributions

No political or charitable contributions were made during the year (2007: £300 to various charitable organisations).

Directors

The directors of the company, all of whom have been directors for the whole of the year ended 31 December 2008 except where otherwise stated, were as follows:

M L James
D T Gittins (until 21 August 2008)
J V McKenna
A J Paddock
C M Tomaszewski (appointed 1 May 2008)

In accordance with the Articles of Association, none of the directors are required to retire from the board.

Employment policies

The directors pursue a policy of promoting equality of opportunity to all employees and of fostering and developing their involvement and interest in the company. Both formal and informal systems of communication are used and managers have a specific responsibility to communicate effectively with the employees. Copies of the Celesio group annual report and company news releases are distributed to employees. Other matters of importance or interest are featured in regular issues of the in-house magazines. These seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting company performance.

Training and development are regarded as fundamental requirements and key to the retention of staff. Appropriate programmes exist at warehouse and head office level.

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 December 2008 (continued)

Employment policies (continued)

Wherever possible, disabled persons are given the same consideration for employment opportunities as other applicants, and training and promotion prospects are identical. In particular, special consideration is given to continuity of employment in the case of an employee who becomes disabled. Suitable retraining is provided for alternative employment, if practicable.

The company recognises the high standards required to ensure the health, safety and welfare of its employees, its customers and the general public. The policies in this regard are regularly reviewed with the objective of ensuring that these standards are maintained.

Creditor payment policy

The policy of the company regarding the payment of trade creditors is determined internally. The policy is to:

- (a) agree the terms of payment with creditors at the outset of any supply chain partnership and in advance of any provision of goods and services
- (b) pay in accordance with the agreed terms and any other contractual or legal obligations.

The payment policy applies to all creditors for the supply of revenue and capital goods and services.

The company had 34 days purchases outstanding at 31 December 2008 based on the average daily amount invoiced by suppliers during the year (2007: 33 days).

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of key risks. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them.

Competition

Barclay Pharmaceuticals Limited operates in a market which is highly competitive, particularly around price and product availability. There is, as a result, a downward pressure on margins with the additional risk that the company will not meet the expectations of customers. To mitigate this risk, the sales and supply teams monitor market prices on a daily basis. The company also undertakes market research at regular intervals to understand customer and supplier expectations, and to identify whether their needs are being met.

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 December 2008 (continued)

Principal risks and uncertainties (continued)

Supply chain

The provision of a process driven quality service to customers and suppliers is dependent on the availability of a number of key systems, including warehouse management, supply chain support and customer ordering. The company has a policy of continually investing in these systems to ensure it retains its leading position amongst pharmaceutical wholesalers. The systems are monitored and assessed on a regular basis, using a variety of diagnostic tools such as benchmarking.

People

The company recognises that the success of Barclay Pharmaceuticals Limited is dependent almost entirely upon the efforts of its staff. There are a number of training and development programmes in place, and staff retention is monitored by the board of directors.

Financial risk management

The company is exposed to a variety of financial risks, which include credit, liquidity, foreign currency and interest rate risk. The company has employed a programme that seeks to manage and limit any adverse effects of these risks, which are described in more detail below, on the financial performance of the company.

The directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board, although use is made of a central treasury function which arranges the overall funding requirements of Celesio in the UK ('the UK group'). This central function operates within a framework of clearly defined policies and procedures. The function reports to the board on a regular basis.

The policies approved by the board of directors are implemented by the company's finance department and the central treasury function. The policies, which are documented in departmental manuals, cover funding and hedging instruments, exposure limits and a system of authority for the approval and execution of transactions.

Credit risk: the company has implemented policies that require appropriate credit checks on potential customers before sales are made. The finance and sales teams also liaise with customers on a regular basis to ensure that key issues are identified at an early stage.

Liquidity risk: the company participates in the banking arrangements of the UK group, which are arranged with the assistance of the central treasury function. The UK group funds its operations through a mix of retained earnings, borrowings and leasing that is designed to ensure that the company has sufficient funds for its day to day operations and other activities. Cash flow requirements are monitored through projections which are compiled on a periodic basis across the group. The UK group operates a cash pooling arrangement in which the company participates. Under this arrangement cash funds which are in excess of day to day requirements are loaned to other UK group companies.

Foreign currency and interest rate risk: the company uses instruments to manage its foreign currency risks, including forward currency contracts. The company also has both interest bearing assets and liabilities, these being managed within the UK group.

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 December 2008 (continued)

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 and (b) make judgments and estimates that are reasonable and prudent and (c) state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

Statement of disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms the following: so far as each director is aware (a) there is no relevant audit information - that is information needed by the company's auditors in connection with preparing their report - of which the company's auditors are unaware and (b) the director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provision of section 234ZA of the Companies Act 1985.

By order of the Board



P Smerdon
Secretary

27 August 2009

Independent auditors' report to the members of Barclay Pharmaceuticals Limited

We have audited the financial statements of Barclay Pharmaceuticals Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 report to you whether, in our opinion, the directors' report is consistent with the financial statements.

In addition we also report to you if, in our opinion, 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 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 international standards on auditing (UK and Ireland) 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.

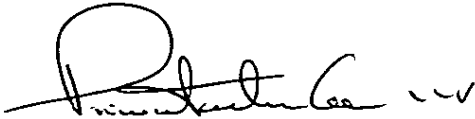
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report
to the members of Barclay Pharmaceuticals Limited (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

27 August 2009

Barclay Pharmaceuticals Limited

Profit and loss account for the year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Turnover	3	311,560	290,749
Cost of sales		(293,625)	(268,837)
Gross profit		<u>17,935</u>	<u>21,912</u>
Distribution costs and administrative expenses		(17,405)	(18,205)
Operating profit		<u>530</u>	<u>3,707</u>
Net interest payable	6	(960)	(2,358)
(Loss) / Profit on ordinary activities before taxation	7	<u>(430)</u>	<u>1,349</u>
Tax on (loss) / profit on ordinary activities	8	69	(448)
(Loss) / Profit for the financial year	19	<u><u>(361)</u></u>	<u><u>901</u></u>

The results have been derived wholly from continuing operations.

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

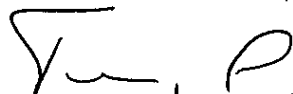
There is no material difference between the results above and as presented on an unmodified historical cost basis.

Barclay Pharmaceuticals Limited

Balance sheet at 31 December 2008

	Notes	2008 £'000	2007 £'000
Current assets			
Stocks	11	23,319	81,113
Debtors:			
Amounts falling due within one year	12	36,785	46,268
Amounts falling due after more than one year	12	10,601	10,585
Cash at bank and in hand		21,816	2
		<u>92,521</u>	<u>137,968</u>
Creditors: amounts falling due within one year	13	(34,758)	(69,844)
Net current assets		<u>57,763</u>	<u>68,124</u>
Total assets less current liabilities		57,763	68,124
Net assets		<u><u>57,763</u></u>	<u><u>68,124</u></u>
Capital and reserves			
Called up share capital	17	25,000	25,000
Profit and loss account	18	32,763	43,124
Total shareholders' funds	19	<u><u>57,763</u></u>	<u><u>68,124</u></u>

The financial statements on pages 8 to 18 were approved by the board of directors on 27 August 2009 and were signed on its behalf by:



C M Tomaszewski
Director
27 August 2009

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies

The financial statements have been prepared on the going concern basis and under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. Set out below is a summary of the principal accounting policies, which have been applied consistently except where stated.

Turnover

Turnover comprises sales of goods and services at invoice values excluding value added tax.

Taxation

The charge for taxation is based on the result for the year. It takes into account taxation that is deferred because of timing differences in the treatment of certain items for accounting and taxation purposes.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future have occurred at the balance sheet date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for taxation purposes.

Deferred taxation is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax liabilities are provided for in full, but deferred tax assets are recognised only to the extent it is considered more likely than not that the associated tax deduction can be utilised on their reversal. Deferred tax liabilities and assets are not discounted.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stock in transit which is with third party packaging agents is recognised within stock for resale.

Leased assets

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Foreign currencies and derivatives

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Any such translation differences are taken to the profit and loss account.

The company uses instruments to manage its foreign currency risks, including forward foreign currency contracts. These contracts are not revalued to fair value or shown in the balance sheet at the year end as all transactions derive from hedging activities.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Accounting policies (continued)

Pensions

The company contributes to group pension schemes operated by Admenta UK plc. Contributions to the defined benefit scheme are determined by a professionally qualified actuary and are based on pension costs across the Celesio group in the UK as a whole. With regard to these group schemes it is not possible to determine the company's share of the underlying assets and liabilities. The related pension charges are therefore disclosed on a defined contribution basis. Further details and disclosures relating to Financial Reporting Standard 17 are given in note 15 to the financial statements.

Distribution costs and administrative expenses

The directors do not consider that it is practical to distinguish between distribution costs and administrative expenses. Accordingly these expenses are reported together in the profit and loss account.

Dividends

These financial statements are prepared in accordance with Financial Reporting Standard 25. Distributions to holders of an equity instrument are therefore debited directly to equity net of any related income tax benefit.

2 Cash flow and related party disclosure

The financial statements contain information about Barclay Pharmaceuticals Limited as an individual company, rather than consolidated information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare group accounts as its results are included by full consolidation in the financial statements of its ultimate parent, Franz Haniel & Cie GmbH, a company incorporated in Germany.

The company is a wholly owned subsidiary of Celesio AG, a company registered in Germany, and is included in the financial statements of Celesio AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

The company has not disclosed transactions with fellow group companies, in accordance with the exemption under the terms of Financial Reporting Standard 8.

3 Turnover

Turnover represents cash and credit sales predominantly made in the United Kingdom. Sales to Europe were £28,334,000 in 2008 (2007: £17,891,000). Sales to the rest of the world were £195,000 in 2008 (2007: £76,000).

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

4 Directors' emoluments

	2008 £'000	2007 £'000
Aggregate emoluments	333	383
Compensation for loss of office	131	-
	<u>464</u>	<u>383</u>

No emoluments are disclosed in these financial statements in respect of Mr James and Mr Tomaszewski. Their emoluments are paid by a fellow subsidiary, AAH Pharmaceuticals Limited, which has made no recharge to the company in respect of these payments. Mr James and Mr Tomaszewski were directors of a number of group subsidiaries during the year and it is not possible to accurately apportion their remuneration in respect of each company.

Emoluments for Mr James and Mr Tomaszewski are included in the aggregate of directors' emoluments disclosed in the financial statements of AAH Pharmaceuticals Limited.

The value of company contributions paid to a defined contribution scheme in respect of directors in 2008 was £5,000 (2007: £3,000). Retirement benefits are accruing to one director under this money purchase scheme (2007: one director). Retirement benefits are accruing to three directors under a defined benefit scheme (2007: four directors).

	2008 £'000	2007 £'000
Highest paid director		
Aggregate emoluments and benefits under long-term incentive schemes	225	160
Defined benefit schemes:		
Accrued pension at end of year	<u>18</u>	<u>11</u>

5 Employee information

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

	2008	2007
By function		
Selling & distribution	352	406
Administration	49	59
	<u>401</u>	<u>465</u>
Staff costs (£'000)		
Wages and salaries	7,671	8,345
Social security costs	681	784
Other pension costs (see note 15)	57	66
	<u>8,409</u>	<u>9,195</u>

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

6 Net interest payable

	2008 £'000	2007 £'000
Interest payable and similar charges		
Bank interest	<u>(1,165)</u>	<u>(2,358)</u>
	<u>(1,165)</u>	<u>(2,358)</u>
Interest receivable		
Bank interest	<u>205</u>	<u>-</u>
	<u>205</u>	<u>-</u>
Net interest payable	<u><u>(960)</u></u>	<u><u>(2,358)</u></u>

7 (Loss) / Profit on ordinary activities before taxation

(Loss) / Profit on ordinary activities before taxation is stated after charging / (crediting) the following:

	2008 £'000	2007 £'000
Operating lease rentals		
Land and buildings	971	128
Plant and machinery	42	33
Other	<u>1,226</u>	<u>1,280</u>

In 2008, the auditors' remuneration has been borne by AAH Pharmaceuticals Limited, a fellow subsidiary undertaking.

8 Tax on (loss) / profit on ordinary activities

	2008 £'000	2007 £'000
UK corporation tax at 28.5% (2007: 30%)	(79)	410
Adjustment in respect of previous years	<u>26</u>	<u>-</u>
	<u>(53)</u>	<u>410</u>
Deferred taxation (see note 14)		
Current year movement	(16)	32
Restatement of opening balance due to tax rate change	<u>-</u>	<u>6</u>
	<u>(16)</u>	<u>38</u>
	<u><u>(69)</u></u>	<u><u>448</u></u>

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

8 Tax on (loss) / profit on ordinary activities (continued)

The tax assessed on the profit on ordinary activities for the year is lower than the average rate of corporation tax in the UK of 28.5% (2007: 30%). The standard rate of corporation tax changed to 28% on 1 April 2008. The reconciliation of the current tax charge is as follows:

	2008 £'000	2007 £'000
(Loss) / profit before tax multiplied by the average rate of UK corporation tax of 28.5% (2007: 30%)	(122)	404
Expenses not deductible for tax purposes	41	39
Timing differences	12	(17)
Capital allowances for the year less depreciation	(10)	(16)
Adjustment for prior periods	26	-
	<u>(53)</u>	<u>410</u>

9 Dividends

	2008 £'000	2007 £'000
Interim dividend paid (see note 18) (2008 and 2007: 40 pence per share)	<u>10,000</u>	<u>10,000</u>

10 Tangible fixed assets

On 1 October 2004, the interest of the company in the fixed assets was transferred to a fellow subsidiary, AAH Pharmaceuticals Limited. Subsequent capital expenditure has been incurred in the books of AAH Pharmaceuticals Limited.

11 Stocks

	2008 £'000	2007 £'000
Finished goods and goods for resale	<u>23,319</u>	<u>81,113</u>

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

12 Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Trade debtors	35,577	44,350
Amounts owed by group undertakings	76	-
Corporation tax recoverable	118	142
Other debtors	982	1,417
Prepayments and accrued income	32	359
	<u>36,785</u>	<u>46,268</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	10,524	10,524
Deferred taxation (see note 14)	77	61
	<u>10,601</u>	<u>10,585</u>

The amounts owed by group undertakings are unsecured, interest free and are without a fixed repayment date other than that they fall due after more than one year.

13 Creditors

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Bank overdraft	-	28,286
Trade creditors	19,615	28,447
Amounts owed to group undertakings	11,896	8,572
Other taxation and social security payable	2,307	3,040
Other creditors	432	445
Accruals and deferred income	508	1,054
	<u>34,758</u>	<u>69,844</u>

The amounts owed to group undertakings are unsecured, interest free and are without a fixed repayment date.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

14 Provisions for liabilities and charges

Deferred taxation

The movements in the year in the deferred tax (asset)/liability are as follows:

	2008 £'000	2007 £'000
At 1 January	(61)	(99)
Transferred to profit and loss account (see note 8)	(16)	38
At 31 December	(77)	(61)

The deferred taxation (asset)/liability recognised in the financial statements can be analysed as follows:

Accelerated capital allowances	(46)	(55)
Short term timing differences	(31)	(6)
	(77)	(61)

Deferred tax assets are included within debtors falling due after more than one year.

15 Pension obligations

The company participates in group pension schemes operated by Admenta UK plc, one of which is defined benefit and one defined contribution. All of the schemes are funded and constituted as independently administered funds with their assets being held separately from those of the company. The funds relating to the defined benefit scheme are valued every three years by a professionally qualified, independent actuary, the rates of contribution payable being determined by the actuary. The latest actuarial assessment of the scheme was at 6 April 2008. Particulars of the valuation are contained in the accounts of AAH Pharmaceuticals Limited.

With regard to these group schemes it is not possible to determine the company's share of the underlying assets and liabilities. The related pension charges are therefore disclosed on a defined contribution basis.

The pension costs charged to the profit and loss account during the year were £57,000 (2007: £66,000).

There were amounts of £12,000 accrued in respect of pension scheme contributions at the balance sheet date (2007: £20,000 accrued).

The company provides no other post-retirement benefits to its employees.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

16 Financial derivatives

Forward currency contracts are purchased to manage any foreign exchange risk of Barclay Pharmaceuticals Limited. The company had no forward currency contracts in place as at 31 December 2008 (2007: 4). The fair value of forward contracts as at 31 December 2007, which had a range of maturity dates, was a net asset of £795,000.

17 Called up share capital

	2008 £'000	2007 £'000
Authorised, allotted, called up and fully paid 25,000,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

18 Profit and loss account

	£'000
At 1 January 2008	43,124
Loss for the financial year	(361)
Dividends (see note 9)	<u>(10,000)</u>
Retained loss for the financial year	<u>(10,361)</u>
At 31 December 2008	<u>32,763</u>

19 Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
(Loss) / Profit for the financial year	(361)	901
Dividends	<u>(10,000)</u>	<u>(10,000)</u>
Retained loss for the financial year	<u>(10,361)</u>	<u>(9,099)</u>
Opening total shareholders' funds	<u>68,124</u>	<u>77,223</u>
Closing total shareholders' funds	<u>57,763</u>	<u>68,124</u>

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

20 Financial commitments

At 31 December 2008, the company had annual commitments under non-cancellable operating leases as follows:

	2008 Land and Buildings £'000	2008 Other £'000	2007 Land and Buildings £'000	2007 Other £'000
Expiring within one year	-	24	-	57
Expiring between two and five years	-	827	-	887
Expiring over five years	942	-	-	-
	<u>942</u>	<u>851</u>	<u>-</u>	<u>944</u>

Certain property and vehicle lease interests of the company are administered by AAH Pharmaceuticals Limited, which recharges the cost on to Barclay Pharmaceuticals Limited. The commitments shown above represent those managed on its behalf as well as those retained in the name of Barclay Pharmaceuticals Limited.

21 Capital commitments

There is no capital expenditure contracted for but not provided for in these financial statements (2007: £nil).

22 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is Admenta Holdings Limited. The company's ultimate parent undertaking and controlling party is Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent Celesio AG and its consolidation of the Celesio AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D-47119 Duisburg, Ruhrort, Germany. Consolidated accounts for the smallest group of companies are prepared by Celesio AG and may be obtained from Celesio AG, Neckartalstrasse 155, D-70376 Stuttgart, Germany.