

Company Registration Number 1743940

AAI (Great Britain) Limited

Abbreviated Accounts

31st December 2004



AAI (GREAT BRITAIN) LIMITED

Abbreviated Accounts

Year ended 31st December 2004

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AAI (GREAT BRITAIN) LIMITED

Independent Auditors' Report to the Company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the year ended 31st December 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and the auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Other information

On 13th September 2005 we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

Going Concern

In forming our opinion we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the reliance on the support of the parent company AAI Deutschland GmbH & Co KG. The financial statements have been prepared on a going concern basis, the validity of which depends on the continuation of this support. The financial statements do not include any adjustments that would result from a withdrawal of this support. In view of the significance of this matter we consider that it should be brought to your attention, however our opinion is not qualified in this respect.

Laurel House
173 Chorley New Road
Bolton
BL1 4QZ

13th September 2005

CLB Coopers

CLB COOPERS
Chartered Accountants
& Registered Auditors

AAI (GREAT BRITAIN) LIMITED

Abbreviated Balance Sheet

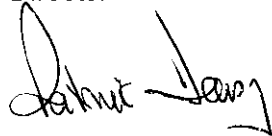
31st December 2004

	Note	2004 £	2003 £
Fixed assets	2		
Tangible assets		<u>7,686</u>	<u>18,904</u>
Current assets			
Debtors		25,903	1,012
Cash at bank and in hand		<u>5,627</u>	<u>4,753</u>
		31,530	5,765
Creditors: Amounts falling due within one year		<u>10,137</u>	<u>17,312</u>
Net current assets/(liabilities)		21,393	(11,547)
Total assets less current liabilities		29,079	7,357
Creditors: Amounts falling due after more than one year		1,612,924	1,355,113
		<u>(1,583,845)</u>	<u>(1,347,756)</u>
Capital and reserves			
Called-up equity share capital	3	100	100
Profit and loss account		<u>(1,583,945)</u>	<u>(1,347,856)</u>
Deficiency		<u>(1,583,845)</u>	<u>(1,347,756)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director on 13th September 2005.

P J Deasy
Director



The notes on pages 3 to 4 form part of these abbreviated accounts.

AAI (GREAT BRITAIN) LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company is dependent on the financial support of its parent company, AAI Deutschland GmbH & Co KG, in order to ensure that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of the business. On the basis of this continued support, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery etc - 25% straight line

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

AAI (GREAT BRITAIN) LIMITED

Notes to the Abbreviated Accounts

Year ended 31st December 2004

2. Fixed assets

	Tangible Assets £
Cost	
At 1st January 2004 and 31st December 2004	<u>69,087</u>
Depreciation	
At 1st January 2004	50,183
Charge for year	<u>11,218</u>
At 31st December 2004	<u>61,401</u>
Net book value	
At 31st December 2004	<u>7,686</u>
At 31st December 2003	<u>18,904</u>

3. Share capital

Authorised share capital:

	2004 £	2003 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

4. Ultimate parent company

The ultimate parent company is aaiPharma Inc, a company incorporated in the United States of America.