

Registered number
3329700

Oxford Biotechnology Limited

Report and accounts

31 December 2005



Oxford Biotechnology Limited
Report and accounts
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Oxford Biotechnology Limited
Company information

Directors

E Bernard
T Bernard
J Bernard
S Moroney (appointed 12 January 2006)
D Lemus (appointed 12 January 2006)
D Linglebach (appointed 12 January 2006)

Secretary

S Littleboy (to 21 February 2006)
J Bernard (from 22 February 2006)

Auditors

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

Bankers

HSBC
Midland House
Seacourt
Westway
Oxford
OX2 0PL

Solicitors

Trethowans
The Director General's House
Rockstone Place
Southampton
SO15 2EP

Manches & Co
3 Worcester Street
Oxford
OX1 2PZ

Registered office

Greyfriars Court
Paradise Square
Oxford
OX1 1BB

Registered number

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Oxford Biotechnology Limited
Directors' report

The directors present their report and accounts for the year ended 31 December 2005.

Principal activities

The company's principal activity during the year continued to be the sale of immunological reagents.

Directors

The directors who served during the year are those listed on page 1. Their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2005	2004
E Bernard	-	-
T Bernard	-	-
J Bernard	-	-

Auditors

A resolution to reappoint KPMG LLP as auditors will be put to the members at the Annual General Meeting.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 30 January 2007.



J Bernard
Director

Oxford Biotechnology Limited

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare financial statements in accordance with UK Accounting Standards

The financial statements are required by law to give a true and fair view of the affairs of the company and of the profit or loss of the company for that period.

In preparing these 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;
- state whether UK Accounting Standards have been followed, subject to any material departures and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.

Oxford Biotechnology Limited

Independent auditors' report to the shareholders of Oxford Biotechnology Limited

We have audited the financial statements of Oxford Biotechnology Limited for the year ended 31 December 2005 which comprise the Profit & Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page the company's directors are responsible for the preparation of the accounts in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Standards).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 accounts. 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 accounts.

Oxford Biotechnology Limited

**Independent auditors' report
to the shareholders of Oxford Biotechnology Limited -continued**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

5/2/07

KPMG LLP
Chartered Accountants
Registered Auditor

Oxford Biotechnology Limited
Profit and loss account
for the year ended 31 December 2005

	Notes	2005 £	2004 £
Turnover	2	532,836	458,109
Cost of sales		(325,037)	(261,664)
Gross Profit		<u>207,799</u>	<u>196,445</u>
Administrative expenses		(247,624)	(207,212)
Operating Loss	3	<u>(39,825)</u>	<u>(10,767)</u>
Interest receivable		1,075	732
Loss on ordinary activities before taxation		<u>(38,750)</u>	<u>(10,035)</u>
Tax on loss on ordinary activities	4	(7,000)	(4,100)
Retained Loss for the financial year	9	<u><u>(45,750)</u></u>	<u><u>(14,135)</u></u>

Continuing operations

None of the company's activities were discontinued during the above two financial years
There were no recognised gains or losses in 2005 or 2004 other than the losses for the years shown above.

Oxford Biotechnology Limited
Balance sheet
as at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Investments	5	17,034	79,351
Current assets			
Stocks		23,301	17,116
Debtors	6	104,791	114,746
Cash at bank and in hand		25,333	61,089
		<u>153,425</u>	<u>192,951</u>
Creditors: amounts falling due within one year	7	(177,544)	(233,637)
Net current liabilities		<u>(24,119)</u>	<u>(40,686)</u>
Net Assets/Liabilities		<u>(7,085)</u>	<u>38,665</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	(7,087)	38,663
Shareholders' funds		<u>(7,085)</u>	<u>38,665</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.


J Bernard
Director

Approved by the board on 30 January 2007

Oxford Biotechnology Limited
Notes to the accounts
for the year ended 31 December 2005

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Stocks

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on the expected selling price (net of trade discounts), less costs to be incurred in selling.

For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of overheads.

Deferred taxation

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

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Group accounts

The accounts present information about the company as an individual undertaking and not as a group. Consolidated accounts are not required for a group of this size.

2 Turnover	2005	2004
Turnover attributable to geographical markets outside the UK	<u>73%</u>	<u>83%</u>
3 Operating loss	2005	2004
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	-	562
Amortisation of investment	62,317	31,158
Auditors' remuneration	<u>1,750</u>	<u>2,170</u>

Oxford Biotechnology Limited
Notes to the accounts
for the year ended 31 December 2005

4 Tax on ordinary activities	2005 £	2004 £
Analysis of charge in period		
Current tax:		
UK corporation tax on loss for the year @ 30% (2004 30%)	7,000	4,100
Adjustments in respect of previous periods	-	-
	<u>7,000</u>	<u>4,100</u>

Factors affecting the tax charge for the period

The tax assessed for the year is different from the rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained below:

Loss on ordinary activities before taxation	<u>38,750</u>	<u>10,035</u>
Loss on ordinary activities before taxation multiplied by corporation tax rate of 30%	(11,625)	(3,010)
Expenses not deductible for tax purposes	18,625	7,110
Current tax charge for year	<u>7,000</u>	<u>4,100</u>

5 Investments

	Investments in subsidiary undertakings £
Cost	
At 1 January and 31 December 2005	<u>110,509</u>
At 1 January 2005	(31,158)
Charge for the year	<u>(62,317)</u>
At 31 December 2005	<u>(93,475)</u>
Net book value	
At 31 December 2005	<u>17,034</u>
At 31 December 2004	<u>79,351</u>

The above represents 100% of the share capital of Oxford Biomarketing Limited, which also sells immunological reagents and is a company incorporated in England & Wales. The capital and reserves of Oxford Biomarketing Limited at 31 December 2005 were £17,034 and the company has not traded since then as its trade was taken over by Oxford Biotechnology Ltd.

6 Debtors	2005 £	2004 £
Trade debtors	91,673	113,561
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	323
Other debtors	<u>13,118</u>	<u>862</u>
	<u>104,791</u>	<u>114,746</u>

Oxford Biotechnology Limited
Notes to the accounts
for the year ended 31 December 2005

7 Creditors: amounts falling due within one year	2005	2004
	£	£
Trade creditors	71,496	61,800
Amounts owed to group undertakings and undertakings in which the company has a participating interest	72,914	154,052
Corporation tax	7,008	4,100
Accruals	26,126	13,685
	<u>177,544</u>	<u>233,637</u>

8 Share capital	2005	2004	2005	2004
	Number	Number	£	£
Authorised:				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

9 Profit and loss account	2005	2004
	£	£
At 1 January	38,663	52,798
Retained loss for the financial period	(45,750)	(14,135)
At 31 December	<u>(7,087)</u>	<u>38,663</u>

10 Related parties

Transactions with group companies and balances owing to them were as follows:

	2005	2004
	£	£
Serotec Ltd		
Purchases from Serotec Ltd	53,787	49,744
Management charges from Serotec Ltd	68,277	63,294
Balance due to Serotec Ltd at 31 December	30,756	137,018
Serotec Inc		
Balance due from Serotec Inc at 31 December	-	323
Oxford Biomarketing Ltd		
Balance due to Oxford Biomarketing Ltd at 31 December	17,034	17,034

11 Controlling party

Until 11 January 2006 the company's ultimate parent company was Serotec Limited, whose controlling shareholder was E Bernard. It is now controlled by Morphsys AG.