

FRIDAY



JZ2SEHU1

JNI

26/02/2010

35

COMPANIES HOUSE

Almac Discovery Limited

Annual report

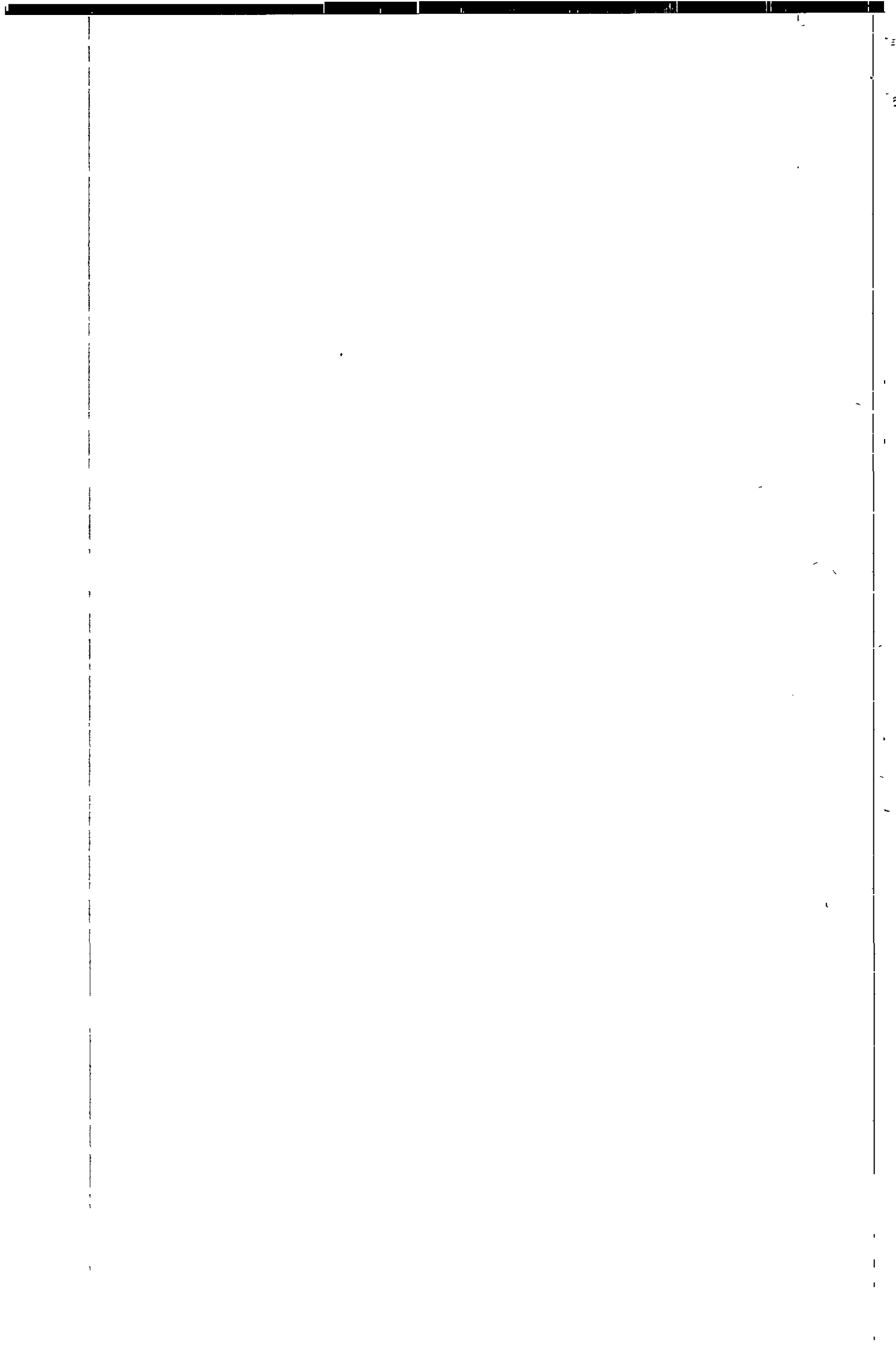
for the year ended 30 September 2009



Almac Discovery Limited

Annual report for the year ended 30 September 2009

	Pages
Directors and advisers	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Independent auditors' report	5
Income statement	6
Statement of changes in equity	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 – 22



Directors and advisers

Executive directors

Dr Sir Allen McClay OBE,CBE (deceased 12 January 2010)

A D Armstrong

R A Milliken (resigned 6 April 2009)

J W Irvine

C Hayburn

S Barr

S Campbell

Company secretary

C Hayburn

Registered office

Almac House

20 Seagoe Industrial Estate

Craigavon

BT63 5QD

Solicitors

McGrigors

Arnott House

12-16 Bridge Street

Belfast

BT1 1LS

Bankers

Northern Bank Limited

45-48 High Street

Portadown

BT62 1LB

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Waterfront Plaza

8 Laganbank Road

Belfast

BT1 3LR

Directors' report for the year ended 30 September 2009

The directors present their report and the audited financial statements of the company for the year ended 30 September 2009

Principal activities

Almac Discovery Limited is a private limited company incorporated in Northern Ireland. The company's registered address is detailed on page 1.

The principal activities of the company are the discovery and development of novel and innovative approaches to the treatment of cancer and associated conditions.

Review of business and future developments

The company has incurred a loss of £2,774,566 (2008: £1,055,516) during the year which is in line with expectations. The company foresees further losses in future years, however these are anticipated as a consequence of the research project programme. Funding commitments have been put in place to support the company through its development phase.

Results and dividends

The loss for the financial year is £2,774,566 (2008: £1,055,516). The directors do not recommend payment of a dividend (2008: £nil).

Research and development activities

The company is committed to research and development in the area of drug discovery and development of novel and innovative approaches to the treatment of cancer and associated conditions. Research in the year totalled £2,491,185 (2008: £1,060,975) and was expensed as incurred. No development expenditure was incurred in the year (2008: £nil).

Directors

The directors who served during the year are shown on page 1.

Going concern

The directors have prepared cash flow forecasts for a period of at least twelve months from the date of signing of this report and confirm that adequate funding has been committed by the company's parent to support the company's operations and planned growth over this period. Consequently, the directors have prepared these financial statements on a going concern basis.

Donations

During the year, the company made no charitable donations (2008: £1,000). No donations for political purposes were made during the year (2008: £nil).

Employees

The company's policy is to consult and discuss with employees those matters likely to affect employees' interests.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Arrangements are made, whenever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report for the year ended 30 September 2009 (continued)

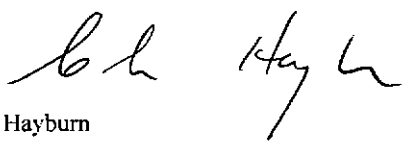
Independent auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

Small companies' exemption

The above report has been prepared in accordance with the small companies regime of the Companies Act 2006

By order of the Board

A handwritten signature in black ink, appearing to read 'C Hayburn', is written over the printed name.

C Hayburn
Company secretary
21 January 2010

Statement of directors' responsibilities

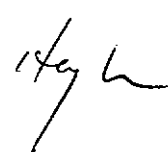

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

By order of the Board



C Hayburn
Company secretary
21 January 2010

Independent auditors' report to the members of Almac Discovery Limited

We have audited the financial statements of Almac Discovery Limited for the year ended 30 September 2009 which comprise the income statement, the statement of changes in equity, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

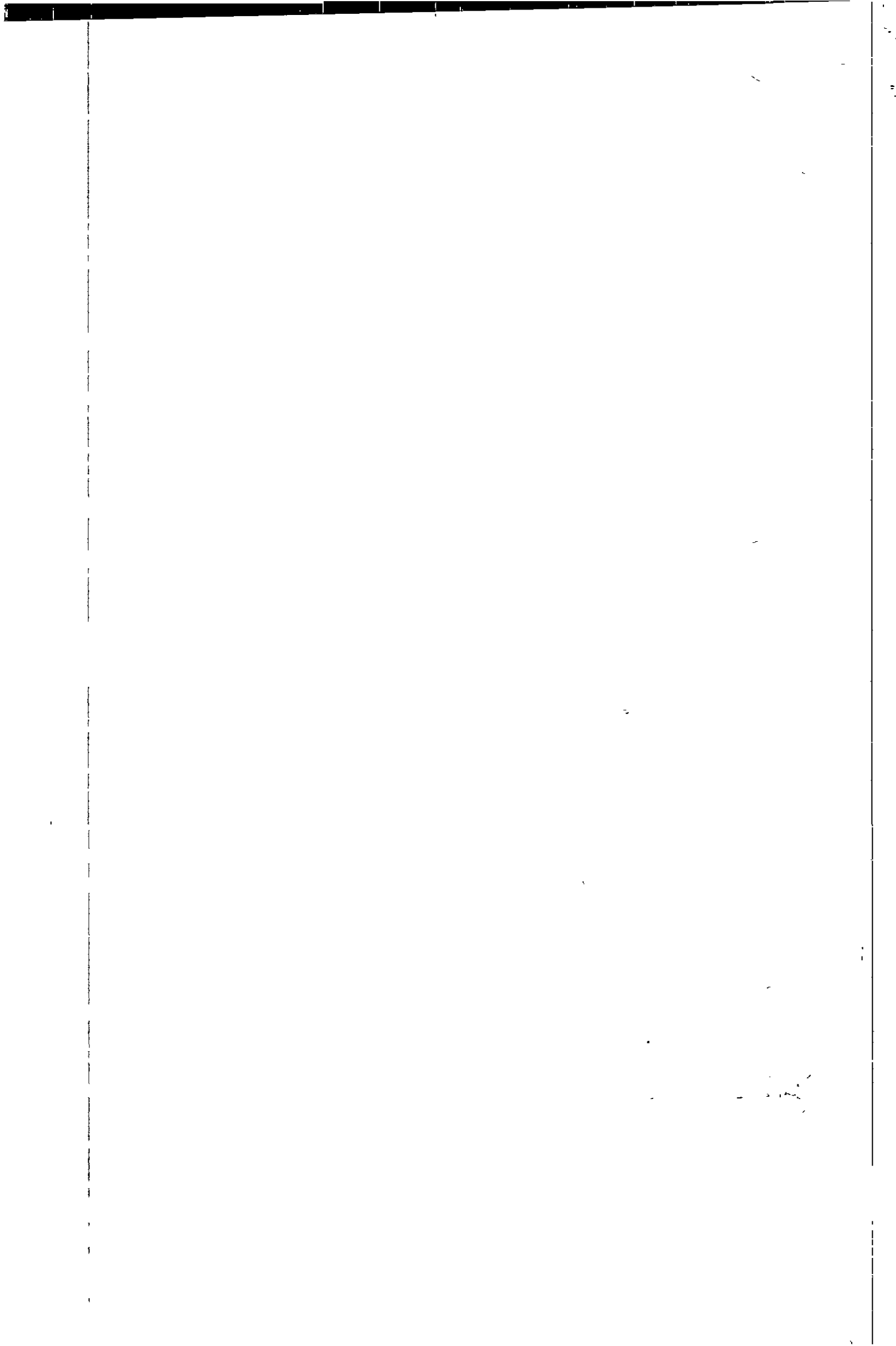
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Stephen Curragh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
21 January 2010



Income statement for the year ended 30 September 2009

	Notes	2009 £	2008 £
Continuing operations			
Research and development expenditure	5	(2,491,185)	(1,060,975)
Operating loss		(2,491,185)	(1,060,975)
Finance income	4	215	5,459
Loss before taxation		(2,490,970)	(1,055,516)
Income tax	7	(283,596)	-
Loss for the year attributable to equity holders of the company		(2,774,566)	(1,055,516)

Statement of changes in equity

	Share capital £	Retained earnings £	Total equity £
At 1 October 2007	2	-	2
Loss for the year	-	(1,055,516)	(1,055,516)
At 1 October 2008	2	(1,055,516)	(1,055,514)
Loss for the year	-	(2,774,566)	(2,774,566)
At 30 September 2009	2	(3,830,082)	(3,830,080)

Balance sheet as at 30 September 2009

	Notes	2009 £	2008 £
Assets			
Non-current assets			
Intangible assets	8	2,470	3,108
Property, plant and equipment	9	2,201,079	189,991
Total non-current assets		2,203,549	193,099
Current assets			
Trade and other receivables	10	250,426	107,491
Cash and cash equivalents	11	185,308	150,453
Total current assets		435,734	257,944
Total assets		2,639,283	451,043
Liabilities			
Current liabilities			
Trade and other payables	12	873,626	428,174
Total current liabilities		873,626	428,174
Non-current liabilities			
Borrowings	14	4,100,000	1,000,000
Other non-current liabilities	13	137,020	78,383
Deferred income tax liabilities	15	283,596	-
Deferred income	16	1,075,121	-
Total non-current liabilities		5,595,737	1,078,383
Total liabilities		6,469,363	1,506,557
Equity			
Capital and reserves attributable to equity holders of the company			
Ordinary shares	17	2	2
Retained earnings		(3,830,082)	(1,055,516)
Total equity		(3,830,080)	(1,055,514)
Total equity and liabilities		2,639,283	451,043

The notes on pages 10 to 22 are an integral part of these financial statements

The financial statements on pages 6 to 22 were authorised for issue by the board of directors on 21 January 2010 and were signed on its behalf by



S Campbell



A D Armstrong

Directors

Cash flow statement for the year ended 30 September 2009

	Notes	2009 £	2008 £
Cash flows from operating activities			
Cash used in operations	18	(2,006,597)	(658,100)
Interest received		215	5,459
Net cash used in operating activities		(2,006,382)	(652,641)
Cash flows from investing activities			
Purchase of intangible assets		-	(3,193)
Purchase of property, plant and equipment		(2,163,443)	(193,713)
Net proceeds from capital grants		1,104,680	-
Net cash used in investing activities		(1,058,763)	(196,906)
Cash flows from financing activities			
Advances from group undertakings		3,100,000	1,000,000
Net cash generated from financing activities		3,100,000	1,000,000
Net increase in cash and cash equivalents		34,855	150,453
Cash and cash equivalents at beginning of the year		150,453	-
Cash and cash equivalents at end of the year	11	185,308	150,453

Notes to the financial statements for the year ended 30 September 2009

1 Accounting policies

General information

The company's principal activities during the year were as described in the Directors' Report. The financial statements are presented in sterling. Almac Discovery Limited is a private limited company incorporated in Northern Ireland. The company's registered address is detailed on page 1.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Management has concluded that there are no critical assumptions or estimates involving a high degree of judgment or complexity which require further disclosure. The company's accounting policies and estimates are detailed below.

Standards, amendments and interpretations effective in the year to 30 September 2009

During the year, the following standards, amendments and interpretations became effective:

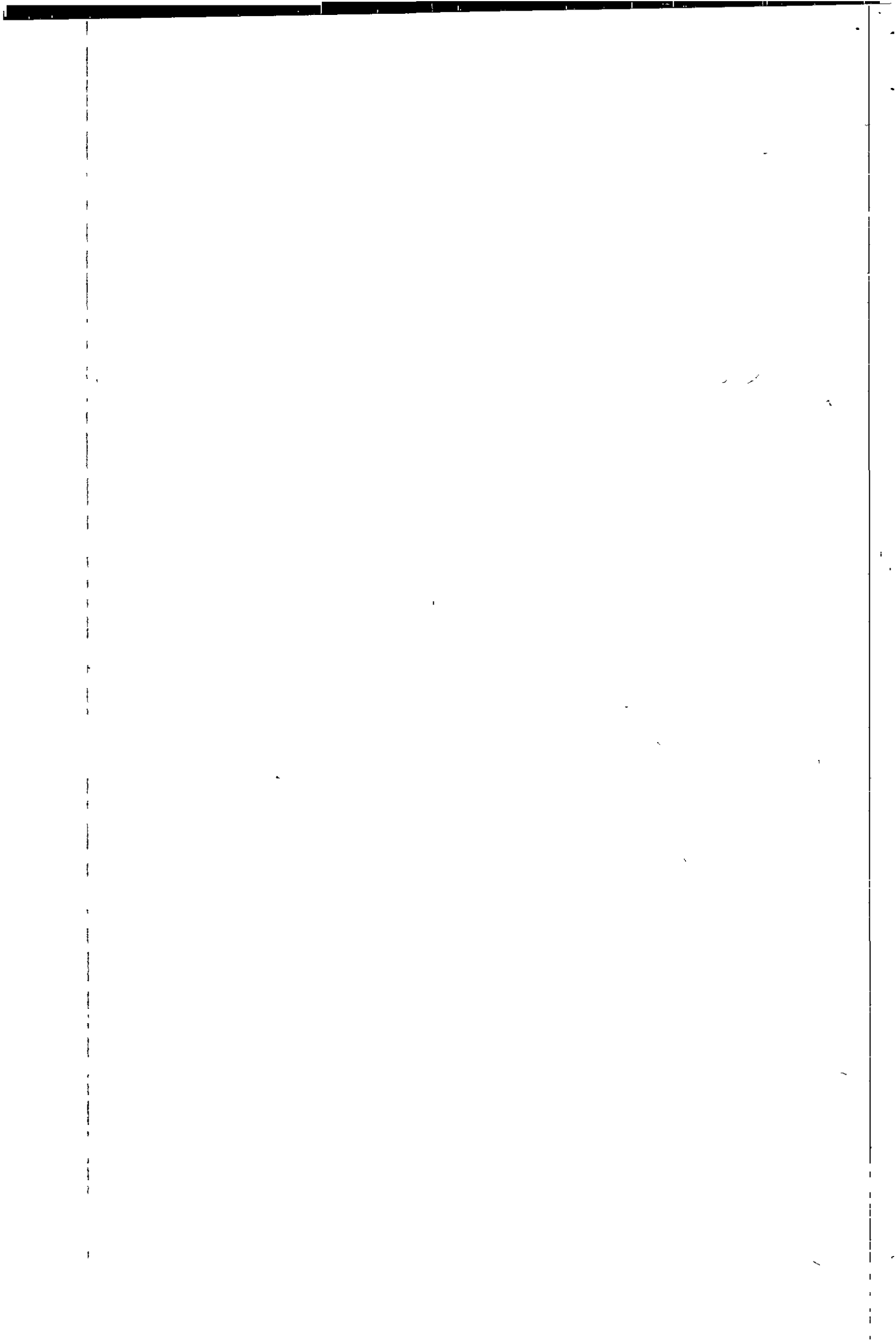
		Effective date
International Financial Reporting Interpretation Committee (IFRIC) Interpretations		
IFRIC 12	Service concession arrangements	1 January 2008
IFRIC 13	Customer loyalty programmes	1 July 2008
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2008
IFRIC 16	Hedges of a net investment in a foreign operator	1 October 2008

None of the IFRIC interpretations has any material impact on these financial statements.

Standards, amendments and interpretations that are not yet effective and have not been adopted early by the company

During the year, the IASB and IFRIC have issued the following accounting standards and interpretations with an effective date after the date of these financial statements (i.e. applicable to accounting periods beginning on or after the effective date):

		Effective date
International Accounting Standards (IASs/IFRSs)		
IFRS 1 (amendment)	First time adoption of IFRS	1 January 2009
IFRS 2 (amendment)	Share based payments	1 January 2009
IFRS 3 (revised)	Business combinations	1 July 2009
IFRS 5 (amendment)	Non-current assets held for sale and discontinued operations	1 January 2010
IFRS 7 (amendment)	Financial instruments - Disclosures	1 January 2009
IFRS 8	Operating segments	1 January 2009
IAS 1 (revised)	Presentation of financial statements	1 January 2009
IAS 1 (amendment)	Presentation of financial statements	1 January 2010
IAS 23 (revised)	Borrowing costs	1 January 2009
IAS 27 (revised)	Consolidated and separate financial statements	1 July 2009
IAS 32 (amendment)	Financial instruments - Presentation	1 January 2009
IAS 38 (amendment)	Intangible assets	1 July 2009
IAS 39 (amendment)	Financial instruments - Recognition and measurement on eligible hedged items	1 July 2009



1 Accounting policies (continued)

International Financial Reporting Interpretation Committee (IFRIC) Interpretations

IFRIC 15	Agreements for construction of real estate	1 January 2009
IFRIC 17	Distribution of non-cash assets to owners	1 July 2009

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the recognition or measurement of the company's financial statements in the period of initial application. However the following standards and interpretations impact on the presentation of the financial statements

IFRS 7 Financial instruments - Disclosures (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

IAS 1 (revised) 'Presentation of financial statements' - effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, non-owner changes in equity) in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the company will present in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity will be presented in the statement of comprehensive income. As the change in accounting policy will only impact presentation aspects, there will be no impact on the company's results.

Intangible assets

Computer software

The costs of acquiring and bringing computer software into use are capitalised and amortised on a straight-line basis over the estimated useful economic life of the software which is between three to five years.

Capitalised software development costs include external direct costs of material and services together with direct labour costs relating to software development and an appropriate portion of directly attributable overheads.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

For all assets depreciation is calculated so as to write off the cost less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned.

The principal annual depreciation rates used are as follows:

		%
Plant & machinery	-	10
Fixtures & fittings	-	10
Computer equipment	-	20

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1 Accounting policies (continued)**Financial assets**

The company classifies all its financial assets as loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1 Accounting policies (continued)**Current and deferred income tax (continued)**

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected useful economic lives of the related assets.

Research and development

Expenditure on research is written off in the year in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset are met.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company considers this to be upon shipment of products, which is when title to the product is transferred to the customer or upon completion of services when results of testing have been delivered to the customer or logistics operations have been performed. The company uses percentage-of-completion method in accounting for its fixed price contracts to deliver services. Use of the percentage-of-completion method requires the company to estimate the services performed to date as a proportion of the total services to be performed.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in sterling, which is the company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at the exchange rate ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at the balance sheet date.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement financial income or cost. All other foreign exchange gains or losses are presented in the income statement with administrative expenses.

Pension obligations

The company participates in a group defined contribution scheme for employees whereby the assets of the scheme are held separately from those of the group in an independently administered scheme. Contributions are charged to the income statement in the year to which they relate.

2 Financial risk management

Financial risk factors

The company's operations expose it to liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring the foregoing risks.

Liquidity risk

The company projects cash flow requirements as part of its annual budget setting process. Cash requirements are monitored dynamically by the company's ultimate parent undertaking, with resources deployed to the company as required. As a result of its activities, the company is a net consumer of cash and combines intergroup funding with external sources to ensure that sufficient liquidity is maintained to allow continued operation.

3 Capital risk management

The company's ultimate parent undertaking's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. For further details, refer to the report and financial statements for the ultimate parent undertaking, Almac Group Limited.

4 Finance income

	2009	2008
	£	£
Interest income		
Interest receivable on bank deposits	215	5,459
Finance income	215	5,459

5 Expenses by nature

	2009	2008
	£	£
Staff costs (note 6)	1,099,270	389,057
Depreciation and amortisation	152,993	3,807
Revenue grants	(1,174,057)	-
Transfer from capital grant reserve	(29,559)	-
Other expenses	2,442,538	668,111
Total expenditure	2,491,185	1,060,975

Services provided by the auditors and network firms

During the year the company obtained the following services from the auditor at costs as detailed below:

	2009	2008
	£	£
Fees payable to the company's auditor for the audit	4,405	5,250

6 Employees and directors

	2009	2008
	£	£
Staff costs during the year		
Wages and salaries	977,615	333,398
Social security costs	81,962	39,879
Pension costs – defined contribution plans	39,693	15,780
	1,099,270	389,057

	2009	2008
	Number	Number
Average monthly number of persons employed (excluding directors) during the year by activity		
Research	15	5

There were no key members of management during the year other than the directors noted below

	2009	2008
	£	£
Directors		
Aggregate emoluments	-	-
Company pension contributions to defined contribution plans	-	-

No directors (2008 nil) have retirement benefits accruing under a defined contribution plan

7 Income tax expense

	2009	2008
	£	£
Current tax		
UK corporation tax	-	-
	-	-
Deferred tax		
Origination and reversal of temporary differences	252,990	-
Adjustment in respect of previous periods	30,606	-
	283,596	-
Income tax expense	283,596	-

7 Income tax expense (continued)

The tax assessed for the year differs from that derived from the standard rate of corporation tax in the UK of 28% (2008 28%) The differences are explained below

	2009 £	2008 £
Loss on ordinary activities before taxation	(2,490,970)	(1,055,516)
Loss on ordinary activities before taxation at the UK standard rate of 28% (2008 28%)	(697,472)	(295,544)
Effects of		
Enhanced research and development expenditure	(150,181)	(55,220)
Adjustments in respect of previous periods	30,606	-
Income not subject to tax	(20,481)	-
Expenses not deductible for tax purposes	20,868	-
Capital grants not taxable	(8,277)	-
Deferred tax not recognised	-	8,809
Group relief not paid	1,108,533	341,955
Income tax expense	283,596	-

8 Intangible assets

	Computer software £
Cost	
At 1 October 2008 and 30 September 2009	3,193
Accumulated amortisation	
At 1 October 2008	85
Charge for the year	638
At 30 September 2009	723
Net book value	
At 30 September 2009	2,470

8 Intangible assets (continued)Computer
software
£

Cost	
At 1 October 2007	-
Additions	3,193
At 30 September 2008	3,193
Accumulated amortisation	
At 1 October 2007	-
Charge for the year	85
At 30 September 2008	85
Net book value	
At 30 September 2008	3,108

Amortisation is included within research and development expenditure in the income statement

9 Property, plant and equipment

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 October 2008	189,879	-	3,834	193,713
Reclassification	(173,828)	173,828	-	-
Additions	1,253,852	868,364	41,227	2,163,443
At 30 September 2009	1,269,903	1,042,192	45,061	2,357,156
Accumulated depreciation				
At 1 October 2008	3,445	-	277	3,722
Reclassification	(3,277)	3,277	-	-
Charge for the year	91,783	56,935	3,637	152,355
At 30 September 2009	91,951	60,212	3,914	156,077
Net book value				
At 30 September 2009	1,177,952	981,980	41,147	2,201,079

9 Property, plant and equipment (continued)

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 October 2007	-	-	-	-
Additions	189,879	-	3,834	193,713
At 30 September 2008	189,879	-	3,834	193,713
Accumulated depreciation				
At 1 October 2007	-	-	-	-
Charge for the year	3,445	-	277	3,722
At 30 September 2008	3,445	-	277	3,722
Net book value				
At 30 September 2008	186,434	-	3,557	189,991

Depreciation is included within research and development expenditure in the income statement

10 Trade and other receivables

	2009 £	2008 £
Amounts falling due within one year:		
Amounts owed by group undertakings	856	96,241
Amounts owed by other related parties	74	-
Other receivables	62,196	-
Prepayments and accrued income	187,300	11,250
	250,426	107,491

The fair values of trade and other receivables are not materially different from the carrying values

For the purposes of IFRS 7, all of the company's financial assets are classified as loans and receivables. The company has no assets that may be classified as held at fair value through profit and loss, derivatives used for hedging or available-for-sale.

The carrying amount of the company's trade and other receivables are denominated fully in sterling.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above.

No classes within trade and other receivables contain impaired assets.

11 Cash and cash equivalents

	2009 £	2008 £
Cash at bank and in hand	185,308	150,453

12 Trade and other payables

	2009	2008
	£	£
Trade payables	461,672	74,582
Amounts owed to group undertakings	31,629	167,218
Amounts owed to other related parties	-	14,867
Other tax and social security	31,144	5,822
Other creditors	6,647	3,968
Accruals	342,534	161,717
	873,626	428,174

The fair value of trade and other payables are not materially different from their carrying value as the impact of discounting is not significant

There is no difference between the amounts shown above and the total contractual undiscounted cash flows of trade and other payables

13 Other non-current liabilities

	2009	2008
	£	£
Accruals	137,020	78,383

Maturity of other non-current liabilities

The maturity profile of the carrying amount of other non-current liabilities at 30 September was as follows

	2009	2008
	£	£
In more than one year but not more than two years	23,268	-
In more than two years but not more than five years	113,752	78,383
	137,020	78,383

14 Financial liabilities – Borrowings

	2009	2008
	£	£
Non-current		
Other loans	4,100,000	1,000,000

The above loan is due to Almac Group Limited, and is interest free

The fair value of non current borrowings equals their carrying amount as the impact of discounting is not significant

For the purposes of IFRS 7, the financial liabilities noted above are classified as other financial liabilities. The company has no liabilities that may be classified as held at fair value through profit or loss or derivatives used for hedging

The carrying amounts of the company's borrowings are denominated in sterling

14 Financial liabilities – Borrowings (continued)**Maturity of financial liabilities**

The maturity profile of the carrying amount of non-current liabilities at 30 September was as follows

	2009	2008
	£	£
In more than two years but not more than five years	4,100,000	1,000,000

There is no difference between the amounts shown above and the total contractual undiscounted cash flows of borrowings

15 Deferred income tax liabilities

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows

Deferred tax assets	Other temporary differences £
At 1 October 2007	-
Credited to income statement	11,162
At 1 October 2008	11,162
Credited to income statement	32,557
At 30 September 2009	43,719
Deferred tax liabilities	Accelerated capital allowances £
At 1 October 2007	-
Charged to income statement	(11,162)
At 1 October 2008	(11,162)
Charged to income statement	(316,153)
At 30 September 2009	(327,315)

The gross movement on the deferred income tax account is as shown below

Deferred tax liabilities	£
At 1 October 2007 and 1 October 2008	-
Charged to the income statement	(283,596)
At 30 September 2009	(283,596)

The analysis of deferred income tax liabilities is as follows

	2009	2008
	£	£
Deferred income tax liabilities		
- Deferred tax liability to be recovered after more than 12 months	(283,596)	-

15 Deferred income tax liabilities (continued)

Deferred tax assets not recognised	2009	2008
	£	£
Accelerated capital allowances	-	8,809

No deferred tax asset had been recognised in 2008 as in the opinion of the directors it was not considered recoverable at that time

16 Deferred income

	Government grants
	£
At 1 October 2008	-
Additions	1,104,680
Released to income statement	(29,559)
At 30 September 2009	1,075,121

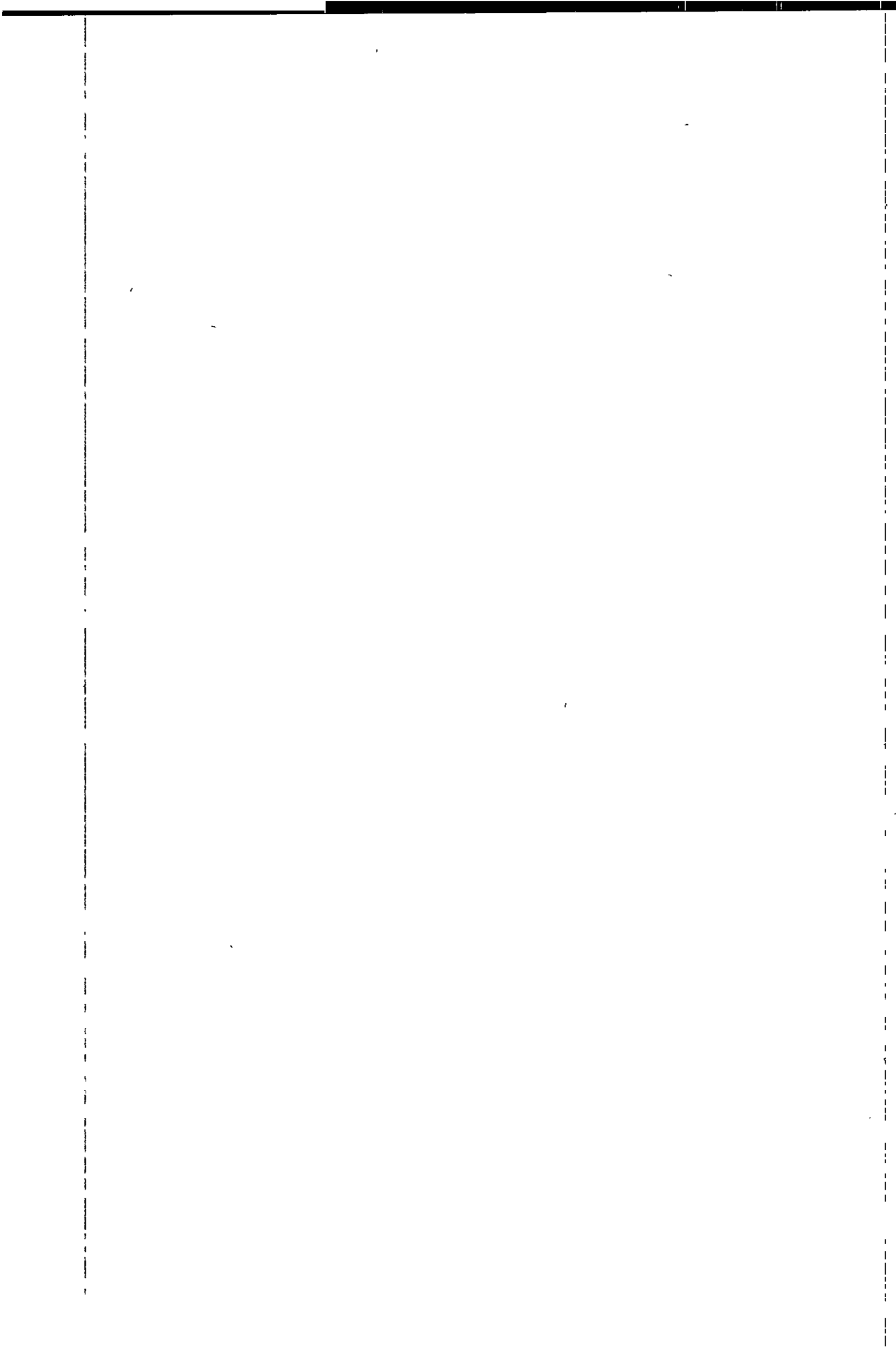
17 Called up share capital

	2009	2008
Authorised	£	£
100,000,000 ordinary shares of £1 each	100,000,000	100,000,000

	2009	2008
Issued and fully paid	£	£
Ordinary shares of £1 each		
At 1 October and 30 September	2	2

18 Cash used in operations

	2009	2008
	£	£
Loss before income tax	(2,490,970)	(1,055,516)
Adjustment for		
Depreciation of property, plant and equipment	152,355	3,722
Amortisation of intangible assets	638	85
Interest income	(215)	(5,459)
Release of capital grant	(29,559)	-
Increase in trade and other receivables	(142,935)	(107,489)
Increase in trade and other payables	504,089	506,557
Net cash used in operations	(2,006,597)	(658,100)



19 Pension commitments

The company participates in a group defined contribution scheme for employees whereby the assets of the scheme are held separately from those of the group in an independently administered scheme. Contributions are charged to the income statement in the year to which they relate.

Pension costs for the defined contribution scheme are as follows

	2009	2008
	£	£
Defined contribution scheme	39,693	15,780

20 Capital and other financial commitments

	2009	2008
	£	£
Contracts placed for future property, plant and equipment expenditure not provided in the financial statements	210,000	1,506,000

21 Ultimate controlling party and related party transactions

The ultimate parent undertaking of the company and the parent undertaking of the largest and smallest group of undertakings of which the company is a member and for which group financial statements are prepared is Almac Group Limited, a company incorporated in Northern Ireland. The registered office of Almac Group Limited is Almac House, 20 Seagoe Industrial Estate, Craigavon, BT63 5QD. Copies of the group financial statements are available from the registered office.

At the balance sheet date, the ultimate controlling party was Dr Sir Allen McClay. Sir Allen passed away on 12 January 2010. Pending a grant of probate being issued and the administration of Sir Allen's Estate, his shareholding is controlled by the executors of his will.

Transactions entered into during the year with related parties were as follows

	2009	2008
	£	£
Purchases from related parties	201,001	57,265
Management charge	149,634	2,445

Details of amounts owed by and to related parties and other related parties are disclosed in notes 10, 12 and 14 respectively.

