

Company Registration No: SC154034

CSS ALBACHEM LIMITED

**ABBREVIATED FINANCIAL
STATEMENTS**

**For the 14 month period 1 August 2003 to
30 September 2004**



INDEPENDENT ACCOUNTANT'S REPORT TO THE DIRECTORS ON THE UNAUDITED ABBREVIATED ACCOUNTS OF CSS-ALBACHEM LIMITED

In accordance with our engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985 we have compiled the unaudited financial statements of the company which comprise of, the balance sheet and the related notes 1 to 4, from the accounting records and information and explanations you have given to us.

This report is made to the company's directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the unaudited financial statements that we have been engaged to compile, report to the company's directors and that we have done so, and state those matters that we have agreed to state to them in this 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 directors, as a body, for our work, or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the financial statements.



Deloitte & Touche LLP
Chartered Accountants
Belfast

31 May 2005

CSS – ALBACHEM LIMITED

BALANCE SHEET 30 September 2004

	Note	30 September 2004 £	31 July 2003 £
FIXED ASSETS			
Tangible fixed assets	2	189,592	335,511
CURRENT ASSETS			
Stocks		-	12,060
Debtors		138,170	73,179
Cash at bank and in hand		160,133	32,792
		298,303	118,031
CREDITORS - amounts falling due within one year		(350,636)	(148,320)
NET CURRENT LIABILITIES		(52,333)	(30,289)
TOTAL ASSETS LESS CURRENT LIABILITIES		137,259	305,222
CREDITORS - amounts falling due after more than one year		(108,750)	(150,000)
NET ASSETS		28,509	155,222
EQUITY CAPITAL AND RESERVES			
Called up equity share capital	3	536,025	1,432
Share premium account		908,869	908,869
Profit and loss account		(1,416,385)	(755,079)
TOTAL EQUITY SHAREHOLDERS' FUNDS		28,509	155,222

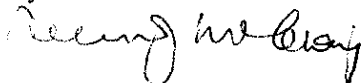
These financial statements have not been audited because the company is entitled to the exemption provided by Section 249(A)(1) of the Companies Act 1985 and members have not required the Company to obtain an audit of its accounts for the period in accordance with 249B(2) of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records, which comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing financial statements which give a true and fair view of the state of their affairs as at the end of the financial period and of its profit and loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of that Order relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on the 29th April 2005 and signed on its behalf by:

Dr. A J McClay
Director



R Ramage
Director



CSS – ALBACHEM LIMITED

NOTES TO THE ACCOUNTS 30 September 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Convention

These financial statements have been prepared in accordance with the historical cost convention, and in accordance with Financial Reporting Standard for smaller entities (effective June 2002).

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax 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 or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible fixed assets and depreciation

The cost of assets comprises purchase price and any installation charges.

Depreciation is calculated to write off their cost, less estimated residual value, over their useful lives. The methods adopted and rates used are:

Long term leasehold land and buildings	10% straight line
Plant and equipment	33 1/3% straight line
Fixtures and fittings	33 1/3% straight line

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NOTES TO THE ACCOUNTS

30 September 2004

1. ACCOUNTING POLICIES (CONT'D)

Leased assets

Fixed assets acquired under finance leases and hire purchase contracts are capitalised at their fair value and depreciated on the same basis as other fixed assets. Finance charges included in the rentals are allocated over the term of each lease so as to produce a constant rate of charge on the remaining balance of the obligation in each accounting period. Property rentals and operating leases of other assets are accounted for by charging rentals against profits as payments accrue.

Pensions

Retirement benefits to employees in the company are provided by a defined contribution pension scheme, whereby the assets of the scheme are held separately from those of the company in an independently administered fund. The company contributions are accounted for by charging costs against profits as payments accrue.

2. TANGIBLE FIXED ASSETS

	Tangible Fixed Assets 30 September 2004 £
Cost	
At start of period	541,841
Additions	5,794
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At end of period	547,635
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Depreciation	
At start of period	206,330
Provision for period	151,713
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At end of period	358,043
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Net Book Value	
30 September 2004	189,592
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Net Book Value	
31 July 2003	335,511
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NOTES TO THE ACCOUNTS 30 September 2004

3. EQUITY SHARE CAPITAL

	30 September 2004 £	31 July 2003 £
Authorised 10,720,500 (2003 30,072) ordinary shares of 5p each	536,025	1,504
Called up, allotted and fully paid 10,720,500 (2003 28,640) ordinary shares of 5p each	536,025	1,432

4. TRANSACTIONS INVOLVING DIRECTORS

Funds were introduced to the company during period of £235,000 by a Company Director, Dr A J McClay. This is an interest free loan. There are no other transactions involving directors during the period which require disclosure.