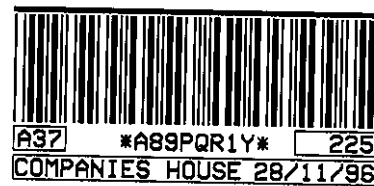


Company Number: 1866803



MOLECULAR DISCOVERY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 1996

MOLECULAR DISCOVERY LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 September 1996.

Principal activity

The company is principally engaged in the sale of computer software.

Results

The profit for the year after taxation amounted to £23,856. The directors paid an interim dividend absorbing £15,000 leaving £8,856 retained.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors in the shares of the company at 1 October 1995 and at 30 September 1996 were as follows:

	1996	1995
	Ordinary Shares	
Mrs C P Goodford	2	2
Miss E C S Goodford	1	1
Mrs S C L Matthews	1	1

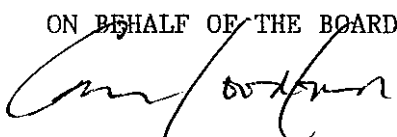
Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD



C P Goodford
Director

27 November 1996

ACCOUNTANT'S REPORT TO THE MEMBERS OF MOLECULAR DISCOVERY LIMITED

We report on the financial statements for the year ended 30 September 1996 set out on pages 3 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

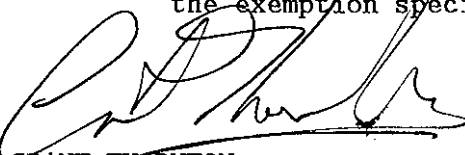
BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- i the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985
- ii having regard only to, and on the basis of, the information contained in those accounting records:
 - a the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act
 - b the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



GRANT THORNTON
CHARTERED ACCOUNTANTS
COVENTRY

27 November 1996

MOLECULAR DISCOVERY LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 SEPTEMBER 1996

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover is the total amount receivable by the company for the supply of goods and services, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

Office equipment	-	10 years
Motor vehicles	-	5 years
Computer	-	4 years

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

MOLECULAR DISCOVERY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1996

	Note	£	1996 £	£	1995 £
Turnover	1		251,117		229,043
Staff costs	2	3,645		46,729	
Depreciation		10,032		9,641	
Other operating charges		<u>205,855</u>		<u>179,199</u>	
			<u>219,532</u>		<u>235,569</u>
Operating profit (loss)			31,585		(6,526)
Interest receivable			906		1,084
Profit (loss) on ordinary activities before taxation	1		<u>32,491</u>		<u>(5,442)</u>
Tax on profit (loss) on ordinary activities	3		8,635		-
Profit (loss) for the financial year			<u>23,856</u>		<u>(5,442)</u>
Dividends	4		15,000		-
Profit (loss) retained	9		<u>£8,856</u>		<u>£(5,442)</u>

There were no recognised gains or losses other than the profit (loss) for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

MOLECULAR DISCOVERY LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	5		14,595		12,606
Current assets					
Debtors	6	53,659		40,001	
Cash at bank and in hand		16,845		4,017	
		70,504		44,018	
Creditors: amounts falling due within one year	7	25,229		5,610	
Net current assets			45,275		38,408
Total assets less current liabilities			£59,870		£51,014
Capital and reserves					
Called up share capital	8		5		5
Profit and loss account	9		59,865		51,009
Shareholders' funds	10		£59,870		£51,014

- a) For the year ended 30 September 1996 the company was entitled to the exemption conferred by subsection (2) of section 249A of the Companies Act 1985.
- b) No notice has been deposited by members under subsection (2) of section 249B calling for an audit in relation to these financial statements.
- c) The directors acknowledge their responsibilities for:-
- (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 September 1996 and of its profit for the financial year in accordance with the requirements of section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 27 November 1996

C P GOODFORD - DIRECTOR

The accompanying accounting policies and notes form an integral part of these financial statements.

MOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1996

1 Turnover and profit (loss) on ordinary activities before taxation

The turnover and profit (loss) before taxation is attributable to one activity, the sale of computer software.

2 Directors and employees

Staff costs during the year:

	1996 £	1995 £
Wages and salaries	3,645	24,299
Social security costs	-	2,430
Pension costs	-	20,000
	<u>£3,645</u>	<u>£46,729</u>

The average number of employees of the company during the year was 3 (1995 : 3).

Staff costs include remuneration in respect of directors, as follows:

	1996	1995
Management remuneration	<u>£3,645</u>	<u>£44,299</u>

3 Tax on profit (loss) on ordinary activities

The taxation charge is made up as follows:

	1996 £	1995 £
Corporation tax @ 24.5%	8,587	-
Double taxation relief	(500)	-
Adjustments in respect of prior period	548	-
	<u>£8,635</u>	<u>£ -</u>

MOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1996

4 Dividends

	1996	1995
Ordinary shares		
Interim dividend £3,000 per share paid 23 September 1996 (1995 : Nil)	£15,000	£ -

5 Tangible fixed assets

	Total £	Office equipment £	Motor vehicles £	Computer £
Cost				
At 1 October 1995	74,859	7,840	15,250	51,769
Additions	12,021	596	-	11,425
At 30 September 1996	£86,880	£8,436	£15,250	£63,194
Depreciation				
At 1 October 1995	62,253	4,214	12,200	45,839
Provided in the year	10,032	844	3,050	6,138
At 30 September 1996	£72,285	£5,058	£15,250	£51,977
Net book amount at 30 September 1996	£14,595	£3,378	£-	£11,217
Net book amount at 30 September 1995	£12,606	£3,626	£3,050	£5,930

6 Debtors

	1996 £	1995 £
Trade debtors	52,351	35,779
Other debtors	1,194	3,398
Prepayments and accrued income	114	824
	£53,659	£40,001

MOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1996

7 Creditors: amounts falling due within one year

	1996 £	1995 £
Corporation tax	4,337	-
Accruals	1,325	1,150
Other creditors	2,879	2,581
Director's current account	1,688	1,879
Director's loan account	15,000	-
	<u>£25,229</u>	<u>£5,610</u>

8 Called up share capital

	1996	1995
Authorised 100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
Allotted, called up and fully paid 5 ordinary shares of £1 each	<u>£5</u>	<u>£5</u>

9 Profit and loss account

	£
At 1 October 1995	51,009
Profit for the year	<u>8,856</u>
At 30 September 1996	<u>£59,865</u>

MOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1996

10 Reconciliation of movements in shareholders' funds

	1996	1995
	£	£
Profit (loss) for the financial year	23,856	(5,442)
Dividends	<u>15,000</u>	<u>-</u>
Net increase (decrease) in shareholders' funds	8,856	(5,442)
Shareholders' funds at 1 October 1995	<u>51,014</u>	<u>56,456</u>
Shareholders' funds at 30 September 1996	<u><u>£59,870</u></u>	<u><u>£51,014</u></u>

11 Capital commitments

There were no capital commitments at 30 September 1996 or 30 September 1995.

12 Contingent liabilities

There were no contingent liabilities at 30 September 1996 or 30 September 1995.