COMPANY REGISTRATION NUMBER 1866803

MOLECULAR DISCOVERY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2004

SOBELL RHODES
Chartered Accountants
Monument House
215 Marsh Road
Pinner
Middlesex
HA5 5NE

MOLECULAR DISCOVERY LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2004

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MOLECULAR DISCOVERY LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTOR

YEAR ENDED 31 MARCH 2004

As described on the balance sheet, the director of the company is responsible for the preparation of the abbreviated financial statements for the year ended 31 March 2004, set out on pages 2 to 6.

You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited abbreviated financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

SOBELL RHODES
Chartered Accountants

Monument House
215 Marsh Road
Pinner
Middlesex
HA5 5NE

4 January 2005

MOLECULAR DISCOVERY LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2004

	Note	2004 £	2004 £	2003 £	2003 £
FIXED ASSETS	**2**				
Tangible assets			**13,615**		13,264
CURRENT ASSETS					
Debtors		**197,410**		97,493	
Investments		**300,000**		-	
Cash at bank and in hand		**794,090**		830,037	
		1,291,500		927,530	
CREDITORS: Amounts falling due within one year		**257,867**		249,866	
NET CURRENT ASSETS			**1,033,633**		677,664
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,047,248**		690,928
PROVISIONS FOR LIABILITIES AND CHARGES			**3,590**		3,320
			1,043,658		687,608

The Balance sheet continues on the following page.

The notes on pages 4 to 6 form part of these abbreviated accounts.

MOLECULAR DISCOVERY LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

31 MARCH 2004

	Note	2004 £	2003 £
CAPITAL AND RESERVES			
Called-up equity share capital	4	5	5
Profit and loss account		1,043,653	687,603
SHAREHOLDER'S FUNDS		1,043,658	687,608

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

(i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated financial statements 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 27 December 2004.

DR G CRUCIANI
Director
G Cruciani

The notes on pages 4 to 6 form part of these abbreviated accounts.

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).

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:

Furniture and equipment - 25% on cost

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

> Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
>
> Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. ACCOUNTING POLICIES *(continued)*

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.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 April 2003	**19,963**
Additions	**7,123**
At 31 March 2004	**27,086**
DEPRECIATION	
At 1 April 2003	**6,699**
Charge for year	**6,772**
At 31 March 2004	**13,471**
NET BOOK VALUE	
At 31 March 2004	**13,615**
At 31 March 2003	13,264

3. RELATED PARTY TRANSACTIONS

Molecular Discovery Limited related parties, the nature of the relationship and the extent of the transactions with them are summarised below:

Diplema 463 Limited

The company is a wholly owned subsidiary of Molecular Discovery Limited.

During the year the company paid Royalties in the amount of £55,036 (2003-£68,208) and Dividends in the amount of £60,000 (2003-£45,000) to Diplema 463 Limited.

At the period end, the company owed £73,560 (2003-£93,535) to Diplema 463 Limited.

MOLECULAR DISCOVERY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2004

4. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
100 Ordinary shares of £1 each	**100**	100

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	**5**	**5**	5	5

5. ULTIMATE PARENT COMPANY

The ultimate parent company is Diplema 463 Limited, a company registered in England and Wales.