

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2005

FOR

CARDAX (EUROPE) LIMITED



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FOR THE YEAR ENDED 30TH JUNE 2005**

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CARDAX (EUROPE) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2005

DIRECTOR: W. M. Gallagher

SECRETARY: J. Spackman

REGISTERED OFFICE: Security House
Unit 5, Eastboro Fields
Hemdale Business Park
Nuneaton
Warwickshire
CV11 6GL

REGISTERED NUMBER: 2322638

AUDITORS: McCranor Kirby Smale Limited
Chartered Accountants
Registered Auditors
Clifford House
38-44 Binley Road
Coventry
West Midlands
CV3 1JA

**REPORT OF THE INDEPENDENT AUDITORS TO
CARDAX (EUROPE) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages three to five, together with the financial statements of Cardax (Europe) Limited for the year ended 30th June 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



McCranor Kirby Smale Limited
Chartered Accountants
Registered Auditors
Clifford House
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CV3 1JA

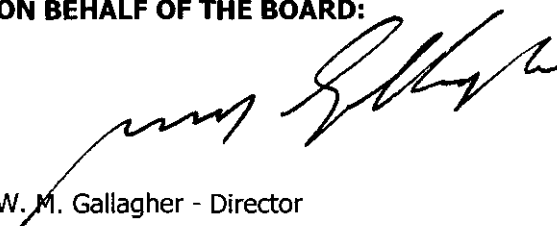
5th July 2006

CARDAX (EUROPE) LIMITED
ABBREVIATED BALANCE SHEET
30TH JUNE 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	2	-	64,871
CURRENT ASSETS			
Stocks		-	154,812
Debtors		-	260,778
Cash at bank and in hand		-	59,063
		-	474,653
CREDITORS			
Amounts falling due within one year		<u>1,277,231</u>	<u>217,040</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,277,231)</u>	<u>257,613</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,277,231)</u>	<u>322,484</u>
CREDITORS			
Amounts falling due after more than one year		-	<u>1,599,715</u>
NET LIABILITIES		<u>(1,277,231)</u>	<u>(1,277,231)</u>
CAPITAL AND RESERVES			
Called up share capital	3	50,000	50,000
Profit and loss account		<u>(1,327,231)</u>	<u>(1,327,231)</u>
SHAREHOLDERS' FUNDS		<u>(1,277,231)</u>	<u>(1,277,231)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



W. M. Gallagher - Director

Approved by the Board *on 28TH JUNE 2006*

CARDAX (EUROPE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2005

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the going concern basis, which is dependent upon the continued support of its ultimate parent company, Gallagher Group Limited.

Accounting convention

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).

The company was dormant throughout the year ended 30th June 2005. However, reference to information relating to the year ended 30th June 2004 has been made where appropriate.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

<i>Improvements to property</i>	- equal instalments over the lease period
Plant and machinery	- 33% on reducing balance
Office equipment	- 25% on reducing balance
Motor vehicles	- 33% on reducing balance
Computer equipment	- 30% to 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Going Concern

The company's ultimate parent company has confirmed that it will continue to make such financial support as is required to enable the company to meet its liabilities following the cessation of trading on 30th June 2004. Having considered this and all other information available to him up to the date on which the financial statements were approved, the director considers that it is appropriate to prepare the financial statements on a going concern basis.

CARDAX (EUROPE) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 30TH JUNE 2005

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1st July 2004	140,998
Disposals	<u>(140,998)</u>
At 30th June 2005	-
DEPRECIATION	
At 1st July 2004	76,127
Eliminated on disposal	<u>(76,127)</u>
At 30th June 2005	-
NET BOOK VALUE	
At 30th June 2005	-
At 30th June 2004	<u>64,871</u>

3. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005 £	2004 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

4. ULTIMATE PARENT COMPANY

The ultimate parent company is Gallagher Group Limited, a company registered in New Zealand.