

Co. Reg.

Company No: 2342183

**ADAMAS INDUSTRIES PLC**

**Financial Statements  
Year to 31st December 2004**



**TAYLOR, VINEY & MARLOW**  
Chartered Accountants  
Registered Auditors  
1422/24 London Road  
Leigh on Sea  
Essex  
SS9 2UL

**Directors' report  
for the year ended 31 December 2004**

The directors present their report and the audited financial statements for the year ended 31 December 2004.

**Principal activity**

The principal activity of the company is that of an investment holding company.

**Results**

The company did not trade and was dormant throughout the year.

**Review of business**

Following the sale of the major investments during the year ended 31 August 1991, the directors are considering its future activities.

**Dividends**

In view of the retained losses, no dividend is permitted and the directors, therefore, cannot recommend one.

**Directors**

The directors of the company during the year were:

J A F Walker  
D J Pett

**Directors' interests in shares of the company**

The directors do not have any disclosable interest in the shares of the company.

**Statement of directors' responsibilities**

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;

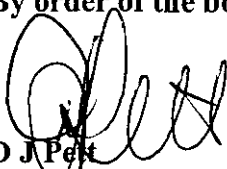
- \* follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**Auditors**

A resolution to reappoint the auditors, Taylor, Viney & Marlow, will be proposed at the annual general meeting.

**By order of the board**



**D J Pelt**  
**Secretary**

23<sup>rd</sup> September 2005.

**Independent auditors report to the members of Adamas Industries plc**

We have audited the financial statements of Adamas Industries Plc for the year ended 31<sup>st</sup> December 2004 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

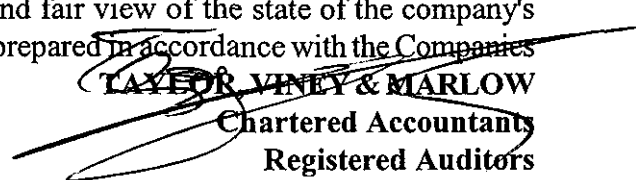
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and have been properly prepared in accordance with the Companies Act 1985.

  
**TAYLOR VINEY & MARLOW**  
Chartered Accountants  
Registered Auditors  
1422/24, London Road,  
Leigh on Sea Essex SS9 2UL

23<sup>rd</sup> September 2005.

**Profit and loss account  
for the year ended 31 December 2004.**

	Notes	2004 £	2003 £
Interest receivable		-	-
Interest payable		-	-
		<hr/>	<hr/>
Administration expenses		-	-
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation - continuing activities</b>		-	-
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>Result for the year</b>		<hr/>	<hr/>

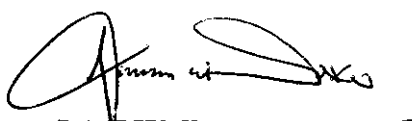
The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

Movements on reserves are set out in note 10.

**Balance sheet**  
**at 31 December 2004**

	Notes	2004 £	2003 £
<b>Current assets</b>			
Cash at bank and in hand		-	235299
		<u>-</u>	<u>235299</u>
<b>Creditors: amounts falling due within one year</b>	6	(471)	(235770)
<b>Net current (liabilities)/assets</b>		<u>(471)</u>	<u>(471)</u>
<b>Total assets less current liabilities</b>		<u>(471)</u>	<u>(471)</u>
<b>Creditors: amounts falling due after more than one year</b>	7	(2,911,907)	(2,911,907)
<b>Net liabilities</b>		<u>(2,912,378)</u>	<u>(2,912,378)</u>
<b>Capital and reserves</b>			
Called up share capital	8	12,500	12,500
Profit and loss account	9	(2,924,878)	(2,924,878)
<b>Shareholders' funds</b>	10	<u>(2,912,378)</u>	<u>(2,912,378)</u>

The financial statements on pages 4 to 8 were approved by the board of directors on the date stated below and were signed on its behalf by:



**J A F Walker**  
**Director**

23<sup>rd</sup> September 2005.

**Notes to the financial statements  
for the year ended 31 December 2004.**

**1 Basis of preparing the financial statements - going concern**

As set out in the directors' report, the directors are responsible for preparing financial statements that give a true and fair view. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The immediate parent company, Alfa International Limited has given a written indication that it will not call the inter company loan for repayment within one year from the balance sheet date.

**2 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

**Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

**3 Cash flow statement**

There is no requirement to publish a cash flow statement as the Company was dormant during the period and no cash flows were derived.

**4 Staff costs**

There was no remuneration paid. There were two employees (including executive directors) during 2004 (2003: two employees).

**5 Taxation**

There is no liability to taxation.

**6 Creditors: amounts falling due within one year**

	2004 £	2003 £
Accruals	<u>471</u>	<u>235770</u>

**7 Creditors: amounts falling due after more than one year**

	2004 £	2003 £
Due to parent company	<u>2,911,907</u>	<u>2,911,907</u>

This amount is due to the immediate parent company, Alfa International Limited.  
It is non interest bearing and has no fixed terms of repayment other than it not being repayable within one year.

**8 Called up share capital**

	2004 £	2003 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and partly paid</b>		
50,000 ordinary shares of £1 each	<u>12,500</u>	<u>12,500</u>



**9 Profit and loss account**

	2004 £	2003 £
At 1 January 2004	(2,924,878)	(2,924,878)
Result for the period	-	-
<b>At 31 December 2004</b>	<u><u>(2,924,878)</u></u>	<u><u>(2,924,878)</u></u>

**10 Reconciliation of movements in shareholders' funds**

	2004 £	2003 £
Result for the period	-	-
Opening shareholders' funds at 1 January 2004	(2,912,378)	(2,912,378)
<b>Closing shareholders' funds at 31st December 2004</b>	<u><u>(2,912,378)</u></u>	<u><u>(2,912,378)</u></u>

**11 Ultimate parent company**

The Company is a wholly owned subsidiary of Alfa International Limited, a company incorporated in England. The ultimate parent company is Abacus (CI) Limited, a company registered in Jersey.