Cobra Biologics Limited

Registration Number: 2710654

Cobra Biologics Limited

Report and Financial Statements

For the Year Ended 30 September 2007

Contents

Report of the Directors

The directors of Cobra Biologics Limited present their report to the shareholders, together with the audited financial statements for the year ended 30 September 2007

Principal Activities

The principal activity of the Company is the provision of manufacturing services for protein, virus and DNA based pharmaceuticals

Results and Dividend

The loss for the year after providing for taxation was £1 8m (2006 £0 1m profit) and an equivalent amount has been deducted from the income statement The Directors do not propose the payment of a dividend (2006 nil) The accumulated deficit carried forward is £35 5m (2005 £33 7m)

Enhanced Business Review

Operations: Cobra Biologics Limited is an international provider of manufacturing services for the global biopharmaceutical industry The Company operates two UK based manufacturing facilities, one located in Keele, Staffordshire and the other in Cowley, Oxfordshire

Markets Cobra's primary market for its services is in North America, a region that attracted in 2006 86% or \$23 8bn[1] of the \$27 8bn[1] global research and development expenditure on biopharmaceuticals The global outsourced biopharmaceutical market is currently worth \$2 8bn[2]

The vast majority of the biopharmaceutical market is for protein based manufacturing services, but there is also an available growing specialised niche market for virus based manufacturing services and DNA also maintains a steady demand Cobra can uniquely provide manufacturing services for all of these segments in addition to cell based therapies

Sales and marketing: North America is still the main source of revenue with 65% of the total in 2007 (2006 85%) achieved through a US based sales force of 3 sales executives, covering the major biotechnology hubs of the US In addition the Company has a sales executive who covers Europe including the UK, a territory that generated 33% of revenue in the year (2006 13%) The sales team focus on mid-size biotechnology product companies with a requirement for process development expertise and specialised manufacturing services

Research and development. To maintain the Company's scientific competitive edge, Cobra has a molecular biology team, which employs 6 people (2006 5), through which the Company generates revenue from customer's research contracts, develops its own intellectual property, through innovative manufacturing processes, in addition to the Company's oral vaccine platform technology, ORT VAC

Contract values: These are variable and range from £0 1m to £4 5m, dependent upon the size and complexity of the programme It usually follows that the further down the regulatory process our customer is the higher the value of the potential contract The Company has been more successful over the last 2 years in winning bigger contracts that are longer term in nature

Commercial Risks

The key commercial risks facing the Company are as follows

Recruitment, retention and training of employees: Cobra operates in a knowledge based industry and recognises the importance of the recruitment and retention of its highly skilled workforce

Customer product failure: The biopharmaceutical product failure rate is similar to the failure rate of conventional pharmaceuticals in that ca90% of phase I drugs fail to reach the commercial market Cobra attempts to mitigate this risk, by ensuring it has a wide customer base, working with 33 customers in 2007 (2006 35), operating in all the biopharmaceutical market segments and being thorough in its customer due diligence

Regulatory compliance: Cobra is under constant pressure, from the UK pharmaceutical regulator, the Medical and Healthcare Products Regulatory Agency (MHRA), as with all companies in the sector, through the EU Clinical Trials Directive to ensure that both of our manufacturing facilities provide services that are consistent and achieve the appropriate quality standards, termed current Good Manufacturing Practice (cGMP) Non regulatory compliance with the MHRA may result in production delays or even closure of our facilities until corrective action is in place This risk is managed by employing and maintaining an experienced quality team of 30 employees across both facilities (2006 27) two of which are Qualified Persons (QP)

Customer funding: The global biopharmaceutical industry raised \$30 7bn[3] worth of funding in 2007 (2006 \$29 8bn) The majority of Cobra's customers are mid sized biopharmaceutical companies, who are reliant upon funding from the capital markets for their product development Cobra has a market intelligence capability, which constantly monitors global pipeline funding and which companies are receiving that funding The Company always carries out financial due diligence on all its customers prior to contract signature

Report of the Directors (continued)

Enhanced Business Review (continued)

Capital investment requirements: Both the Keele and Oxford facilities are maintained to both full cGMP and MHRA compliance, and it is essential we maintain our facilities to these standards Capital investment is therefore key to ongoing activities

Exchange rates fluctuations· Revenue is currently primarily derived from either North America in US dollars or Continental Europe in Euros and therefore any significant shift in the USD/£ or Eu/£ exchange rate may hinder/help our competitive position This risk is partially alleviated by our specialist skills being relatively price insensitive, currency hedging activities when appropriate and overseas expenditure

Key performance indicators

The Company's Directors do not believe that key performance indicators for the Company are necessary for an understanding of the development, performance or position of the Company An overview of the performance of the Company's business is included in the parent company's Annual Report

Directors

The Directors who held office during the year were as follows

Peter Coleman
Peter Fothergill
David Thatcher[4]

[4] On 18 January 2008, David Thatcher stepped down as a Director, to be replaced by Simon Saxby

No other Director had any interest in the share capital of the Company during the year The interests of the Directors in the shares of the ultimate parent undertaking, Cobra Biomanufacturing Plc, are shown in those Company's accounts

Policy in Respect of Supplier Payments

The Company agrees the terms and conditions for transactions with suppliers and pay suppliers within the agreed time, provided that suppliers comply with those terms and conditions

Environmental Policy

The Company is committed to the continuous improvement of good environmental practice Whilst our activities have a relatively low environmental impact, we recognise the importance of compliance with relevant environmental legislation and seek to reduce progressively the impact of the business on the environment

The Company complies with the Environmental Agency's directive 'Treatment of Non-Hazardous Waste for Landfill', which requires the Company to whenever possible recycle non-hazardous waste at source, such as paper, cardboard, aluminium and steel cans, plastic bottles, neon tubes and batteries The Company also complies with the EU's 'Waste Electrical and Electronic Equipment' Regulations which requires the separate collection, treatment, recovery and environmentally sound disposal of its electrical equipment

The Company has been audited by the Carbon Trust to find ways of reducing its carbon footprint and is currently implementing its recommendations and will continue to look for ways to minimise the use of valuable resources and monitor its environmental performance on a regular basis

Health and Safety

The Company considers health and safety to be a top priority in it workplace and is committed to continual improvement of its already high standards of operating its Safety, Health, Environmental and Fire Protection Procedures through the training of all its employees

Charitable and Political Contributions

During the year the Company made no political or charitable contributions (2006 nil)

Employee Involvement

The Company recognises and seeks to encourage the involvement of its employees, with the aim being to recruit, motivate and retain employees Employees are given training where appropriate

Each employee receives a staff handbook, which outlines the Company's employment policies and includes a commitment to equal opportunities The handbook is designed to attract and motivate employees regardless of sex, race, religion or disability The staff handbook has also been updated to reflect the new Employment Equality (Age) Regulations which came into force on 1 October 2006 and wherever practicable gives full consideration to applications for employment from disabled persons

The Company operates an annual bonus scheme and through the Parent Company a share option scheme, which grants options to individuals within the Enterprise Management Incentive Scheme

Report of the Directors (continued)

Pension Scheme

The Company operates a defined contribution pension scheme established with Scottish Widows Plc The assets of the scheme are held separately from those of the Company and are independently administered

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Report of the Directors and the associated financial statements in accordance with applicable laws and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with IFRS as adopted by the European Union The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985

IAS 1 requires that the financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows This requires the faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements' In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs However, Directors are also required to

1 properly select and apply accounting policies,

2 present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,

3 provide additional disclosures when compliance with specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and

4 make an assessment of the Company's ability to continue as a going concern

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Parent Company's website Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions

Going Concern

The Directors have reviewed the budget, cash flow and other relevant information and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future For this reason, the Directors continue to adopt the going concern basis for the preparation of the financial statements

Auditors

In the case of each of the persons who are Directors of the Company at the date when this report is approved

1 as far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's Auditors are unaware, and

2 each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any audit information (as defined) and to establish that the Company's auditors are aware of that information

This statement is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985 Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

On behalf of the Board

Peter Coleman
Finance Director and Company Secretary
20 February 2008

(1) Ernst and Young's Beyond Borders Global Biotechnology Report 2007
(2) Hi Tech Business Decisions 2007
(3) BioCentury 07/01/2008

Independent Auditors' Report to the members of Cobra Biologics Limited

We have audited the financial statements of Cobra Biologics Limited for the year ended 30 September 2007 which comprises the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 27 These financial statements have been prepared under 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 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 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

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions is not disclosed

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements This other information comprises the Report of the Directors We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any further information outside the Annual Report

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 30 September 2007 and its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and,
- the information given in the Report of the Directors is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom
20 February 2008

Cobra Biologics Limited
Income Statement
For the year ended 30 September 2007

	Notes	2007 £000's	2006 £000's
Revenue	4	9,194	10,145
Cost of sales		(5,329)	(4,808)
Gross profit	5	3,865	5,337
Sales, marketing and distribution costs		(1,058)	(1,079)
Research and development		(606)	(401)
Administrative expenses (excluding share based payments)		(3,904)	(3,737)
Share based payments		(30)	(113)
Total administrative expenses		(3,934)	(3,850)
Reorganisation costs		(90)	-
Operating (loss)/profit		(1,823)	7
Finance income	8	47	132
Finance costs	9	(151)	(123)
(Loss)/profit before tax	6	(1,927)	16
Taxation	10	110	55
(Loss)/profit for the year		(1,817)	71

The results for the year and preceding year are derived from continuing activities

Cobra Biologics Limited
Balance Sheet
As at 30 September 2007

	Notes	2007 £000's	2006 £000's
Non current assets			
Property, plant and equipment	11	8,504	8,355
Intangible assets	12	143	160
		8,647	8,515
Current assets			
Inventories	13	382	595
Trade and other receivables	14	1,412	2,207
Cash and cash equivalents		2	156
		1,796	2,958
Total assets		10,443	11,473
Current liabilities			
Bank loans and overdraft	16	(194)	-
Obligations under finance leases	17	(639)	(470)
Trade and other payables	15	(1,916)	(2,723)
		(2,749)	(3,193)
Net current liabilities		(953)	(235)
Non current liabilities			
Bank loans	16	(1,916)	-
Obligations under finance leases	17	(890)	(1,004)
Amount due to parent company		(10,104)	(10,675)
		(12,910)	(11,679)
Total liabilities		(15,659)	(14,872)
Net liabilities		(5,216)	(3,399)
Equity			
Share capital	19	1,389	1,389
Share premium		28,940	28,940
Income statement		(35,545)	(33,728)
Total equity		(5,216)	(3,399)

The financial statements on pages 5 to 25 were approved by the Board of Directors on 20 February 2008 and were signed on its behalf by:

Peter Fothergill
Director

Peter Coleman
Director

Cobra Biologics Limited
Balance Sheet
As at 30 September 2007

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Share premium		28,940	28,940
Income statement		(35,545)	(33,728)
Total equity		(5,216)	(3,399)

The financial statements on pages 5 to 25 were approved by the Board of Directors on 15 February 2008 and were signed on its behalf by:

Peter Fothergill
Director

Peter Coleman
Director

Cobra Biologics Limited
Cash Flow Statement
For the year ended 30 September 2007

	Notes	2007 £000's	2006 £000's
Net cash (outflow)/inflow from operating activities	20	(608)	923
Investing activities			
Payments to acquire property, plant and equipment		(1,069)	(1,484)
Payments to acquire intangible assets		(4)	(157)
Net cash outflow from investing activities		(1,073)	(1,641)
Financing activities			
New borrowings		2,030	-
(Decrease)/increase in amounts owed to parent company		(571)	418
Lease finance acquired via sale and leaseback		558	504
Repayment of capital elements of finance leases		(502)	(372)
Increase in overdraft		80	-
Finance income		9	5
Interest on bank loans		(45)	(33)
Interest element of finance leases		(106)	(94)
Net cash inflow from financing activities		1,453	428
Decrease in cash and cash equivalents		(228)	(290)
Opening cash and cash equivalents		156	368
Effect of foreign exchange gains		74	78
Closing cash and cash equivalents		2	156

Cobra Biologics Limited
Statement of Changes in Equity
As at 30 September 2007

	Share capital £000's	Share premium £000's	Income statement £000's	Total £000's
At 1 October 2005	1,389	28,940	(33,799)	(3,470)
Profit for the year	-	-	71	71
At 30 September 2006	1,389	28,940	(33,728)	(3,399)
Loss for the year	-	-	(1,817)	(1,817)
At 30 September 2007	1,389	28,940	(35,545)	(5,216)

Notes to the Financial Statements for the year ended 30 September 2007

1. General information

Cobra Biologics Limited is a company incorporated in the UK under the Companies Act 1985 The address of the registered office is given on page 24 The nature of the Company's operations and its principal activities are set out in note 5 and in the Enhanced Business Review on pages 1 and 2

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates

At the date of signing these financial statements, the following standards and Interpretations which have not been applied in these financial statements were in issue not effective

IFRS 7	*Financial Instruments Disclosures*, and the Related Amendments to IAS 1 on Capital Disclosures
IFRS 8	*Operating Segments*
IFRIC 10	*Interim Financial Reporting and Impairment*
IFRIC 12	*Service Concession Arrangements*
IFRIC 13	*Customer Loyalty Programmes*
IFRIC 14/IAS 19	*The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions*

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company, except for the additional disclosures on the adoption of IFRS 7

2. Significant accounting policies

Basis of preparation: The Company's previous financial statements have been prepared under UK Generally Accepted Accounting Practice (UK GAAP) However for the financial year ended 30 September 2007, the Company has decided to prepare its annual consolidated financial statements in accordance with IFRS as adopted by the EU and implemented in the UK

The presentation of financial information under IFRS is governed by IFRS 1 In some cases this will require the presentation of an item in a different position, or the use of a different description in the IFRS income statement or balance sheet to that adopted in the UK GAAP profit and loss account or balance sheet These reclassifications have been described in the explanatory notes

An explanation of how the transition from UK GAAP to IFRS has affected the Company's profit for the year and income statement for the year ended 30 September 2006, and the equity and balance sheets as at 1 October 2005 and 30 September 2006 is set out in note 24 on pages 20 to 23

Revenue: Excludes value added tax and represents amounts receivable in respect of the sale of services during the year Revenue on contracts is invoiced in accordance with the terms of the agreement with the customer Non refundable capacity reservation fees, which are usually invoiced and paid upon contractual signature, are recognised as revenue as the contract progresses The remainder of the contractual revenue is recognised upon the stage of completion when the outcome of the contract can be foreseen with reasonable certainty and after allowing for costs of completion

Research and development expenditure: Expenditure on new manufacturing process improvements or know how, which includes internal wage costs and external costs incurred in patenting, external studies and consultancy which the Company is satisfied that it is probable that future economic benefit will result, is capitalised as an intangible asset and amortised through research and development expenditure over its expected useful life Capitalisation commences from the point at which the technical feasibility and commercial viability can be demonstrated

Expenditure that does not meet the above criteria is written off in the period in which it is incurred

Intangible assets: Are stated at cost less provisions for amortisation and impairments Patents and know how are amortised over their estimated useful economic lives from the time they are available for use The estimated useful lives for determining the amortisation charge are reviewed annually

Property, plant and equipment: Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost less residual value of each asset evenly over its expected useful life as follows

Freehold buildings	between 15 and 50 years
Plant and laboratory equipment	between 6 67 and 15 years
Short leasehold building improvements	6 67 years
Office equipment	4 years
Motor vehicles	3 years

Notes to the Financial Statements for the year ended 30 September 2007

2 Significant accounting policies (continued)

Property, plant and equipment (continued): The cost of property, plant and equipment includes directly attributable finance costs, calculated on a day to day basis, on expenditure incurred during construction and modification The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable Assets under construction include the costs directly attributable to bringing the asset into working condition for its intended use

Taxation The tax income represents the sum of the current tax receivable and deferred tax The tax currently receivable is based on the taxable (loss)/profit for the year Taxable losses differ from the net (loss)/profit as reported in the income statement because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable (loss)/profit, and is accounted for using the balance sheet asset method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax (loss)/profit nor the accounting (loss)/profit

Deferred tax liabilities are recognised for taxable temporary differences arsing from investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited direct to equity, in which case the deferred tax is also dealt with in equity Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

Government grants: In respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal instalments Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

Inventories Are stated in the balance sheet at the lower of cost incurred in bringing each element of inventory to its present location and condition, and net realisable value Cost is calculated on a first in first out basis

Raw materials purchase cost on a first in first out basis
Work in progress cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal and provision is also made for slow moving or obsolete items

Leasing and hire purchase commitments: Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised in the balance sheet and are depreciated over their useful lives

The interest element of the rental obligations is charged to the income statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Share based payments: The Company has applied the requirements of IFRS 2 'Share Based Payments' In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002, that were unvested at 1 October 2005

The Company makes equity settled share based payments to its employees and directors Equity settled share based payments are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period of the award At each balance sheet date, Cobra revises its estimate of the number of options that are expected to become exercisable

Notes to the Financial Statements for the year ended 30 September 2007

2. Significant accounting policies (continued)

Share based payments (continued): the value of any shares or options granted is charged to the income statement over the period the shares vest, with a corresponding credit to the inter company account When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium

Short term investments: Assets in this category are held at amortised cost and are short term deposits with original maturities of more than three months

Cash and cash equivalents: Include cash in hand and at bank and short term deposits with original maturities of three months or less

Foreign currencies: Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date All differences are taken to the income statement

Financial instruments: The Company uses financial instruments to reduce exposure to foreign exchange risk and interest rate movements The Company does not currently hedge account, nor does it hold or issue derivative financial instruments for speculative purposes The criteria for forward foreign currency contracts are

- The instrument must be related to a firm foreign currency commitment,
- It must involve the same currency as the hedged item, and
- It must reduce the risk of foreign currency exchange rate movements on the Company's operation

Employee benefits: The Company operates a defined contribution pension scheme, covering all eligible employees Contributions to the pension scheme and all other employee benefit costs, most notably holiday pay are charged to the income statement on an accruals basis

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in note 2, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below)

Revenue recognition: In making its judgement with regard to revenue recognition for its manufacturing services business, the Directors considered the detailed criteria for the recognition of revenue for the provision of services set out in IAS 18 'Revenue' and in particular for each service contract whether a stage deliverable had been achieved

Key sources of estimation uncertainty

Impairment of assets: Determining whether non current assets of the Company are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated The value in use requires management to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value

Additionally, estimates and assumptions have been made by the Directors in respect of the fair values of share options, the estimated useful life of tangible and intangible assets, accruals and prepayments

4. Revenue

All revenue is generated from continuing operations, the analysis of which is as follows

	2007	2006
	£000's	£000's
The rendering of service	**9,099**	10,145
License revenue	**95**	-
	9,194	10,145

Finance income is disclosed separately in the income statement and has been excluded from this note

The licensing revenue generated in the year was received from a North American customer, whose product type was protein and the payment is associated with contract manufacturing services

Notes to the Financial Statements for the year ended 30 September 2007

5. Business and geographical segments

The Company provides contract manufacturing services for the biopharmaceutical industry

Management segments the Company's service contracts by revenue and gross profit contribution into business segments, defined by the customer's product type (i e protein, virus, DNA and Cell Line) and geographically, by the four key territories in which its customers are located (North America, Europe excluding UK, UK and Rest of the World) to provide some level of trend performance, recognising that there will always be a degree of variability in segmental performance due to the technical complexity and scientific uniqueness of each service contract

Management does not allocate sales, marketing and distribution costs, research and development, administrative expenses, share based payments, finance income, finance costs, taxation and net assets to individual service contract or business or geographic segments, as they are regarded by the Company as central overheads/assets

Business segments: The business segmental results for 2007 and 2006 are as follows

2007	Protein £000's	Virus £000's	DNA £000's	Cell Line £000's	Total £000's
Revenue by customer product type	4,288	2,802	1,817	287	9,194
Cost of sales	(2,378)	(1,318)	(1,522)	(111)	(5,329)
Gross profit	1,910	1,484	295	176	3,865
Sales, marketing and distribution costs					(1,058)
Research and development					(606)
Admin exps (ex share based payments)					(3,904)
Share based payments					(30)
Total administrative expenses					(3,934)
Reorganisation costs					(90)
Operating loss					(1,823)
Finance income					47
Finance costs					(151)
Loss before tax					(1,927)
Taxation					110
Loss for the year					(1,817)
Net liabilities					(5,216)

Notes to the Financial Statements for the Year Ended 30 September 2007

5. Business and geographical segments (continued)

2006	Protein £000's	Virus £000's	DNA £000's	Cell Line £000's	Total £000's
Revenue by customer product type	6,742	1,946	1,013	444	10,145
Cost of sales	(3,184)	(824)	(637)	(163)	(4,808)
Gross profit	3,558	1,122	376	281	5,337
Sales, marketing and distribution costs					(1,079)
Research and development					(401)
Admin exps (ex share based payments)					(3,737)
Share based payments					(113)
Total administrative expenses					(3,850)
Operating profit					7
Finance income					132
Finance costs					(123)
Profit before tax					16
Taxation					55
Profit for the year					71
Net liabilities					(3,399)

Geographic segments: the geographical segmental results for 2007 and 2006 are as follows

2007	**North America £000's**	**Europe (excl UK) £000's**	**UK £000's**	**Rest of the World £000's**	**Total £000's**
Revenue by customer location	**5,985**	**2,834**	**212**	**163**	**9,194**
Cost of sales	**(2,645)**	**(2,515)**	**(125)**	**(44)**	**(5,329)**
Gross profit	**3,340**	**319**	**87**	**119**	**3,865**
Sales, marketing and distribution costs					**(1,058)**
Research and development					**(606)**
Admin exps (ex share based payments)					**(3,904)**
Share based payments					**(30)**
Total administrative expenses					**(3,934)**
Reorganisation costs					**(90)**
Operating loss					**(1,823)**
Finance income					**47**
Finance costs					**(151)**
Loss before tax					**(1,927)**
Taxation					**110**
Loss for the year					**(1,817)**
Net liabilities					**(5,216)**

Notes to the Financial Statements for the Year Ended 30 September 2007

5 Business and geographical segments (continued)

2006	North America £000's	Europe (Excl UK) £000's	UK £000's	Rest of the World £000's	Total £000's
Revenue by customer location	8,657	703	589	196	10,145
Cost of sales	(3,990)	(392)	(361)	(65)	(4,808)
Gross profit	4,667	311	228	131	5,337
Sales, marketing and distribution costs					(1,079)
Research and development					(401)
Admin exps (ex share based payments)					(3,737)
Share based payments					(113)
Total administrative expenses					(3,850)
Operating profit					7
Finance income					132
Finance costs					(123)
Profit before tax					16
Taxation					55
Profit for the year					71
Net liabilities					(3,399)

6. (Loss)/profit for the year

This is stated after charging/(crediting):	**2007 £000's**	2006 £000's
Research and development	**606**	401
Amortisation of patents	**17**	1
Depreciation of owned assets	**559**	509
Depreciation of assets held under finance leases	**291**	228
Operating leases - plant and machinery	**45**	37
Operating leases - land and buildings	**258**	240
Government grants	**(96)**	(72)
Fees payable to Company's auditors for the audit of the Company's annual accounts		
Audit of Company's financial statements	**16**	15
Fees payable to Company's auditors for other services to the Company		
Other services pursuant to legislation	**4**	4
Tax services	**3**	25
Other services	**2**	-
Total non audit fees	**9**	29

7. Staff costs

Directors' remuneration

	2007 £000's	2006 £000's
Aggregate emoluments	**406**	428
Company contributions to defined contributions pension schemes	**40**	39
	446	467

Remuneration to highest paid director

	2007 £	2006 £
Aggregate emoluments	**187**	200
Company contributions to defined contributions pension schemes	**17**	17
	204	217

There are 3 directors (2006 3) to whom retirement benefits are accruing under defined benefit contributions pension schemes

Employees

	2007 £000's	2006 £000's
Wages and salaries	**4,271**	3,838
Social security costs	**422**	356
Other pension costs	**201**	174
	4,894	4,368

The average monthly number of employees during the year was made up as follows

	2007 No.	2006 No
Manufacturing	**92**	78
Sales, marketing and distribution	**11**	11
Research and development	**6**	5
Administration	**24**	20
	133	114

8. Finance income

	2007 £000's	2006 £000's
Bank interest receivable	**9**	5
Exchange rate gains	**38**	127
	47	132

Notes to the Financial Statements for the Year Ended 30 September 2007

9. Finance costs

	2007 £000's	2006 £000's
Interest payable bank loans	45	33
Interest payable on finance leases	106	94
	151	127
Less interest capitalised	-	(4)
	151	123

10. Taxation

The Company is entitled to Research and Development tax relief under Schedule 20 of the Finance Act 2000, in respect of the years ended 30 September 2007 and 2006

	2007 £000's	2006 £000's
Taxation on (loss)/profit on ordinary activities		
Current tax		
Tax credit in relation to R&D claim	(100)	(55)
Adjustments in respect of previous periods	(10)	-
	(110)	(55)

Factors affecting the tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK The differences are explained below

	2007 £000's	2006 £000's
(Loss)/profit on ordinary activities before tax	(1,927)	16
(Loss)/profit on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 30% (2006 30%)	(578)	5
Effect of		
Disallowed expenses and non taxable income	14	6
Depreciation in excess of / (less than) capital allowances	237	(134)
Other timing differences	18	(11)
Adjustment in respect of previous periods	(10)	-
Loss relief claim	4	16
Losses carried forward	176	-
Difference in R&D rate and standard rate of tax	26	25
Unprovided tax credit	3	-
Difference due to prior year adjustment	-	38
Current tax credit for the year	(110)	(55)

Factors affecting future tax charges

The trading losses carried forward available for set off against future profits arising from the same trade amount to approximately £16 0m (2006 £14 2m)

Notes to the Financial Statements for the Year Ended 30 September 2007

10. Taxation (continued)

Deferred taxation

The deferred tax recognised and not recognised is as follows

	Recognised 2007 £000's	*Not Recognised* 2007 £000's	*Recognised* 2006 £000's	*Not Recognised* 2006 £000's
Accelerated capital allowances	-	(661)	-	(534)
Other timing differences	-	(11)	-	7
Tax losses	-	(4,455)	-	(4,270)
	-	(5,127)	-	(4,797)

The deferred tax asset has not been provided for as it is uncertain whether sufficient profit will arise in the foreseeable future to enable the asset to reverse

11. Tangible fixed assets

	Plant and laboratory equipment £000's	Motor vehicles £000's	Office equipment £000's	Short leasehold building improvements £000's	Freehold land & buildings £000's	Assets under construction £000's	Total £000's
Cost							
At 1 October 2005	6,034	8	688	1,845	3,348	256	12,179
Additions	576	-	156	-	-	865	1,597
Transfers	154	-	-	-	881	(1,035)	-
Decapitalised	(998)	-	(295)	(1 845)	-	-	(3,138)
At 1 October 2006	**5,766**	**8**	**549**	-	**4,229**	**86**	**10,638**
Additions	**790**	-	**68**	-	**7**	**134**	**999**
Transfers	-	-	-	-	**180**	**(180)**	-
At 30 September 2007	**6,556**	**8**	**617**	-	**4,416**	**40**	**11,637**
Depreciation							
At 1 October 2005	2,094	4	528	1,845	213	-	4,684
Charge for the year	503	2	83	-	149	-	737
Decapitalised	(998)	-	(295)	(1 845)	-	-	(3,138)
At 1 October 2006	**1,599**	**6**	**316**	-	**362**	-	**2,283**
Charge for the year	**575**	**2**	**103**	-	**170**	-	**850**
At 30 September 2007	**2,174**	**8**	**419**	-	**532**	-	**3,133**
Carrying amount							
At 30 September 2007	**4,382**	-	**198**	-	**3,884**	**40**	**8,504**
At 30 September 2006	4 167	2	233	-	3,867	86	8,355

The net book value of tangible fixed assets includes £2,013,170 (2006 £1,760,899) in respect of assets held under finance leases The assets under finance leases consist of plant, laboratory and office equipment and motor vehicles

The cost of tangible assets includes £73,754 (2006 £73,754) of capitalised interest relating to the property mortgage loan taken out to purchase freehold land and buildings

Notes to the Financial Statements for the Year Ended 30 September 2007

12. Intangible fixed assets

	Patents £000's
Cost	
At 1 October 2005	-
Additions	161
At 1 October 2006	**161**
Additions	**-**
At 30 September 2007	**161**
Amortisation	
At 1 October 2005	-
Charge for the year	1
At 1 October 2006	**1**
Charge for the year	**17**
At 30 September 2007	**18**
Carrying amount	
At 30 September 2007	**143**
At 30 September 2006	160

Patent costs are amortised evenly over their useful economic lives

13. Inventories

	2007 £000's	2006 £000's
Raw materials & consumables	222	221
Work in progress	160	374
	382	595

14. Trade and other receivables

	2007 £000's	2006 £000's
Trade receivables	786	1,443
Other receivables	274	288
Prepayments	352	476
	1,412	2,207

The average credit period taken on sales of goods is 36 days (2006 48 days) No interest is charged on the receivables that are overdue An allowance has been made for estimated irrecoverable amounts from the sale of goods of £81,967 (2006 £99,996) This allowance relates to specific unpaid balances

The Directors consider that the carrying amount of trade and other receivables approximates their fair value

Notes to the Financial Statements for the Year Ended 30 September 2007

15. Trade and other payables

	2007 £000's	2006 £000's
Trade payables	961	1,021
Taxation	89	83
Deferred income	516	1,195
Accruals and other provisions	350	424
	1,916	2,723

The directors consider the carrying amount of trade payables is approximate to their fair value

16. Bank loans and overdraft

	2007 £000's	2006 £000's
Bank overdraft	80	-
Bank loan	2,030	-
	2,110	-

The bank loans are mortgage facilities, secured against freehold land and buildings They are repayable in monthly instalments, over a 13 year period commencing November 2007 The Company pays an interest rate of 1 65% over the National Westminster Bank Plc's base rate on the bank overdraft and the outstanding mortgage balance

	2007 £000's	2006 £000's
Bank overdraft and loans are repayable as follows:		
Within one year	194	-
In the second year	156	-
In the third to fifth years inclusive	468	-
After five years	1,292	-
	2,110	-
Amount due for settlement within one year	(194)	-
Amount due for settlement after one year	1,916	-

17. Obligations under finance leases

	2007 £000's	2006 £000's
Finance leases are repayable as follows:		
Within one year	639	470
In the second year	511	504
In the third to fifth years inclusive	379	500
	1,529	1,474
Amount due for settlement within one year	(639)	(470)
Amount due for settlement after one year	890	1,004

It is the Company's policy to lease certain plant and equipment The average lease term is 33 months (2006 37 months) For the year ended 30 September 2007 the average effective borrowing was 8 0% (2006 7 5%) Interest rates are fixed at the contract date All lease payments are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments

All lease obligations are denominated in sterling

The fair value of the Company's lease obligations is approximate to their carrying values

The Company's obligations under finance leases are secured by the lessor's rights over the leased assets

Notes to the Financial Statements for the Year Ended 30 September 2007

18. Other financial commitments

At 30 September 2006 the Company had total future outstanding commitments for future minimum lease payments under non cancellable operating leases, which fall due as follows

	Land & buildings			*Other*
	2007	2006	**2007**	2006
	£000's	£000's	**£000's**	£000's
Leases are repayable as follows.				
Within one year	**230**	211	**30**	32
In the second to fifth year inclusive	**728**	620	**30**	21
After five years	**546**	617	**-**	-
	1,504	1,448	**60**	53

Operating lease payments represent rentals payable by the Company for certain of its office equipment and properties Leases are negotiated for an average term of 5 and 12 years respectively and rentals are fixed for an average of 5 and 2 years respectively The Company has no amounts payable under non-cancellable operating leases

19. Share capital

	No (000's).	£000's
Authorised		
At 1 October 2006 and at 30 September 2007	17,633	1,763
	No.	**£**
Allotted, called up and fully paid		
At 1 October 2006 and at 30 September 2007	13,890	1,389

20. Net cash (outflow)/inflow from operating activities

	2007	2006
	£000's	£000's
Operating (loss)/profit	**(1,823)**	7
Reorganisation costs	**90**	-
Depreciation of property, plant & equipment	**850**	737
Amortisation of intangible fixed assets	**17**	1
Decrease/(increase) in inventories	**213**	(364)
Decrease/(increase) in trade and other receivables	**790**	(157)
(Decrease)/increase in deferred income	**(679)**	839
Decrease in trade and other payables	**(131)**	(189)
	(673)	874
R&D tax credit	**65**	49
Net cash (outflow)/inflow from operating activities	**(608)**	923

Notes to the Financial Statements for the Year Ended 30 September 2007

21. Financial instruments

Currency derivatives

The Company utilises currency derivatives to hedge future transactions and cash flows The Company is party to a variety of foreign currency forward contracts and options in the management of its exchange rate exposure The instruments purchased are either denominated in US dollars or Euros At 30 September 2007, total notional amounts of outstanding forward exchange contracts that the Company had committed to are as follows

	2007	2006
	£000's	£000's
Forward foreign exchange contracts	**361**	1,202

These arrangements are designed to address the potential for foreign exchange rate exposure for the contracted forward order book and are renewed on a revolving basis as required

The table below shows the Company's currency exposures that give rise to net currency gains and losses recognised in the profit and loss account Such exposures comprise monetary assets and liabilities of the Company that are not denominated in the operating currency of the operating unit involved

Functional currency of	Net currency monetary assets/(liabilities)			
Company operations	US Dollar	Euro	Other	Total
	£000's	£000's	£000's	£000's
2007				
Sterling	**110**	**51**	**1**	**162**
2006				
Sterling	375	122	2	499

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2006 £114,470)

23. Pension commitments

The company operates a defined contribution pension scheme established with Scottish Widows Plc The assets of the scheme are held separately from those of the company and are independently administered The contributions payable by the company under the scheme amounted to £185,009 (2006 £158,774) Contributions totalling £27,428 (2006 £22,022) were payable at the year end

24. Share based payments

The parent company, Cobra Biomanufacturing Plc operates an unapproved share option scheme for all employees of the Group All of the share options granted under the unapproved share option scheme have been granted at either the closing mid market price on the last dealing day before grant or the average closing mid market price on the last three dealing days before grant The vesting period is 3 years If the options remain unexercised after a period of 10 years after grant, the options expire Options are forfeited if the employee leaves the Company before the options vest

Cobra Biomanufacturing Plc also operates an LTIP scheme for Executive Directors, details of which can be found in the Directors' Remuneration Report of Cobra Biomanufacturing Plc's Annual Report on page 17 Both the LTIP and unapproved share option scheme are able to grant options within the Enterprise Management Scheme

Notes to the Financial Statements for the Year Ended 30 September 2007

24. Share based payments (continued)

Details of the share options outstanding during the year are as follows

Unapproved share option scheme	**2007 Number of share options (000's)**	**2007 Weighted average exercise price (in £)**	2006 Number of share options (000's)	2006 Weighted average exercise price (in £)
Outstanding at the beginning of the year	**1,670**	**0.86**	1,864	0 84
Granted during the year	**59**	**0.56**	38	0 50
Forfeited during the year	**(109)**	**0.89**	(232)	0 67
Exercised during the year	**-**	**-**	-	-
Outstanding at the end of the year	**1,620**	**0.85**	1,670	0 86
Exercisable at the end of the year	**1,505**	**0.88**	1,246	1 01

LTIP scheme	**2007 Number of share options (000's)**	**2007 Weighted average exercise price (in £)**	2006 Number of share options (000's)	2006 Weighted average exercise price (in £)
Outstanding at the beginning of the year	**84**	**nil**	-	nil
Granted during the year	**-**	**nil**	84	nil
Forfeited during the year	**-**	**nil**	-	nil
Exercised during the year	**-**	**nil**	-	nil
Outstanding at the end of the year	**84**	**nil**	84	nil
Exercisable at the end of the year	**-**	**nil**	-	nil

There were no share options exercised in the year (2006 nil) The options outstanding at 30 September 2007 had a weighted average exercise price of £0 81 (2006 £0 82) and a weighted average remaining contractual life of 5 9 years (2006 6 8 years) In financial year 2007, 58,697 options were granted on 15 February 2007 The aggregate of the estimated fair value of those options granted on that date is £21,252 In financial year 2006, 27,198 options were granted on 13 February 2006, 10,458 options were granted on 7 August 2006 and 83,897 options were granted on 24 August 2006 The aggregate of the estimated fair value of those options granted on those dates is £26,081

The inputs into the Black Scholes model are as follows

	2007	2006
Weighted average share price	**£0.75**	£0 75
Weighted average exercise price	**£0.72**	£0 72
Expected volatility	**50.4%**	50 4%
Expected life	**8 years**	8 years
Risk free rate	**4 6%**	4 6%
Expected dividend yield	**0 0%**	0 0%

25 Related party transactions

During the year the Company entered into the following transactions with its parent company, Cobra Biomanufacturing Plc,

	Management fees paid		*Amounts owed to parent company*	
	2007 £000's	2006 £000's	**2007 £000's**	2006 £000's
Cobra Biomanufacturing Plc	**1,552**	1,551	**10,104**	10,675

Notes to the Financial Statements for the Year Ended 30 September 2007

26. Explanation of the transition to IFRS

For all periods up to and including the year ended 30 September 2006, the Company prepared its financial statements in accordance with UK GAAP

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 October 2005 the Company's date of transition to IFRS, and made those changes in accounting policies and other restatements required by IFRS 1, for the first time adoption of IFRS

The principal impact of IFRS on these financial statements has been in relation to the following

- **a.** There is a provision for holiday pay shown under other operating expenditure
- **b.** In accordance with IFRS 2, share based payments are measured at a fair value at the date of grant and expensed on a straight line basis over the vesting period of the award
- **c.** Under IFRS Cobra has chosen to reclassify foreign exchange gains under finance income, under UK GAAP they were previously shown under other operating costs
- **d.** Under UK GAAP short term bank deposits were included in cash at bank including short term deposits, under IFRS, those with original maturities of less than three months are included in cash and cash equivalents and those with original maturities of three months or more are shown under short term investments

The reconciliation between UK GAAP and IFRS for the Company's profit and income statements for the year ended 30 September 2006 and the total equity and balance sheets as at 1 October 2005 (the date of transition) and 30 September 2006 are as follows

Reconciliation of profit for the year ended 30 September 2006

		2006 £000's
Profit after tax under UK GAAP		**197**
Holiday pay accrual	a	(14)
Share based payments	b	(112)
Profit after tax under IFRS		**71**

Reconciliation of equity as at 1 October 2005 (date of transition) and 30 September 2006

		1 October 2005 £000's	30 September 2006 £000's
Total equity under UK GAAP		**(3,158)**	**(2,961)**
Holiday pay accrual	a	(30)	(44)
Share based payments	b	(282)	(394)
Total equity under IFRS		**(3,470)**	**(3,399)**

Notes to the Financial Statements for the Year Ended 30 September 2007

26. Explanation of the transition to IFRS (continued)

Reconciliation of income statement for the year ended 30 September 2006

		UK GAAP £000's	IFRS effect £000's	**IFRS £000's**
Revenue		10,145	-	**10,145**
Cost of sales		(4,808)	-	**(4,808)**
Gross profit		5,337	-	**5,337**
Sales, marketing and distribution costs		(1,079)	-	**(1,079)**
Research and development		(401)	-	**(401)**
Admin exps (excluding share based payments)	**a & c**	(3,596)	(141)	**(3,737)**
Share based payments	**b**	(1)	(112)	**(113)**
Total administrative expenses		(3,597)	(253)	**(3,850)**
Operating profit		260	(253)	**7**
Finance income	**c**	5	127	**132**
Finance costs		(123)	-	**(123)**
Profit before tax		142	(126)	**16**
Taxation		55	-	**55**
Profit after tax		197	(126)	**71**

Notes to the Financial Statements for the Year Ended 30 September 2007

26. Explanation of the transition to IFRS (continued)

Reconciliation of balance sheet presentation at 1 October 2005 (date of transition to IFRS)

		UK GAAP £000's	IFRS effect £000's	**IFRS £000's**
Non current assets				
Property, plant and equipment		7,495	-	**7,495**
Current assets				
Inventories		233	-	**233**
Trade and other receivables		1,993	-	**1,993**
Cash and cash equivalents		368	-	**368**
		2,594	-	**2,594**
Total assets		10,089	-	**10,089**
Current liabilities				
Obligations under finance leases		(306)	-	**(306)**
Trade and other payables	**a**	(2,063)	(30)	**(2,093)**
		(2,369)	(30)	**(2,399)**
Net current assets		225	(30)	**195**
Non current liabilities				
Obligations under finance leases		(903)	-	**(903)**
Amount due to parent company	**b**	(9,975)	(282)	**(10,257)**
		(10,878)	-	**(11,160)**
Total liabilities		(13,247)	(312)	**(13,559)**
Net liabilities		(3,158)	(312)	**(3,470)**
Equity				
Share capital		1,389	-	**1,389**
Share premium		28,940	-	**28,940**
Income statement	**a & b**	(33,487)	(312)	**(33,799)**
Total equity		(3,158)	(312)	**(3,470)**

Notes to the Financial Statements for the Year Ended 30 September 2007

26. Explanation of the transition to IFRS (continued)

Reconciliation of balance sheet presentation at 30 September 2006

		UK GAAP £000's	IFRS effect £000's	IFRS £000's
Non current assets				
Property, plant and equipment		8,355	-	8,355
Intangible assets		160	-	160
		8,515	-	8,515
Current assets				
Inventories		595	-	595
Trade and other receivables		2,207	-	2,207
Cash and cash equivalents		156	-	156
		2,958	-	2,958
Total assets		11,473	-	11,473
Current liabilities				
Obligations under finance leases		(470)	-	(470)
Trade and other payables	a	(2,679)	(44)	(2,723)
		(3,149)	(44)	(3,193)
Net current liabilities		(191)	(44)	(235)
Non current liabilities				
Obligations under finance leases		(1,004)	-	(1,004)
Amount due to parent company	b	(10,281)	(394)	(10,675)
		(11,285)	(394)	(11,679)
Total liabilities		(14,434)	(438)	(14,872)
Net liabilities		(2,961)	(438)	(3,399)
Capital and reserves				
Share capital		1,389	-	1,389
Share premium		28,940	-	28,940
Retained earnings	a & b	(33,290)	(438)	(33,728)
Total equity		(2,961)	(438)	(3,399)

27. Ultimate holding company

The ultimate holding company is Cobra Biomanufacturing Plc, incorporated in England and Wales Copies of the parent's consolidated financial statements may be obtained from the Company Secretary, Cobra Biomanufacturing Plc, Stephenson Building, The Science Park, Keele, Staffordshire, ST5 5SP

Directors, Registered Office and Advisors

Directors

Peter Fothergill	**(Chairman)**
Simon Saxby[(5)]	**(Chief Operating Officer)**
Peter Coleman	**(Finance Director & Company Secretary)**

[(5)] Appointed 18 January 2008

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