

**BioWisdom SRS Limited
(formerly Lion Bioscience Limited)**

Report and Financial Statements

31 March 2006



BioWisdom SRS Limited (formerly Lion Bioscience Limited)

Registered No: 3598020

Directors

Dr G Smith Baxter
S D Lowther

Secretary

S D Lowther

Auditors

Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

Bankers

Barclays Bank Plc
PO Box 885
Mortlock House
Histon
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CB4 9DE

Registered office

Harston Mill
Harston
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Directors' report

The directors present their report and financial statements for the year ended 31 March 2006.

The company changed its name to BioWisdom SRS Limited on 27 April 2006.

Results and dividends

The loss for the year, after taxation, amounted to £398,453 (2005: profit £38,262). The directors do not recommend the payment of any dividends.

Principal activity and review of the business

The development of the group during the year

In prior financial years Lion Bioscience Limited provided research and development, technical and support services to its immediate holding company Lion Bioscience AG. This trading relationship changed on 31 March 2005 following agreements entered into between (i) Lion Bioscience AG and Lion Bioscience Limited and (ii) Lion Bioscience Inc and Lion Bioscience Asset Vehicle Inc. ("LBAV"). These agreements assigned the rights, title and interest in the business assets of the bioinformatics business from Lion Bioscience AG and Lion Bioscience Inc. to Lion Bioscience Limited and LBAV Inc. respectively. The bioinformatics assets included (i) the software products and solutions, (ii) all patents, copyrights and other intellectual property, (iii) all written product specifications and documentation, (iv) all equipment and tangible assets and (v) all rights under contracts and licenses in connection with the software products and the bioinformatics business.

LBAV was purchased by, and became a wholly owned subsidiary of, Lion Bioscience Limited on 31 March 2005, at which date the combined group assumed responsibility for sales and marketing of the SRS product suite.

On 20 April 2005 Lion Bioscience AG announced its intention to sell the bioinformatics business and appointed external advisors to manage the divestment process. The sales process was ongoing during the year under review, with the management team actively involved in discussions with interested parties. Due to the length of the sales process the group operated in an uncertain trading environment for the full financial year.

BioWisdom Limited entered into discussions with Lion Bioscience AG during February 2006 and completed the acquisition of the group on 31 March 2006.

In December 2006 Lion Bioscience Asset Vehicle Inc. changed its name to BioWisdom SRS Inc.

Financial performance during the period

The turnover of £1.6 million recognised in the year reflects direct sales to customers compared to £2.8 million sales and services provided to Lion Bioscience AG in 2005, so the year on year performance is not comparable. Nevertheless it is testament to the efforts of the management team that existing customers continued to renew license and support agreements during a period of uncertainty regarding the ownership and future direction of the company. During this period the research and development team completed Version 8.2 of SRS.

Exceptional items of £1.7 million include a waiver of inter company balances with the Lion Bioscience AG group and redundancy payments incurred following a rationalisation of the operations during the final quarter of the year.

Principal strategic objectives of customer retention and a successful divestment of the group were achieved during the year.

Directors' report (continued)

Future developments

The acquisition by BioWisdom has been well received by the SRS customers and there is significant interest in the release of Version 8.2, a key milestone in the first quarter following the acquisition. Technology and product development will continue to be an important objective for the group, and following the release of Version 8.2, efforts will be focussed on future SRS product development and integration with the BioWisdom products and services.

The sales and marketing team represent a key part of the group's growth and steps have been taken to build the team in the UK and the US following the acquisition. BioWisdom SRS Inc sales and technical teams will continue to be focussed on supporting the US customers whilst the research and development team will operate from Cambridge UK.

Directors

The directors who served the group during the year were as follows:

T M Etzold	(resigned 31 March 2006)
Dr G Smith Baxter	(appointed 31 March 2006)
S D Lowther	(appointed 31 March 2006)
Dr C J Dodge	(appointed 7 March 2006, resigned 4 April 2006)
Dr N W Murrall	(appointed 1 May 2005, resigned 8 March 2006)

There are no directors' interests requiring disclosure under the Companies Act 1985.

Research and development

Research and development expenditure has been written off in the year.

Auditors

A letter of resignation from Ernst & Young LLP and a resolution to appoint PricewaterhouseCoopers as auditors will be put to the members at the Annual General Meeting.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



S D Lowther
Secretary

30 January 2007

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing this report and the accounts in accordance with applicable law and Generally Accepted Accounting Practice.

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 group and of the profit or loss of the group 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; and
- 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of BioWisdom SRS Limited

We have audited the group and parent company financial statements (the "financial statements") of BioWisdom SRS Limited for the year ended 31 March 2006 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, and the related notes 1 to 21. 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 are responsible for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 directors' report 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 group's and 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.

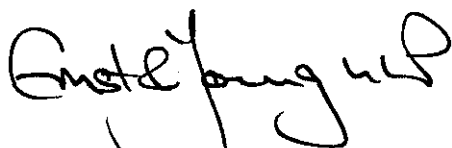
Independent auditor's report

to the members of BioWisdom SRS Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2006 and of the group's 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 directors' report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
Cambridge

30 January 2007

Consolidated profit and loss account

for the year ended 31 March 2006

	Notes	2006 £	2005 £
Turnover	2	1,604,710	2,829,832
Administrative and selling expenses		(2,151,259)	(859,711)
Research and development expenditure written off		(1,588,888)	(1,796,315)
		(3,740,147)	(2,656,026)
Exceptional items	3	1,672,968	(91,496)
Operating (loss)/profit	4	(462,469)	82,310
Interest receivable	7	2,168	4,913
Interest payable and similar charges	8	(12,460)	(12,391)
		(10,292)	(7,478)
(Loss)/profit on ordinary activities before taxation		(472,761)	74,832
Tax on (loss)/profit on ordinary activities	9	74,308	(36,570)
(Loss)/profit retained for the financial year		(398,453)	38,262

Consolidated statement of total recognised gains and losses

	2006 £	2005 £
(Loss)/profit for the financial year	(398,453)	38,262
Exchange differences	(242)	—
	(398,695)	38,262

Consolidated Balance sheet

at 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	11	277,400	508,895
Current assets			
Debtors	13	1,013,666	744,577
Cash at bank and in hand		181,655	47,716
		1,195,321	792,293
Creditors: amounts falling due within one year	14	(1,063,832)	(885,880)
Net current assets/(liabilities)		131,489	(93,587)
Total assets less current liabilities		408,889	415,308
Creditors: amounts falling due after more than one year	16	(513,091)	(120,815)
		(104,202)	294,493
Capital and reserves			
Called up share capital	19	50,000	50,000
Capital contribution	20	120,000	120,000
Profit and loss account	20	(274,202)	124,493
	20	(104,202)	294,493



Dr G Smith Baxter
Director

30 January 2007

Balance sheet

at 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	11	272,889	486,643
Investments	12	22,252	22,252
		<u>295,141</u>	<u>508,895</u>
Current assets			
Debtors	13	1,128,443	557,318
Cash at bank and in hand		177,496	47,715
		<u>1,305,939</u>	<u>605,033</u>
Creditors: amounts falling due within one year	14	(751,401)	(724,132)
Net current assets/(liabilities)		<u>554,538</u>	<u>(119,099)</u>
Total assets less current liabilities		<u>849,679</u>	<u>389,796</u>
Creditors: amounts falling due after more than one year	16	(480,239)	(95,303)
		<u>369,440</u>	<u>294,493</u>
Capital and reserves			
Called up share capital	19	50,000	50,000
Capital contribution	20	120,000	120,000
Profit and loss account	20	199,440	124,493
	20	<u>369,440</u>	<u>294,493</u>



Dr G Smith Baxter
Director

30 January 2007

Notes to the financial statements

at 31 March 2006

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with United Kingdom Generally Accepted Accounting Practice.

Consolidation

The group financial statements consolidate the financial statements of BioWisdom SRS Limited (formerly Lion Bioscience Limited) and its subsidiary undertakings up to 31 March each year. No profit and loss account is presented for BioWisdom SRS Limited (formerly Lion Bioscience Limited) as permitted by section 230 of The Companies Act 1985.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the group was wholly owned up until 31 March 2006 by Lion Bioscience AG group and Lion Bioscience AG publishes consolidated financial statements, and the group is now wholly owned by BioWisdom Limited which publishes consolidated financial statements.

Related parties transactions

Up until 31 March 2006, the group was a wholly owned subsidiary of Lion Bioscience AG, the consolidated accounts of which are publicly available.

Accordingly, the group has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Lion Bioscience AG group.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold property	- over lease term
Equipment	- 1-8 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Notes to the financial statements

at 31 March 2006

1. Accounting policies (continued)

Turnover

Turnover comprises income received from the sale of products and services, which are stated net of VAT and other sales related taxes.

The terms of agreements with customers typically include a non-refundable licence fee together with the provision of associated services including consultancy, maintenance and support. A description of the different elements of turnover and the related accounting policies which have been applied are given below however, in principle, revenue is recognised to the extent that the product or service has been delivered or earned in the period.

Non-refundable licence fees

Non-refundable licence fees for standard products which are not modified to meet the specific requirements of each customer and for which there is no ongoing future commitment are recognised when the product is delivered and accepted by the customer.

Where a licence is granted to proprietary products or software as part of a fixed term agreement, the revenue is recognised over the period to which the licence relates.

Services

Amounts received for services provided are recognised over the period in which the service is provided.

Revenue for ongoing technical support is recognised on a straight-line basis over the period for which support and maintenance is provided.

Where agreements involve multiple elements, the total revenue from such agreements has been allocated to each of the individual elements based on each element's fair value. Evidence of fair value is determined by reference to other agreements where elements are sold separately.

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 exception:

- 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.

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 profit and loss account.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Notes to the financial statements

at 31 March 2006

1. Accounting policies (continued)

Pension costs

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

An analysis of turnover by geographical market is given below:

	2006 £	2005 £
Europe	996,560	2,829,832
USA	608,150	—
	<u>1,604,710</u>	<u>2,829,832</u>

3. Exceptional items

Recognised before arriving at operating (loss)/profit:

	2006 £	2005 £
Waiver of intercompany loans	(1,823,678)	—
Redundancy payments	150,710	91,496
	<u>(1,672,968)</u>	<u>91,496</u>

All inter-company balances with the Lion Bioscience AG group were waived on 31 March 2006.

Redundancy payments were incurred as a result of a reorganisation of operations.

4. Operating (loss)/profit

This is stated after charging/(crediting):

	2006 £	2005 £
Auditors' remuneration - audit services	27,000	13,750
- non-audit services	33,472	7,450
	<u>1,588,888</u>	<u>1,796,315</u>
Research and development expenditure written off	322,006	219,381
	<u>16,663</u>	<u>—</u>
Depreciation of owned fixed assets	331,283	162,902
	7,081	12,393
Operating lease rentals - land and buildings	47,925	48,330
- plant and machinery	(53,327)	(84,984)
Net loss on foreign currency translation		
Government grants released		

Notes to the financial statements

at 31 March 2006

5. Staff costs

	2006 £	2005 £
Wages and salaries	2,122,746	1,648,076
Social security costs	231,221	181,797
Staff pension contributions (note 15)	82,106	60,693
	<u>2,436,073</u>	<u>1,890,566</u>

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

	2006 No.	2005 No.
Technical	32	29
Sales and business development	4	3
Administration	9	9
	<u>45</u>	<u>41</u>

6. Director's emoluments

	2006 £	2005 £
Emoluments	<u>286,609</u>	<u>118,415</u>
Compensation for loss of office	<u>13,750</u>	<u>—</u>
Value of company pension contributions to money purchase schemes	<u>9,513</u>	<u>5,311</u>

	2006 No.	2005 No.
Members of money purchase pension schemes	<u>3</u>	<u>1</u>

The amounts in respect of the highest paid director are as follows:

	2006 £	2005 £
Emoluments	<u>169,458</u>	<u>118,415</u>
Value of company pension contributions to money purchase schemes	<u>9,513</u>	<u>5,311</u>

7. Interest receivable

	2006 £	2005 £
Bank interest receivable	<u>2,168</u>	<u>4,913</u>

Notes to the financial statements

at 31 March 2006

8. Interest payable and similar charges

	2006 £	2005 £
Interest on loans from group undertakings	12,433	12,344
Other interest	27	47
	<u>12,460</u>	<u>12,391</u>

9. Tax on (loss)/profit on ordinary activities

(a) The tax credit is made up as follows:

	2006 £	2005 £
<i>Current tax:</i>		
UK corporation tax	–	44,879
Foreign tax	21,314	–
Tax over provided in previous years	(95,622)	(8,309)
Total current tax (note 9(b))	<u>(74,308)</u>	<u>36,570</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	–	–
Tax on (loss)/profit on ordinary activities	<u>(74,308)</u>	<u>36,570</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%). The differences are reconciled below:

	2006 £	2005 £
(Loss)/profit on ordinary activities before taxation	<u>(472,761)</u>	<u>74,832</u>
(Loss)/profit on ordinary activities multiplied by rate of tax	(141,828)	22,450
Disallowed expenses and non-taxable income	23,840	33,126
Adjustments in respect of previous periods	(95,622)	(8,309)
Short term timing differences	(95)	3,545
Depreciation in excess of capital allowances	46,880	(13,033)
Waiver of inter-company loans	(547,103)	–
Capital gains	–	(1,209)
Tax losses	618,306	–
Foreign tax	21,314	–
Total current tax (note 9(a))	<u>(74,308)</u>	<u>36,570</u>

Notes to the financial statements

at 31 March 2006

9. Tax on (loss)/profit on ordinary activities (continued)

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows:

	2006 £	2005 £
Capital allowances in advance of depreciation	(9,048)	8,112
Other timing differences	1,361	8,907
Tax losses	618,306	-
	<u>610,619</u>	<u>17,019</u>

Total tax losses at 31 March 2006 carried forward amount to £2,061,020 (2005: £nil).

10. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company is £74,947 (2005: £38,262).

11. Tangible fixed assets

<i>Group</i>	<i>Equipment</i> £	<i>Leasehold Property</i> £	<i>Total</i> £
Cost:			
At 1 April 2005	1,070,876	351,853	1,422,729
Exchange differences	1,135	-	1,135
Additions	74,395	33,654	108,049
Disposals	(132,903)	-	(132,903)
At 31 March 2006	<u>1,013,503</u>	<u>385,507</u>	<u>1,399,010</u>
Depreciation:			
At 1 April 2005	678,471	235,364	913,834
Provided during the year	254,324	67,682	322,006
Disposals	(114,230)	-	(114,230)
At 31 March 2006	<u>818,565</u>	<u>303,045</u>	<u>1,121,610</u>
Net book value:			
At 31 March 2006	<u>194,938</u>	<u>82,461</u>	<u>277,400</u>
At 1 April 2005	<u>392,405</u>	<u>116,491</u>	<u>508,895</u>

Notes to the financial statements

at 31 March 2006

11. Tangible fixed assets (continued)

<i>Company</i>	<i>Equipment</i> £	<i>Leasehold Property</i> £	<i>Total</i> £
Cost:			
At 1 April 2005	1,048,623	351,854	1,400,477
Additions	74,395	33,652	108,047
Disposals	(124,019)	–	(124,019)
At 31 March 2006	998,999	385,506	1,384,505
Depreciation:			
At 1 April 2005	678,471	235,362	913,834
Provided during the year	239,922	67,682	307,604
Disposals	(109,821)	–	(109,821)
At 31 March 2006	808,572	303,044	1,111,616
Net book value:			
At 31 March 2006	190,427	82,462	272,889
At 1 April 2005	370,152	116,491	486,643

12. Investments

<i>Company</i>	<i>Shares in BioWisdom SRS Inc. (formerly Lion Bioscience Asset Vehicle Inc.)</i> £
Cost:	
At 1 April 2005 and at 31 March 2006	22,252

BioWisdom SRS Inc. is a wholly owned subsidiary undertaking registered in the USA. Its aggregate capital and reserves at 31 March 2006 were £451,389 (deficit) and it incurred a loss of £473,400 for the year then ended.

13. Debtors

	<i>Group</i> 2006 £	<i>2005</i> £	<i>Company</i> 2006 £	<i>2005</i> £
Trade debtors	815,655	–	630,729	–
Amounts owed to group undertakings	–	396,144	298,773	252,163
Corporation tax repayable	41,274	–	42,689	–
Other debtors	20,160	74,829	20,160	51,132
Prepayments and accrued income	136,577	273,604	136,092	254,023
	1,013,666	744,577	1,128,443	557,318

Included in prepayments is an amount of £nil (2005: £21,200) which was secured by a mortgage charge dated 4 January 2001 (discharged 20 March 2006) and an amount of £69,908 (2005: £69,908) which is secured by a mortgage charge dated 15 March 2005.

Notes to the financial statements

at 31 March 2006

14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2006	2005	2006	2005
	£	£	£	£
Trade creditors	78,819	60,119	60,643	60,119
Amounts owed to group undertakings	–	272,081	–	228,802
Corporation tax	–	–	–	26,836
Other taxation and social security	51,357	107,184	47,062	107,185
Other creditors	25,504	10,172	–	10,171
Accruals and deferred income	908,152	436,324	643,696	291,019
	<u>1,063,832</u>	<u>885,880</u>	<u>751,401</u>	<u>724,132</u>

15. Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension premiums paid in the year represent contributions payable by the group to the fund and amounted to £82,106 (2005: £60,693). Contributions totalling £9,642 (2005: £10,171) are outstanding at the balance sheet date and are included in other creditors.

16. Creditors: amounts falling due after more than one year

	2006	2005
	£	£
<i>Group</i>		
Deferred income	339,681	25,512
Government grants	173,410	95,303
	<u>513,091</u>	<u>120,815</u>
<i>Company</i>		
Deferred income	306,829	–
Government grants	173,410	95,303
	<u>480,239</u>	<u>95,303</u>

Deferred government grants are analysed as follows:

	£
Balance as at 1 April 2005	95,303
Received during the year	131,434
Released during the year	(53,327)
Balance as at 31 March 2006	<u>173,410</u>

Notes to the financial statements

at 31 March 2006

17. Commitments under operating leases

At 31 March 2006 the group had annual commitments under non-cancellable operating leases as set out below:

	<i>2006</i>	<i>2005</i>
	<i>Land and</i>	<i>Land and</i>
	<i>buildings</i>	<i>buildings</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
In two to five years	<u>152,577</u>	<u>–</u>

18. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

19. Share capital

	<i>2006</i>	<i>Authorised</i>
	<i>£</i>	<i>2005</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

	<i>2006</i>		<i>Allotted, called up and fully paid</i>
	<i>No.</i>	<i>£</i>	<i>2005</i>
			<i>No.</i>
			<i>£</i>
Ordinary shares of £1 each	50,000	<u>50,000</u>	50,000
			<u>50,000</u>

Notes to the financial statements

at 31 March 2006

20. Reconciliation of shareholders' funds and movement on reserves

<i>Group</i>	<i>Share capital</i> £	<i>Capital contribution</i> £	<i>Profit and loss account</i> £	<i>Total shareholders' funds</i> £
At 31 March 2004	50,000	120,000	86,231	256,231
Profit for the year	—	—	38,262	38,262
At 31 March 2005	50,000	120,000	124,493	294,493
Loss for the year	—	—	(398,453)	(398,453)
Exchange differences	—	—	(242)	(242)
At 31 March 2006	50,000	120,000	(274,202)	(104,202)

<i>Company</i>	<i>Share capital</i> £	<i>Capital contribution</i> £	<i>Profit and loss account</i> £	<i>Total shareholders' funds</i> £
At 31 March 2004	50,000	120,000	86,231	256,231
Profit for the year	—	—	38,262	38,262
At 31 March 2005	50,000	120,000	124,493	294,493
Profit for the year	—	—	74,947	74,947
At 31 March 2006	50,000	120,000	199,440	369,440

21. Ultimate parent company

Up until 31 March 2006 the group's ultimate and immediate parent company was Lion Bioscience AG, a company incorporated in Germany. Lion Bioscience AG has included the company in its group accounts which may be obtained from its registered office PO Box 103780, 69027 Heidelberg, Germany.

On 31 March 2006 the BioWisdom SRS Limited group was acquired by BioWisdom Limited. BioWisdom Limited became the immediate and ultimate parent undertaking of the BioWisdom SRS Limited group on 31 March 2006.