

V I TECHNOLOGIES LIMITED

ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

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N R PULVER & CO  
Chartered Accountants

191 Sparrows Herne  
Bushey Heath  
Herts  
WD23 1AJ

Company Registration Number 4103645



V I TECHNOLOGIES LIMITEDREPORT OF THE DIRECTOR

The director has pleasure in submitting his report and the audited accounts of the Company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the Company during the period was that of applying for and holding marketing authorizations for medicinal products.

DIRECTOR

John Barr was the director who served the Company throughout the period. He has no interest in the issued ordinary share capital of the Company.

DIRECTOR'S RESPONSIBILITIES

The director is required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the state of the affairs of the Company at the end of the financial period and of the results for the period. They are also responsible for maintaining adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The director confirms that appropriate accounting policies and applicable accounting standards have been used in the preparation of the accounts and that they have been consistently applied and are supported by reasonable and prudent judgements and estimates.

AUDITOR

N R Pulver & Co in accordance with the Companies act 1985, retire and offer themselves for reappointment.

SMALL COMPANY EXCEPTIONS

The Director's report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board

  
BUSHEY SECRETARIES & REGISTRARS LTD  
Bushey Secretaries & Registrars Limited

15/8

2003

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

V I TECHNOLOGIES LIMITED

We have audited the financial statements set out on pages 3 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

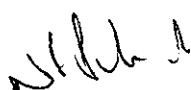
As described on page 1, the Company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 have 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.

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2002 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
N R PULVER & CO  
Registered Auditor  
Chartered Accountants

191 Sparrows Herne  
Bushey Heath  
Herts  
WD23 1AJ

15/8

2003

V I TECHNOLOGIES LIMITEDProfit and Loss Account  
Year ended 31 December 2002

|                                   | <u>Notes</u> | <u>2002</u> | <u>Period</u><br><u>2.11.2000</u><br><u>to 31.12.2001</u> |
|-----------------------------------|--------------|-------------|---|
|                                   |              | £           | £   |
| Turnover                          | 2            | -           | -   |
| Cost of Sales                     |              | -           | -   |
| Gross Profit                      |              | -           | -   |
| Administration & General Expenses |              | (2,627)     | (7,066)   |
| Loss for the financial period     |              | (2,627)     | (7,066)   |
| ADVERSE BALANCE BROUGHT FORWARD   |              | (7,066)     | -   |
| ADVERSE BALANCE CARRIED FORWARD   |              | (9,693)     | (7,066)   |
|                                   |              | =====       | =====   |

None of the Company's activities were acquired or discontinued during the above financial period.

The Company made no recognised gains or losses in the year ended 31 December 2002 other than the loss for the year.

The notes on page 5 form part of these accounts.

V I TECHNOLOGIES LIMITEDBalance SheetAt 31 December 2002

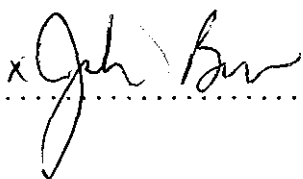
|  | <u>Notes</u> | <u>2002</u> | <u>2001</u> |
|--|--------------|-------------|-------------|
|  |              | £           | £           |
| FIXED ASSETS                                 |              | -           | -           |
| CURRENT ASSETS                               |              | -           | -           |
| CREDITORS                                    |              |             |             |
| Amounts due within one year                  | 3,267        | 352         |             |
|  | -----        | -----       |             |
| NET CURRENT LIABILITIES                      |              | (3,267)     | (352)       |
|  |              | -----       | -----       |
| TOTAL ASSETS LESS CURRENT LIABILITIES        |              | (3,267)     | (352)       |
| CREDITORS                                    |              |             |             |
| Amounts falling due after more than one year |              | 6,425       | 6,713       |
|  |              | -----       | -----       |
| NET LIABILITIES                              |              | (9,692)     | (7,065)     |
|  |              | =====       | =====       |
| CAPTIAL AND RESERVES                         |              |             |             |
| Called up share capital                      | 3            | 1           | 1           |
| Profit and loss account                      |              | (9,693)     | (7,066)     |
|  |              | -----       | -----       |
| SHAREHOLDERS FUNDS                           |              | (9,692)     | (7,065)     |
|  |              | =====       | =====       |

The notes on page 5 form part of these accounts.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the director on August 8, 2003

J Barr



..... Director

V I TECHNOLOGIES LIMITEDNotes to the AccountsYear ended 31 December 2002

## 1 ACCOUNTING POLICIES

## a. Accounting basis and standards.

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Small Entities (effective March 2000).

## b. Foreign currency translation.

Certain invoices have been paid in foreign currency. Net profits/losses on the change in exchange rates between the date of the invoice and the payment of the invoice are recorded as an exchange profit/loss. Net profits/losses in the revaluation of the liabilities on the 31 December 2002 exchange rates are recorded as a translation profit/loss.

## 2 LOSS FOR THE FINANCIAL PERIOD

The loss for the financial period is stated after charging:

|               | <u>2002</u> | <u>2001</u> |
|---------------|-------------|-------------|
|               | £           | £           |
| Audit fee     | 352         | 352         |
| Exchange loss | -           | 49          |
|               | =====       | =====       |

and after crediting:

|               |       |       |
|---------------|-------|-------|
| Exchange gain | 946   | -     |
|               | ===== | ===== |

## 3 SHARE CAPITAL

The authorized share capital comprises:

|   |       |       |
|---|-------|-------|
| Authorised 100 ordinary shares of £1 each | 100   | 100   |
|   | ===== | ===== |
| Called up, allotted and fully paid        |       |       |
| 1 ordinary share of £1                    | 1     | 1     |
|   | ===== | ===== |

## 4 CONTROLLING PARTY AND RELATED PARTY TRANSACTION

The company is controlled by and its funding is derived solely from its parent company, V I Technologies Inc (the 'Parent Company'), a research and development company based in the United States of America. The Parent Company has lent money to the company on an interest free basis. There is no due date on this loan and the Parent Company does not expect payment on this loan within one year. The amount outstanding on this loan at the year end was £6,425 (2001 - £6,713). The Parent Company has the intent and capability of sponsoring and funding the operations of VI Technologies Limited. The director of the company is also the chief executive officer of the Parent Company.