

COMPANIES HOUSE

Asterion Limited

Financial statements

For the year ended 31 July 2004

Grant Thornton 



Company No. 4129500

Company information

Company registration number	4129500
Registered office	SUEL Offices The Innovation Centre 217 Portobello SHEFFIELD S1 4DP
Directors	Mr D J Catton Prof J R Sayers Prof P J Artymiuk Prof R J M Ross Dr P Grant
Secretary	Mr R M Birtles
Bankers	National Westminster Bank plc
Solicitors	Keeble Hawson
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 28 Kenwood Park Road SHEFFIELD S7 1NG

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 July 2004.

Principal activities and business review

The company is principally engaged in the research and development into and marketing of biotechnology including collaborative research and development with third parties.

There was a loss for the year after taxation amounting to £2,771 (2003: £173,160).

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 July 2004	At 1 August 2003
Mr D J Catton	Ordinary shares	—	—
Prof J R Sayers	Ordinary shares	6,666	6,666
Prof P J Artymiuk	Ordinary shares	6,666	6,666
Prof R J M Ross	Ordinary shares	6,666	6,666
Dr P Grant	Ordinary shares	—	—

The interest of Mr D J Catton in Sheffield University Enterprises Limited is disclosed in that company's financial statements, since he is also a director of that company.

Directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. 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
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Mr D J Catton

Director

22 February 2005

A handwritten signature in black ink, appearing to read 'D J Catton', written over a horizontal line.

Report of the independent auditors to the members of Asterion Limited

We have audited the financial statements of Asterion Limited for the year ended 31 July 2004 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 16. 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 report of the directors and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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

We read other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. 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 other information.

Basis of opinion

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

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

Report of the independent auditors to the members of Asterion Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 July 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Gr Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SHEFFIELD
22 February 2005

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year, and are set out below.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Research and development

Research and development expenditure is charged to profits in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	33 1/3%
Computer Equipment	-	33 1/3%

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.

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.

Going concern

The financial statements have been prepared on a going concern basis. The directors, having considered the trading and cash forecasts for the next twelve months, have a reasonable expectation that the funding available to the company is sufficient to meet the requirements indicated by those forecasts.

Profit and loss account

	Note	2004 £	2003 £
Turnover	1	241,363	—
Cost of sales		113,152	89,473
Gross profit/(loss)		<u>128,211</u>	<u>(89,473)</u>
Other operating charges	2	120,864	82,591
Operating profit/(loss)	3	<u>7,347</u>	<u>(172,064)</u>
Interest receivable		982	413
Interest payable and similar charges	5	(11,100)	(1,509)
Loss on ordinary activities before taxation		<u>(2,771)</u>	<u>(173,160)</u>
Tax on loss on ordinary activities	6	—	—
Loss for the financial year	13	<u>(2,771)</u>	<u>(173,160)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	7	<u>1,406</u>	<u>6,395</u>
Current assets			
Debtors	8	54,008	5,868
Cash at bank		<u>76,647</u>	<u>44,854</u>
		130,655	50,722
Creditors: amounts falling due within one year	9	<u>43,250</u>	<u>17,635</u>
Net current assets		<u>87,405</u>	<u>33,087</u>
Total assets less current liabilities		<u>88,811</u>	<u>39,482</u>
Creditors: amounts falling due after more than one year	10	394,829	342,729
		<u>(306,018)</u>	<u>(303,247)</u>
Capital and reserves			
Called-up share capital	12	7,693	7,693
Share premium account	13	77,307	77,307
Profit and loss account	13	(391,018)	(388,247)
		<u>(306,018)</u>	<u>(303,247)</u>
Deficiency:	14		
Equity		(306,019)	(303,248)
Non-equity		<u>1</u>	<u>1</u>
		<u>(306,018)</u>	<u>(303,247)</u>

These financial statements were approved by the directors on 22 February 2005 and are signed on their behalf by:

Mr D J Catton



Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

2 Other operating income and charges

	2004 £	2003 £
Administrative expenses	<u>120,864</u>	<u>82,591</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2004 £	2003 £
Depreciation of owned fixed assets	6,020	5,991
Auditors' remuneration:		
Audit fees	800	800
Other Services	<u>300</u>	<u>275</u>

4 Directors and employees

No salaries or wages have been paid to employees, including the directors, during the year.

5 Interest payable and similar charges

	2004 £	2003 £
Other similar charges payable	<u>11,100</u>	<u>1,509</u>

6 Taxation on ordinary activities

No provision has been made for the deferred taxation on trading losses carried forward. The total amount unprovided for is approximately £74,000 (2003: £74,000). At present, it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed.

6 Taxation on ordinary activities (continued)

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2003 - 19%).

	2004 £	2003 £
Loss on ordinary activities before taxation	(2,771)	(173,160)
Loss on ordinary activities by rate of tax	(526)	(32,900)
Capital allowances in excess of depreciation	717	1,000
Unused tax losses carried forward	—	31,900
Utilisation of tax losses	(4)	—
Utilisation of nil rate taxation band	(187)	—
Total current tax	—	—

7 Tangible fixed assets

	Plant & Machinery £	Equipment £	Total £
Cost			
At 1 August 2003	15,379	2,593	17,972
Additions	1,031	—	1,031
At 31 July 2004	16,410	2,593	19,003
Depreciation			
At 1 August 2003	9,848	1,729	11,577
Charge for the year	5,156	864	6,020
At 31 July 2004	15,004	2,593	17,597
Net book value			
At 31 July 2004	1,406	—	1,406
At 31 July 2003	5,531	864	6,395

8 Debtors

	2004 £	2003 £
Trade debtors	41,818	—
Other debtors	11,995	5,868
Prepayments and accrued income	195	—
	54,008	5,868

9 Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	6,534	–
Amounts owed to associates	33,016	12,478
Accruals and deferred income	3,700	5,157
	<u>43,250</u>	<u>17,635</u>

10 Creditors: amounts falling due after more than one year

	2004	2003
	£	£
Amounts owed to White Rose Technology Limited	394,829	342,729

The amount owed to White Rose Technology Limited represents a loan which is repayable in January 2007 inclusive of a maximum interest charge of 8% of the loan upon repayment.

11 Related party transactions

During the year the company purchased services to the value of £152,696 (2003: £125,615) from the University of Sheffield. At 31 July 2004 the company owed the University of Sheffield £27,416 (2003: £9,870).

During the year the company purchased management and other services totalling £17,026 (2003: £9,907) from Sheffield University Enterprises Limited. At 31 July 2004 the company owed Sheffield University Enterprises Limited £5,599 (2003: £2,608).

At 31 July 2004 the company owed White Rose Technology Limited £394,829 (2003: £342,729) as disclosed in note 10.

During the year the company purchased consultancy services totalling £29,029 (2003: £6,505) from Athene

Associates, in respect of Dr P Grant a director of Asterion Limited. At 31 July 2004 the company owed Athene Associates £2,572 (2003: £1,645).

12 Share capital

Authorised share capital:

	2004 £	2003 £
100,000 Ordinary shares of £0.10 each	10,000	10,000
1 White Rose preference shares of £1 each	1	1
	<u>10,001</u>	<u>10,001</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £0.10 each	76,920	7,692	76,920	7,692
White Rose preference shares of £1 each	1	1	1	1
	<u>76,921</u>	<u>7,693</u>	<u>76,921</u>	<u>7,693</u>

White Rose preference share

The White Rose preference share is a non-equity share which carries no entitlement to a dividend. The holder of the White Rose preference share has one more vote than the total number cast by all other members of the company upon default by Asterion Limited in the repayment of any monies or loans due to White Rose Technology Limited. The White Rose preference shareholder has the right to receive the sum of £1 in preference of any repayment of capital on the ordinary shares upon winding up of the company.

13 Reserves

	Share premium account £	Profit and loss account £
At 1 August 2003	77,307	(388,247)
Loss for the year	—	(2,771)
At 31 July 2004	<u>77,307</u>	<u>(391,018)</u>

14 Reconciliation of movements in shareholders' funds

Equity shareholders' funds

	2004 £	2003 £
Loss for the financial year	(2,771)	(173,160)
Opening shareholders' equity deficit	(303,248)	(130,088)
Closing shareholders' equity deficit	<u>(306,019)</u>	<u>(303,248)</u>

14 Reconciliation of movements in shareholders' funds (continued)

Non-equity shareholders' funds

Opening and closing shareholders' non-equity funds	<u>1</u>	<u>1</u>
Total shareholders' deficit	<u>(306,018)</u>	<u>(303,247)</u>

15 Capital commitments

The company had no capital commitments at 31 July 2004 or at 31 July 2003.

16 Contingent liabilities

There were no contingent liabilities at 31 July 2004 or at 31 July 2003.