

Registered number. 04794962

**IBA Molecular UK Limited
(formerly UK Radiopharma Limited)**

**Annual Report
for the year ended 31 December 2006**



IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Company information

Directors	P Jeanmart O Legrain R Dehareng (appointed 16/08/2006) S Ternier (resigned 16/08/2006) P Woodward (resigned 30/04/2006) R Zimmerman (resigned 30/04/2006) U Bergman (resigned 30/04/2006)
Secretary	Thomas Eggar Secretaries Limited
Company number	04794962
Registered office	The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

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IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Directors' Report for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

The company changed its name from UK Radiopharma Limited to IBA Molecular UK Limited by special resolution on 29 August 2006

Principal activities and review of business

The principal activity of the company is the production, marketing and distribution of radiopharmaceuticals

Until 30 April 2006, the company was a joint venture between Schering Holdings Limited and IBA Pharma SA

On 30 April 2006, Schering AG (ultimate parent company of Schering Holdings Limited) sold its global radiopharmaceutical business to IBA SA (ultimate parent company of IBA Pharma SA) and its partner IRE (Institut National des Radio-Elements) IBA and IRE are companies incorporated in Belgium

On 1 May 2006, Schering Holdings Limited's 50% shareholding in IBA Molecular UK Limited was transferred to IBA Pharma SA leaving them 100% owner of IBA Molecular UK Limited

The company has 2 manufacturing sites under construction at Dinnington, Yorkshire, and Guildford, Surrey, which are scheduled to be completed by the end of 2007 with a view to supplying FDG once the necessary licences have been granted following building completion

Agreement between Schering AG and IBA SA is still being sought as to how loans of £1,144,000, excluding interest, made to IBA Molecular UK Limited by Schering Health Care Limited prior to 1 February should be treated. This is being managed through the arbitration process agreed between both parties at the time of sale of Schering's radiopharmaceutical business

Results

The company's results for the year are set out in the profit and loss account on page 4

The directors do not recommend the payment of a dividend

Directors

The directors who served during the year were

P Jeanmart
O Legrain
R Dehareng (appointed 16/08/2006)
S Ternier (resigned 16/08/2006)
P Woodward (resigned 30/04/2006)
R Zimmerman (resigned 30/04/2006)
U Bergman (resigned 30/04/2006)

None of the directors held any beneficial interest in the share capital of the company at 31 December 2006 or at any time during the year

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Directors' Report for the year ended 31 December 2006

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that in determining how amounts are presented within items in the profit and loss account and balance sheet, they have given regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws & regulations.

Disclosure of Information to Auditors

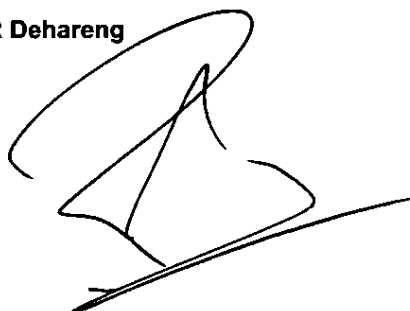
Each director has confirmed that so far as they are aware, there is no relevant audit information of which the auditors are unaware, and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. This confirmation is given in accordance with Section 234ZA of the Companies Act 1985.

Auditors

Alliotts were appointed as auditors on 30 April 2007. A resolution concerning the reappointment of Alliotts as auditors will be proposed at the Annual General Meeting.

This report was approved by the board on 10/25/2007 and signed on its behalf

R Dehareng

A handwritten signature in black ink, appearing to be 'R Dehareng', written over a horizontal line.

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Independent Auditors' report to the shareholders of IBA Molecular UK Limited (formerly UK Radiopharma Limited)

We have audited the financial statements of IBA Molecular UK Limited (formerly UK Radiopharma Limited) for the year ended 31 December 2006 set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 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.

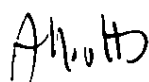
IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Independent Auditors' report to the shareholders of IBA Molecular UK Limited (formerly UK Radiopharma Limited)

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 company's affairs as at 31 December 2006 and of 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 Directors' Report is consistent with the financial statements



Alliotts

Registered Auditors

London WC2

Date 30 October 2007

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Profit and loss account for the year ended 31 December 2006

	Note	2006 £000	2005 £000
Administrative expenses		(543)	(382)
Operating loss	2	(543)	(382)
Interest receivable		40	34
Interest payable		(267)	(35)
Loss on ordinary activities before taxation		(770)	(383)
Tax on loss on ordinary activities	5	7	(14)
Loss on ordinary activities after taxation	12	(763)	(397)

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 12 form part of these financial statements

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

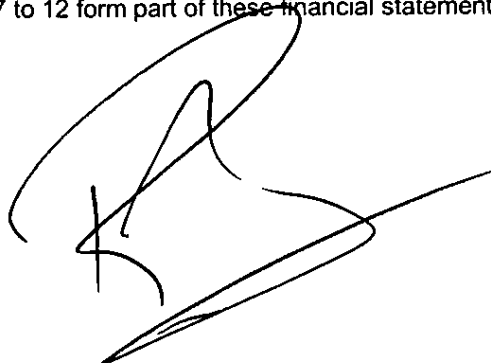
Balance sheet as at 31 December 2006

	Note	£000	2006 £000	£000	2005 £000
Fixed assets					
Tangible fixed assets	6		7,644		1,976
Current assets					
Stocks	7	32		-	
Debtors	8	224		260	
Cash at bank		423		774	
		<u>679</u>		<u>1,034</u>	
Creditors amounts falling due within one year	9	<u>(1,841)</u>		<u>(148)</u>	
Net current (liabilities)/assets			<u>(1,162)</u>		<u>886</u>
Total assets less current liabilities			<u>6,482</u>		<u>2,862</u>
Creditors: amounts falling due after more than one year	10		<u>(6,671)</u>		<u>(2,288)</u>
Net (liabilities)/assets			<u><u>(189)</u></u>		<u><u>574</u></u>
Capital and Reserves					
Called up share capital	11		1,420		1,420
Profit and loss account	12		<u>(1,609)</u>		<u>(846)</u>
Shareholders' (deficit) / funds	13		<u><u>(189)</u></u>		<u><u>574</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10/25/2007

R Dehareng

The notes on pages 7 to 12 form part of these financial statements



IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Notes to the financial statements for the year ended 31 December 2006

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards

1.2 Going Concern

The financial statements have been prepared on a going concern basis and reflect the financial support that the company will receive from IBA Pharma SA, its ultimate parent company, to enable it to continue in operation and to meet its obligations as they fall due for a period of a year from the date of the approval of these financial statements

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Assets in the course of construction	-	0%
Motor vehicles	-	33 33% straight line
Fixtures & fittings	-	33 33% straight line

1.4 Operating leases

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

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.6 Deferred taxation

Deferred taxation has been recognised as a liability or an asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future

An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account in the period in which they arise.

2. Operating loss

Operating loss is stated after charging/(crediting)

	2006 £000	2005 £000
Depreciation of tangible fixed assets - owned by the company	7	2
Auditors' remuneration	5	5
Auditors' remuneration - non-audit	-	3
Difference on foreign exchange	(152)	(1)
Operating lease - other	88	-
	<u> </u>	<u> </u>

3 Staff costs

Staff costs were as follows

	2006 £000	2005 £000
Wages and salaries	259	101
Social security costs	30	12
Other pension costs	12	6
	<u> </u>	<u> </u>
	<u>301</u>	<u>119</u>

The average monthly number of employees, including the directors, during the year was as follows

2006 Number	2005 Number
<u>5</u>	<u>2</u>

4 Directors' remuneration

During the year, no director received any emoluments (2005 - £NIL)

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Notes to the financial statements for the year ended 31 December 2006

5 Taxation

	2006 £000	2005 £000
UK corporation tax (credit)/charge on loss for the year	(7)	14

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2006 £000	2005 £000
Loss on ordinary activities before tax	(770)	(383)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 19%)	(231)	(73)
Effects of:		
Expenses not deductible for tax purposes	2	-
Capital allowances for year in excess of depreciation	8	-
Utilisation of tax losses	221	83
Adjustments to tax charge in respect of prior periods	(7)	4
Current tax (credit)/charge for the year (see note above)	(7)	14

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Notes to the financial statements for the year ended 31 December 2006

6. Tangible fixed assets

	Assets in the course of construction £000	Motor vehicles £000	Furniture, fittings and equipment £000	Total £000
Cost				
At 1 January 2006	1,974	-	4	1,978
Additions	5,661	51	10	5,722
Disposals	-	(51)	(4)	(55)
At 31 December 2006	7,635	-	10	7,645
Depreciation				
At 1 January 2006	-	-	2	2
Charge for the year	-	6	1	7
On disposals	-	(6)	(2)	(8)
At 31 December 2006	-	-	1	1
Net book value				
At 31 December 2006	7,635	-	9	7,644
At 31 December 2005	1,974	-	2	1,976

7 Stocks

	2006 £000	2005 £000
Raw materials	32	-

8 Debtors

	2006 £000	2005 £000
Other debtors	169	260
Prepayments and accrued income	55	-
	224	260

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Notes to the financial statements for the year ended 31 December 2006

9 Creditors: amounts falling due within one year

	2006 £000	2005 £000
Trade creditors	406	-
Amounts owed to group undertakings	198	-
Social security and other taxes	10	-
Other creditors	1,175	148
Accruals	52	-
	<u>1,841</u>	<u>148</u>

10. Creditors amounts falling due after more than one year

	2006 £000	2005 £000
Other loans	-	1,144
Amounts owed to group undertakings	6,671	1,144
	<u>6,671</u>	<u>2,288</u>

Creditors include amounts repayable within 2-5 years as follows

	2006 £000	2005 £000
Repayable by instalments	<u>6,671</u>	<u>2,288</u>

11. Share capital

	2006 £000	2005 £000
Authorised		
3,179,950 Ordinary A shares of £1 each	3,180	3,180
3,179,950 Ordinary B shares of £1 each	3,180	3,180
	<u>6,360</u>	<u>6,360</u>
Allotted, called up and fully paid		
710,000 Ordinary A shares of £1 each	710	710
710,000 Ordinary B shares of £1 each	710	710
	<u>1,420</u>	<u>1,420</u>

The "A" and "B" shares carry equal voting rights and equal rights to dividends

IBA Molecular UK Limited (formerly UK Radiopharma Limited)

Notes to the financial statements for the year ended 31 December 2006

12 Profit and Loss Reserve

	£000
At 1 January 2006	(846)
Retained loss for the year	(763)
	<hr/>
At 31 December 2006	<u>(1,609)</u>

13. Reconciliation of movement in shareholders' (deficit)/funds

	2006 £000	2005 £000
Opening shareholders' funds	574	(449)
Loss for the year	(763)	(397)
Shares issued during the year	-	1,420
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	<u>(189)</u>	<u>574</u>

14. Capital Commitments

As at 31 December 2006 the company had placed orders for capital expenditure totalling £1,059,011 (2005 £1,684,288). These amounts have not been accrued in the financial statements.

15. Operating Lease Commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases of £129,000 expiring in greater than 5 years.

16. Related party transactions

The company has taken advantage of the exemption in FRS8 not to disclose any transactions or balances with entities that are part of the group as 100% of the shares of the company are controlled within the group.

17. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Ion Beam Applications SA, a company incorporated in Belgium. Copies of the parent's consolidated financial statements may be obtained from Chemin du Cyclotron, 3 at B-1348 Louvain-la-Neuve, Belgium.