

Scichem UK Limited

FINANCIAL STATEMENTS

FOR THE

PERIOD ENDED 31 DECEMBER 2004

COMPANY NUMBER 04991736



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Report of the directors

The directors present their annual report and the audited financial statements of the company for the period ended 31 December 2004

Principal activity and formation

The company was incorporated on 10 December 2003 and changed its name from EVER 2270 Limited to Scichem UK Limited on 3 February 2004. It acquired the entire share capital of Scientific and Chemical Supplies Limited on 5 March 2004. It has not traded during the period under review and accordingly no profit and loss account is presented. It is intended the company will remain a non-trading holding company for the group.

Directors and their interests

The directors who have served during the period and their interests in the share capital of the company were as follows:-

| | Ordinary shares of £1 each | |
|----------------------|-------------------------------------|------------------|
| | On incorporation - 10 December 2003 | 31 December 2004 |
| Everdirector Limited | (resigned 5 March 2004) 1 | nil |
| J.R. Turton | (appointed 5 March 2004) nil | 14260 |
| B.K. Cartland | (appointed 5 March 2004) nil | 7129 |

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which 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. In preparing those accounts the directors are required to:

select suitable accounting policies and then apply them consistently;
make judgements and estimates that are reasonable and prudent;
follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
prepare the accounts 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 company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for the safeguarding of the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



J.R. Turton

Director

18 March 2005

*Independent auditors' report to the shareholders
Period 10 December 2003 to 31 December 2004*

We have audited the financial statements set out on pages 3 and 4 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

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 the auditors.

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of directors' responsibilities on page 1.

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 directors' report 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit 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.

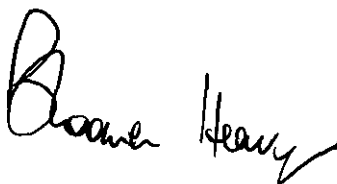
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Bloomer Heaven

Chartered Accountants and
Registered Auditors.
33, Lionel Street,
Birmingham, B3 1AB.



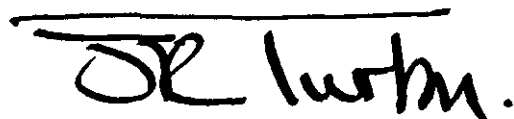
18 March 2005

Balance sheet

31 December 2004

| | Note | 2004 £ |
|--|------|----------------|
| <i>Fixed assets</i> | | |
| Fixed asset investment | 2 | 197382 |
| <i>Current assets</i> | | |
| Cash at bank and in hand | | 117 |
| | | 117 |
| <i>Creditors</i> | | |
| amounts falling | | |
| due within one year | 3 | 176110 |
| | | 176110 |
| Net current assets | | -175993 |
| Total assets less current liabilities | | 21389 |
| Net assets | | 21389 |
| Capital and reserves | | |
| Called up share capital | 4 | 21389 |
| Profit and loss account | | 0 |
| Shareholders funds | | 21389 |

On behalf of the board of directors



J.R. Turton

Director

Approved by the board: 18 March 2005

Notes to the financial statements

For the period 10 December 2003 to 31 December 2004

1 Accounting policy

The principal accounting policies of the company are:-

a) Accounting convention

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

b) Consolidated accounts

The directors have relied on the exemption conferred by section 248 of the Companies Act 1985 as the group is medium-sized and have not prepared consolidated financial statements.

2 Fixed asset investments

| | |
|--------------------------|--------|
| | £ |
| Cost at 10 December 2003 | 0 |
| Additions in period | 197382 |

Cost at 31 December 2004 197382

Investments comprise the entire issued share capital of Scientific and Chemical Supplies Limited, a company registered in England and Wales.

The company was acquired on 5 March 2004 and traded during the period as a supplier of chemicals and apparatus for analysis, research and education. As part of the purchase agreement, the company is liable to pay a further consideration should certain conditions regarding the sale of the company or its subsidiary take place prior to 31 December 2006. Such sale is not contemplated.

Its profit before tax for the year ended 31 December 2004 was £227,191 (2003 loss £12,711) and after tax was £185,151 (2003 loss £30,864). Its aggregate net assets were £607,696 at 31 December 2004 and £422,545 at 31 December 2003. The subsidiary has two non-trading subsidiary companies whose net asset values are reflected in the above.

The directors have relied upon the exemption conferred by section 248 of the Companies Act 1985 as the group is a small group and have not prepared consolidated financial statements.

3 Creditors

| | |
|--|--------|
| | 2004 |
| <i>amounts falling due within one year</i> | £ |
| Amount due to subsidiary undertaking | 175000 |
| Other creditors | 1110 |
| | 176110 |

The loan from the subsidiary company is interest free and repayable on demand.

4 Called up share capital

| | <i>Allotted, called up and Authorised fully paid</i> | |
|------------------------------|--|-------|
| <i>Equity shares</i> | | |
| Ordinary shares of £1 each | | |
| At 10 December 2003 | 1000 | 1 |
| Shares allotted 5 March 2004 | 49000 | 21388 |
| At 31 December 2004 | 50000 | 21389 |

On 5 March the company acquired the entire issued share capital of Scientific and Chemical Supplies Limited. Part of the acquisition involved the acquisition of the Directors' interests in that company by way of a share exchange achieved by the issue of shares in Scichem UK limited. The number of shares so issued were 21387.

5 Related party transactions

The company acquired shares in Scientific and Chemical Supplies Limited from the Directors of Scichem UK Limited by way of share exchange as stated in note 4.