

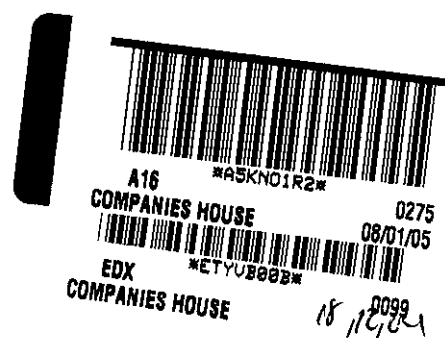
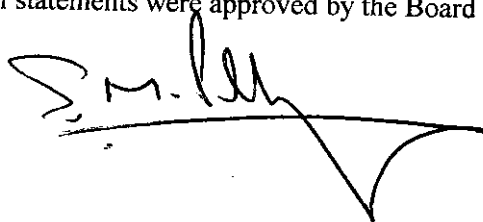
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**Nanotecture Group Limited**  
**Balance sheet as at 1 November 2004**

	Note	£
<b>Fixed assets</b>		
Investments	2	62,067
		<hr/>
<b>Capital and reserves</b>		
Called-up share capital	3	62,067
		<hr/>
<b>Equity shareholders' funds</b>		62,067
		<hr/>

These financial statements were approved by the Board of Directors on 29 November 2004

**S Pollinger**  
**Director**



## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material to the Company's balance sheet.

### (a) Basis of preparation

The balance sheet has been prepared in accordance with applicable accounting standards on a historical cost convention.

### (b) Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

## 2. FIXED ASSET INVESTMENTS

	2004 £
Investments in Group Undertakings	62,067

The investment in subsidiary undertakings relates to a 100% holding of the issued share capital of Nanotecture Limited, a company incorporated in England and Wales. The principal activity of the company is undertaking nano-material research and development and the provision of related services.

## 3. CALLED-UP SHARE CAPITAL

	2003 £
<b>Authorised</b>	
27,114,000 ordinary shares of £0.01 each	271,140
<b>Allotted, called-up and fully-paid</b>	
6,206,714 ordinary shares of £0.01 each	62,067

On 1 November 2004 the company issued 6,206,714 shares in consideration for the entire share capital of Nanotecture Limited.