

RETROSCREEN LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 July 1998.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 and of the profit and loss of the company for that period. 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity during the year was commercial medical research and related activities.

By nature of the trade, turnover and profit can vary widely from year to year. The Directors anticipate a profitable year in 1998/99.

**RESULTS AND DIVIDENDS**

The profit for the year (after taxation) amounted to £45,934.

The Directors recommend that a dividend of £75.188 per ordinary share be paid for the year. After deducting this dividend, which amounts to £10,000, the profit retained in the company is £35,934.

**SIGNIFICANT CHANGES IN FIXED ASSETS**

Significant changes in fixed assets are shown in the notes to the accounts.

contd/....



RETROSCREEN LIMITEDDIRECTORS' REPORT (contd)**DIRECTORS**

The Directors who served during the year and their interests in the share capital of the company of those serving at the end of the period were as follows:-

	At 31.7.98 Ordinary £1 shares	At 31.7.97 Ordinary £1 shares
Professor J S Oxford	56	56
Mr C J Perrin	-	-
Mr J Travers Clarke	-	-

QMC Industrial Research Limited owns 57.89% of the ordinary shares of the company.

**CHARITABLE CONTRIBUTIONS**

During the year the company contributed £5,100 (1997 - £3,000) to charity.

**YEAR 2000 COMPLIANCE**

The Directors confirm that the company's computer systems have been reviewed and they all comply with year 2000 requirements.

**AUDITORS**

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Cowper Feldman as auditors to the company will be put to the annual general meeting.

**SMALL COMPANY EXEMPTIONS**

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

**SIGNED ON BEHALF OF THE BOARD**

J S Oxford

*[Handwritten signature of J S Oxford]*

**DIRECTOR**

Date: 16 September 1998

'AUDITORS' REPORT TO THE SHAREHOLDERS OF

RETROSCREEN LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1 the company's directors are 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.

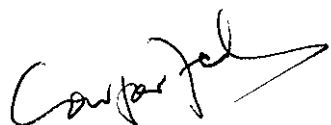
**BASIS OF OPINION**

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 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 July 1998 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cowper Feldman  
Chartered Accountants  
Registered Auditors

Refuge House  
9-10 River Front  
Enfield  
Middlesex EN1 3SZ

Date : 16 September 1998

RETROSCREEN LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 1998

	<u>Notes</u>	<u>1998</u>	<u>1997 *</u>
		£	£
TURNOVER	2	478,867	142,680
Cost of Sales		224,068	68,827
<u>GROSS PROFIT</u>		254,799	73,853
Administrative Expenses		202,468	52,753
<u>OPERATING PROFIT</u>	3	52,331	21,100
Bank Interest Received		6,131	2,265
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		58,462	23,365
Tax on Ordinary Activities	4	12,528	5,848
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		45,934	17,517
Dividends		(10,000)	(5,000)
<u>RETAINED PROFIT FOR THE YEAR</u>		£ 35,934	£ 12,517
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		91,184	78,667
Retained Profit for the Year		35,934	12,517
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 127,118	£ 91,184

All of the company's operations are classed as continuing.

The company had no recognised gains or losses other than the profit/(loss) for the period.

The notes on pages 6 to 9 form part of these accounts.

\* Seven months to 31 July 1997

RETROSCREEN LIMITEDBALANCE SHEET  
AS AT 31 JULY 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	6	49,502	35,157
<b>CURRENT ASSETS</b>			
Work in Progress	7	88,525	17,700
Debtors	8	117,600	66,282
Cash at Bank and in Hand		9,745	79,184
		<u>215,870</u>	<u>163,166</u>
<b>CREDITORS : Amounts Falling</b>			
Due within One Year	9	(138,121)	(107,005)
		<u></u>	<u></u>
<b>NET CURRENT ASSETS</b>		<u>77,749</u>	<u>56,161</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 127,251</u>	<u>£ 91,318</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	10	133	133
Profit and Loss Account		<u>127,118</u>	<u>91,185</u>
<b><u>TOTAL SHAREHOLDERS' FUNDS</u></b>		<u>£ 127,251</u>	<u>£ 91,318</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Enterprises.

Signed on behalf of the  
board of directors

J S Oxford

Director

Approved by the board: 16 September 1998

The notes on pages 6 to 9 form part of these accounts.

\* Seven months to 31 July 1997

RETROSCREEN LIMITEDNOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 19984. TAXATION

The tax charge on the Profit on Ordinary Activities  
was as follows :

	<u>1998</u> £	<u>1997</u> *
		£
Corporation Tax based on the adjusted results for the year	12,528	5,848
	<u>12,528</u>	<u>5,848</u>

5. DIRECTORS EMOLUMENTS

	<u>1998</u> £	<u>1997</u> *
		£
Directors' Remuneration	500	300
	<u>500</u>	<u>300</u>
The highest paid director was also paid a consultancy fee of £19,345 (1997 - £10,395)		
	-	-

\* Seven months to 31 July 1997

RETROSCREEN LIMITED

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 1998

6. FIXED ASSETS

## Tangible Assets

	<u>Plant &amp; Equipment</u> £	<u>TOTAL</u> £
<u>COST</u>		
At 1 August 1997	53,407	53,407
Additions in year	36,928	36,928
At 31 July 1998	90,335	90,335
<u>DEPRECIATION</u>		
At 1 August 1997	18,250	18,250
Charge for year	22,583	22,583
At 31 July 1998	40,833	40,833
<u>NET BOOK VALUE</u>		
At 31 July 1998	49,502	49,502
At 31 July 1997	35,157	35,157

7. WORK IN PROGRESS

	<u>1998</u> £	<u>1997</u> £
Work in Progress	88,525	17,700
	88,525	17,700

8. DEBTORS

	<u>1998</u> £	<u>1997</u> £
Amounts due within one year:		
Trade Debtors	104,491	50,517
Other Debtors	11,754	13,570
Prepayments	1,355	2,195
	117,600	66,282