

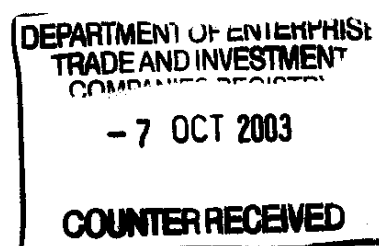


**Bioscience and Technology Institute
Limited (limited by guarantee)**

Financial statements

For the 15 month period ended 28 February 2002

Company registration number: NI 35154



Bioscience and Technology Institute Limited

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Bioscience and Technology Institute Limited

Directors and other information

Directors	P Johnston R Spence A P Passmore
Secretary	P Johnston
Bankers	Ulster Bank Limited 11-16 Donegall Square East Belfast
Solicitors	Carson McDowell Murray House Murray Street Belfast BT1 6DN
Auditors	KPMG Stokes House College Square East Belfast
Registered office	10 Garland Hill Belfast BT8 6YL

Bioscience and Technology Institute Limited

Directors' report

The directors have pleasure in submitting their annual report together with the audited financial statements of the company for the period ended 28 February 2002.

Profit and dividends

Details of the results for the period are set out in the income and expenditure account on page 7 and the related notes.

In accordance with the Memorandum of Association no dividend is payable.

Principal activity and business review

The principal activity of the company is to advance education and to further knowledge of Bioscience and Technology for the benefit of the public in Northern Ireland and worldwide.

Tangible fixed assets

The movements in tangible fixed assets are set out in Note 7 to the financial statements.

Directors

The following served as directors of the company during the period:

P Johnston	
A P Passmore	
R Spence	
S T Townsley	(resigned 21 June 2002)
W McKee	(resigned 4 April 2002)

Bioscience and Technology Institute Limited

Directors' report *(continued)*

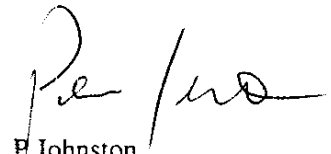
Cash flow statement

The directors have availed of the exemptions for small companies provided by FRS1 (revised) and have not prepared a cash flow statement.

Auditors

KPMG were appointed as auditors during the current financial period. KPMG have expressed their willingness to continue in office as auditors and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board


P Johnston
Director

6/10/03

September 2003

Bioscience and Technology Institute Limited


Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give, in accordance with applicable Northern Ireland law and accounting standards, 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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 (Northern Ireland) Order 1986. 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.

By order of the board


P Johnston
Director

6/10/03

September 2003



Chartered Accountants

Stokes House
College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditor's report to the members of Bioscience and Technology Institute Limited

We have audited the financial statements on pages 7 to 14.

This report is made solely to the company's members as a body in accordance with article 243 of the Companies (Northern Ireland) Order 1986. 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 auditor's 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'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 are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable Northern Ireland and accounting standards. Our responsibilities, as independent auditors, are established in Northern Ireland by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 (Northern Ireland) Order 1986. 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.

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.



Chartered Accountants

Stokes House
College Square East
Belfast BT1 6DH
Northern Ireland


**Independent auditor's report to the members of Bioscience and Technology
Institute Limited (*continued*)**

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made by the directors in note 1 of the financial statements concerning uncertainties as to the company's ability to continue its operations. As the note explains, the validity of the going concern assumption depends upon the successful sale of company's Sydenham building. In view of the significance of this matter we consider it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2002 and of its result for the period then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.


KPMG
*Chartered Accountants
Registered Auditors
Stokes House
17-25 College Square East
Belfast
BT1 6DH*

6 October 2003



Bioscience and Technology Institute Limited

Income and expenditure account

15 month period ended 28 February 2002

		15 month period ended 28 February 2002	Year ended 30 November 2000
	Note	£	£
Administrative expenses - ordinary			
Conference expenditure		(33,994)	-
Marketing		(18,206)	-
Rent and rates		(25,625)	-
Motor expenses		(329)	-
Travel		(4,164)	-
Printing, stationery, telephone		(709)	-
Professional fees		(73,251)	-
Maintenance		(35)	-
Sectoral development cost		(14,661)	-
Miscellaneous		(127)	-
		<u>(171,101)</u>	-
Administrative expenses - exceptional			
Set up costs	3	(68,907)	-
Impairment of fixed assets	7	(62,784)	-
		<u>(131,691)</u>	-
Grant income			
Grants received (specific purposes)		14,933	-
Grants released	11	309,005	-
		<u>323,938</u>	-
Operating profit		<u>21,146</u>	-
Interest receivable	4	7,354	-
Interest payable and similar charges	5	(28,500)	-
Profit/loss on ordinary activities before and after taxation		<u>-</u>	-
Deficit brought forward		-	-
Deficit carried forward		<u>-</u>	-

The company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

The income and expenditure amounts as stated above are derived solely from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

Bioscience and Technology Institute Limited

Balance sheet At 28 February 2002

	Note	28 February 2002		30 November 2000	
		£	£	£	£
Fixed assets					
Tangible assets	7		4,082,580		-
Current assets					
Debtors	8		11,046	-	-
Cash at bank and in hand			515,055	-	-
			<u>526,101</u>	-	-
Creditors: amounts falling due within one year	9		(1,216,651)	-	-
			<u>(690,550)</u>		
Net current liabilities					-
Total assets less current liabilities			3,392,030		-
Creditors: amounts falling due within one year	10		(1,526,035)		-
Deferred income	11		(1,865,995)		-
			<u>(3,392,030)</u>		
Net assets					-
Capital and reserves					
Called-up share capital	12		-		-
Income and expenditure reserve	13		-		-
			<u>(-)</u>		
Equity shareholders' funds	14		-		-

These financial statements were approved by the board of directors on ~~September~~ 6 OCTOBER 2003.

P Johnston
Director



R Spence
Director



The notes on pages 9 to 14 form part of these financial statements.

Bioscience and Technology Institute Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Company status

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding £1.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

Basis of preparing the financial statements

The company is not currently in a position to fully utilise its Sydenham building as a result of funding restraints. This has created an uncertainty as to the future viability and funding of the company and hence the ability of the company to continue as a going concern.

The directors have indicated their intention to sell the company's Sydenham building following the recommendations of a strategic review in January 2003. Advanced discussions are currently underway with Invest Northern Ireland. The sale is anticipated to enable the company to meet all its outstanding liabilities and result in a small net asset position going forward. It is the opinion of the directors that in the event that the building is not sold to Invest Northern Ireland, it could be sold on the open market at a value in excess of its net book value.

On this basis, the directors of the company consider it appropriate to prepare the financial statements on the going concern basis. These financial statements do not incorporate any adjustments that would be required should the going concern basis no longer be appropriate.

Fixed assets and depreciation

Tangible fixed assets are carried at cost less depreciation or provisions for any permanent diminution in value. Assets under construction are not depreciated until they are brought into use.

Grants

Revenue grants received for specific purposes are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Grants received for non-specific purposes are included within deferred income in the balance sheet and credited to the income and expenditure account (up to the amount of grant received) to cover net expenditure incurred in any period.

Bioscience and Technology Institute Limited

Notes (continued)

2 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	15 month period ended 28 February 2002 No.	Year ended 30 November 2000 No.
Directors	5	-

The directors received no emoluments in relation to their services during the period.

3 Set up costs

The company incurred certain set up costs which have been classified as exceptional by virtue of their size.

4 Interest receivable

	15 month period ended 28 February 2002 £	Year ended 30 November 2000 £
Bank interest	7,354	-

5 Interest payable

	15 month period ended 28 February 2002 £	Year ended 30 November 2000 £
Bank interest and charges	28,500	-

Bioscience and Technology Institute Limited

Notes (continued)

6 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation has been arrived at after charging the following items:

	15 month period ended 28 February 2002 £	Year ended 30 November 2000 £
Auditors' remuneration		
- audit	3,500	-
- other services	-	-
	<u>3,500</u>	<u>-</u>

7 Tangible fixed assets

	Property £	Plant and equipment £	Total £
Cost			
At 1 December 2000	-	-	-
Additions	3,787,130	358,234	4,145,364
Impairment	(62,784)	-	(62,784)
	<u>3,724,346</u>	<u>358,234</u>	<u>4,082,580</u>
At 28 February 2002	3,724,346	358,234	4,082,580
Depreciation			
At 1 December 2000	-	-	-
Charged during year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 28 February 2002	-	-	-
Net book value			
At 28 February 2002	<u>3,724,346</u>	<u>358,234</u>	<u>4,082,580</u>
At 1 December 2000	<u>-</u>	<u>-</u>	<u>-</u>

The company commenced work on the construction of a building during the year. Subsequent to this an alternative site was purchased and all costs associated with the initial building have been written off. The company's remaining building at Sydenham, in addition to its plant and machinery, was brought into use on 1 March 2002. Depreciation has been charged from this date.

The bases by which depreciation is calculated are stated in Note 1.

Bioscience and Technology Institute Limited

Notes (continued)

8 Debtors

	28 February 2002 £	30 November 2000 £
VAT	239	-
Grants receivable	10,807	-
	<hr/>	<hr/>
	11,046	-
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	28 February 2002 £	30 November 2000 £
Trade creditors	13,151	-
Loan	1,200,000	-
Other creditors and accruals	3,500	-
	<hr/>	<hr/>
	1,216,651	-
	<hr/>	<hr/>

The above loan of £1,200,000 was received during the period from an individual party. The loan is secured by a debenture incorporating charges over the company's assets.

Bioscience and Technology Institute Limited

Notes (continued)

10 Creditors: amounts falling due after more than one year

	28 February 2002 £	30 November 2000 £
Bank loan	1,526,035	-

The bank loan is secured by an all monies debenture incorporating a fixed charge over the company's premises.

	28 February 2002 £	30 November 2000 £
<i>Analysis of debt:</i>		
Debt can be analysed as falling due:		
In one year or less	-	-
Between one and two years	160,000	-
Between two and five years	480,000	-
In five years or more	886,035	-
	1,526,035	-

11 Deferred income

	28 February 2002 £	30 November 2000 £
Deferred grants:		
At 1 December 2000	-	-
Additions	2,175,000	-
Release in period	(309,005)	-
At 28 February 2002	1,865,995	-

12 Share capital

The company is limited by guarantee and does not have a share capital.

Bioscience and Technology Institute Limited

Notes (continued)

13 Income and expenditure reserve

	28 February 2002 £	30 November 2000 £
At 1 December 2000	-	-
Retained surplus/deficit for period	-	-
	<hr/>	<hr/>
At 28 February 2002	-	-
	<hr/>	<hr/>

14 Equity shareholders' funds

	28 February 2002 £	30 November 2000 £
At 1 December 2000	-	-
Retained profit/loss for period	-	-
	<hr/>	<hr/>
At 28 February 2002	-	-
	<hr/>	<hr/>

15 Contingent liability

Contingent liabilities exist in respect of the IDB grant received by the company, whereby, in the event of the company failing to meet one or more conditions contained in the Letters of Offer to the company, the company would be liable to repay the grant.

16 Ultimate controlling party

The company is controlled by the directors since the company is limited by guarantee.