

COMPANY NO: 2771476

ADVANCED ALLERGY TECHNOLOGIES LIMITED

ACCOUNTS -- 30 APRIL 1995

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS



Presented by:

Chadwick & Co.  
Chartered Accountants  
Television House  
10/12 Mount Street  
Manchester  
M2 5NT

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 1995

The Directors present their report on the affairs of the Company, together with the accounts and accountants' report for the year ended 30 April 1995.

PRINCIPAL ACTIVITIES:

The principal activity of the Company is the sale of specialised anti-allergy products.

TRADING REVIEW AND RESULTS FOR THE YEAR:

Although this year has seen a small loss made, the directors are confident that they have identified the reasons for this and the same mistakes will not be repeated in the future.

The directors expect turnover to continue to rise and this will generate a satisfactory level of profits.

The Directors recommend that the loss of £2,979 for the financial year be deducted from reserves.

The Directors do not recommend payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS:

The following have served as Directors during the year and their interests in the capital of the Company were as stated below:

	<u>Ordinary shares of £1 each</u>	
	<u>1995</u>	<u>1994</u>
D J Pearson	-	-
S Pearson	2	2
R Goodwin (appointed 1 May 1994)	-	-

The Directors do not have any other interests required to be disclosed under Section 234 (4) of the Companies Act 1985.

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 the 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:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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.

APPROVAL:

Advantage has been taken in the preparation of the director's report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

BY ORDER OF THE BOARD:

S Pearson  
Secretary

*S. Pearson*

20 August 1996

# CHADWICK & CO

c h a r t e r e d   a c c o u n t a n t s

Television House, 10/12 Mount Street, Manchester M2 5NT

## ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF

### ADVANCED ALLERGY TECHNOLOGIES LIMITED

We report on the accounts for the year ended 30 April 1995 set out on pages 4 to 10.

#### Respective responsibilities of Directors and reporting Accountants

As described in the Directors' report, the Company's Directors are responsible for the preparation of the accounts, and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

#### Basis of opinion

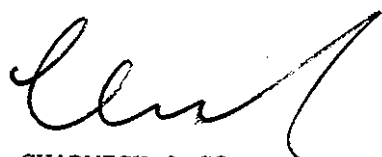
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

#### Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of Companies not entitled to the exemption specified in section 249B(1).

29 August 1995

  
CHADWICK & CO.  
CHARTERED ACCOUNTANTS

ADVANCED ALLERGY TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF RETAINED LOSSES

FOR THE YEAR ENDED 30 APRIL 1995

	<u>Note</u>	<u>Year ended</u> <u>30 April 1995</u>	<u>17 Month</u> <u>Period ended</u> <u>30 April 1994</u>
		<u>£</u>	<u>£</u>
TURNOVER - Continuing operations	2	218,188	45,229
COST OF SALES		(107,983)	(29,898)
Gross profit		110,205	15,331
ADMINISTRATIVE EXPENSES		(111,299)	(39,141)
Operating loss	3	(1,094)	(23,810)
INTEREST PAYABLE	5	(1,885)	(8)
Loss before taxation		(2,979)	(23,818)
TAXATION	6	-	-
Loss for the financial year		(2,979)	(23,818)
PROFIT AND LOSS ACCOUNT, beginning of year		(23,818)	-
PROFIT AND LOSS ACCOUNT, end of year		(26,797)	(23,818)

The Company has no recognised gains or losses other than those disclosed in the profit and loss account for the year. The loss for the year represents the net movement in shareholders funds for the year.

The accompanying notes form an integral part of this statement.

ADVANCED ALLERGY TECHNOLOGIES LIMITED

BALANCE SHEET -- 30 APRIL 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS:			
Tangible assets	7	57,288	8,354
CURRENT ASSETS:			
Stocks & work-in-progress	8	10,123	7,285
Debtors	9	30,953	6,287
Cash at bank and in hand		2,951	478
		<hr/>	<hr/>
		44,027	14,050
CREDITORS - Amounts falling due within one year	10	(73,258)	(16,220)
NET CURRENT LIABILITIES		<hr/>	<hr/>
		(29,231)	(2,170)
Total assets less current liabilities		<hr/>	<hr/>
		28,057	6,184
CREDITORS - Amounts falling due after more than one year	11	(54,852)	(30,000)
		<hr/>	<hr/>
		(26,795)	(23,816)
CAPITAL AND RESERVES:			
Called up share capital	12	2	2
Profit and loss account		(26,797)	(23,818)
		<hr/>	<hr/>
		(26,795)	(23,816)
		<hr/>	<hr/>

The exemption conferred by Section 249A(2) not to have these accounts audited applies to the Company and the Directors confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985 and the accounts give a true and fair view of the state of affairs of the Company as at 30 April 1995 and of its profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

D J Pearson  )  
S Pearson *S. Pearson* ) Directors

Approved by the Directors on 20 Aug 1995

The accompanying notes form an integral part of this balance sheet.

## 1 STATEMENT OF ACCOUNTING POLICIES:

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are:

1.1. Turnover

Turnover represents amounts receivable from the provision of goods and services and is stated after discounts, allowances and Value Added Tax.

1.2. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation.

Depreciation is provided to write off the cost of fixed assets over their estimated useful economic lives at the following annual rates:

Office Equipment	20% straight line basis
Motor vehicles	20% straight line basis

1.3. Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value.

1.4. Deferred taxation

Deferred taxation is provided using the liability method in respect of all timing differences, except to the extent that the Directors are satisfied that the related tax reductions will continue for the foreseeable future.

1.5. Debtors

Debtors are stated net of provisions for bad and doubtful debts.

1.6. Finance lease agreements

Assets acquired under finance lease agreements are capitalised in the balance sheet and are depreciated over the estimated useful lives. The interest element of the contract obligation is charged to the profit and loss account over the period of the agreement on a straight line basis.

## 2 TURNOVER:

	1995	1994
UK Sales	92,540	45,229
Export sales (all EEC)	125,648	-
	<hr/>	<hr/>
	218,188	45,229
	<hr/>	<hr/>

## 3 OPERATING LOSS

Operating loss is stated after charging the following:

	1995 £	1994 £
Auditors' remuneration	-	1,350
Depreciation	5,041	3,024
Consultancy fees received by a director	30,500	-
Directors' remuneration	-	350
Equipment hire	600	-
	<hr/>	<hr/>

## 4 EMPLOYEES:

The following information is given in respect of employee costs:

	1995 £	1994 £
Wages and salaries	45,013	6,334
Social security costs	1,003	-
Other pension costs	40	-
	<hr/>	<hr/>
	46,056	6,334
	<hr/>	<hr/>

The average number of people employed by the Company in the year was 4 (1994 - 3) and they were employed in the following areas:

	1995	1994
Administration	2	2
Sales	2	1
	<hr/>	<hr/>
	4	3
	<hr/>	<hr/>



# 5 INTEREST PAYABLE:

	1995 £	1994 £
Interest on bank loans and overdrafts and other loans wholly repayable by instalments within five years	1,885	8

# 6 TAXATION:

There is no liability for either corporation tax or deferred taxation. The Company has losses available to carry forward for offset against income of the same trade of approximately £29,000.

# 7 TANGIBLE FIXED ASSETS

	Office Equipment	Motor Vehicles	Total
	£	£	£
Cost:			
At 1 May 1994	11,378	-	11,378
Additions	5,581	48,394	53,975
At 30 April 1995	16,959	48,394	65,353
Depreciation:			
At 1 May 1994	3,024	-	3,024
Provision for the year	2,641	2,400	5,041
At 30 April 1995	5,665	2,400	8,065
Net book value			
At 30 April 1995	11,294	45,994	57,288
At 30 April 1994	8,354	-	8,354

The net book value of motor vehicles acquired under finance leases is £45,994 (1994 - Nil). The depreciation charge for the year on these assets is £2,400 (1994 - Nil).

8 STOCKS AND WORK IN PROGRESS:

	1995 £	1994 £
Stock	7,267	7,285
Work in progress	2,856	-
	<hr/> 10,123	<hr/> 7,285

9 DEBTORS

	1995 £	1994 £
Trade debtors	29,173	683
Other debtors	1,780	3,302
Prepayments	-	2,302
	<hr/> 30,953	<hr/> 6,287

10 CREDITORS: amounts falling due within one year

	1995 £	1994 £
Bank overdraft (secured)	33,676	1,756
Trade creditors	6,475	2,247
Obligations under finance leases	11,940	-
Other taxation and social security costs	1,798	-
Directors' current accounts	6,233	10,425
Accruals and deferred income	13,136	1,792
	<hr/> 73,258	<hr/> 16,220

The bank overdraft is secured by a fixed and floating charge over the assets of the Company.

11 CREDITORS - amounts falling due after more than one year:

	1995 £	1994 £
Directors loan accounts	30,000	30,000
Obligations under finance leases	24,852	-
	<hr/> 54,852	<hr/> 30,000

The finance leases are repayable by instalments within five years.

12 CALLED UP SHARE CAPITAL:

	<u>Authorised</u>		<u>Issued, called up and fully paid</u>	
	1995 £	1994 £	1995 £	1994 £
Ordinary shares of £1 each	100	100	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

13 OPERATING LEASES:

At the year end the company had annual commitments under operating leases:

	1995	1994
	Land and Buildings £	Land and Buildings £
which expire -		
Within 1 to 5 years	5,750	-
	<hr/>	<hr/>