

BIOHYBRIDS INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR YEAR ENDED 31 JULY 2005



BIOHYBRIDS INTERNATIONAL LIMITED

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BIOHYBRIDS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors

Professor P.D.S. Caligari
Mr. K. Lobley

Secretary

Mr. K. Lobley

Company Number

3226346

Registered Office

11 Penrose Avenue
Woodley
Berkshire
RG5 3PA

BIOHYBRIDS INTERNATIONAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31st JULY 2005

The Directors present their report together with the accounts for the year ended 31st July 2005.

Principal Activities

The Company's principal activities are that of providing consultants and consulting services, developing, producing, growing, manufacturing, servicing and marketing of plants, plant products, plant processes, and materials.

Results

The results for the year are set out in the Profit and Loss Account on page 4.

Directors

The Directors who served during the year and their beneficial interests in the Company's issued share capital were :

	Ordinary shares of £1 each 31st July 2005
Professor P.D.S. Caligari	60
Mr. K. Lobley	40

Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of the Company's affairs and of the profit or loss for that year. In preparing these accounts the Directors are required to :

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

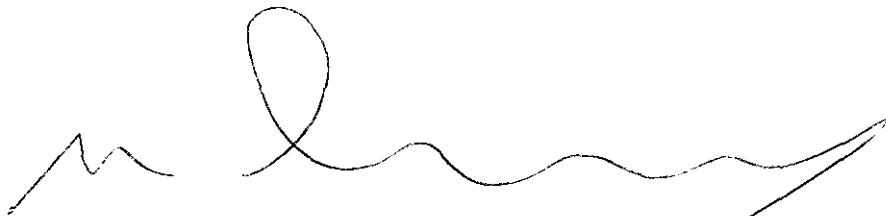
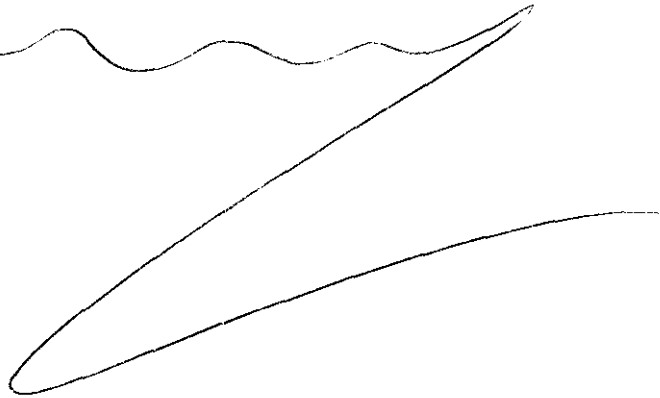
Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the accounts 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.

BIOHYBRIDS INTERNATIONAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31st JULY 2005

This report was approved by the Board on 4th February 2006, taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985 and signed on its behalf.

Mr. K. Lobley,
Secretary.
4th February 2006

BIOHYBRIDS INTERNATIONAL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2005**

		£	£
	Notes	2005	2004
Turnover	6	207,182	147,991
Cost of Sales		204,631	175,680
Gross Profit		<u>2,551</u>	<u>-27,689</u>
Administrative Expenses		4,614	4,027
Operating Profit		<u>-2,063</u>	<u>-31,715</u>
Bank Interest		1,272	398
Net Profit		<u>-791</u>	<u>-31,317</u>
Tax on Ordinary Activities		0	0
Profit for the Financial Year after Tax		<u>-791</u>	<u>-31,317</u>
Retained Profit Brought Forward		11,797	43,114
Retained Profit Carried Forward		<u><u>11,006</u></u>	<u><u>11,797</u></u>

All amounts relate to continuing activities

There were no recognised gains and losses for 2005 nor 2004 other than those included in the Profit and Loss Account

The notes on pages 6 to 7 form part of these accounts

BIOHYBRIDS INTERNATIONAL LIMITED**BALANCE SHEET
AS AT 31ST JULY 2005**

		£	£
	Notes	2005	2004
Fixed Assets			
Tangible Assets		215	290
Investments		-	-
		<u>215</u>	<u>290</u>
Current Assets			
Debtors	2	5,624	25,283
US Dollars		0	1,000
Cash at bank and in hand		108,327	67,664
		<u>113,951</u>	<u>93,946</u>
Creditors			
Amounts Falling Due within One Year	3	13,520	4,368
Advance Payments	11	<u>89,540</u>	<u>77,972</u>
Net Current Assets		<u>10,891</u>	<u>11,607</u>
Total Assets Less Current Liabilities		<u>11,106</u>	<u>11,897</u>
Capital and Reserves			
Share Capital - Equity	4	100	100
Profit and Loss Account		<u>11,006</u>	<u>11,797</u>
Shareholders' Funds	5	<u>11,106</u>	<u>11,897</u>

The Directors are of the opinion that the Company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st July 2005

The Directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The Directors confirm they are responsible for :

ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and preparing accounts which give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the Company.

The Directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the Directors, the Company qualifies as a Small Company and is entitled to make use of the special exemptions.

These accounts were approved by the Board on 4th February 2006 and signed on its behalf.

The notes on pages 6 to 8 form part of these accounts.

K. Lobley
Company Secretary

BIOHYBRIDS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st JULY 2005

1. Accounting Policies

Basis of Accounting

The Accounts have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

The Company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a Small Company.

Turnover

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by reducing balance method over their expected useful lives. The rates generally applicable are :

Fixture and fittings	First Year Allowance	Computers	100%
	Writing Down Allowance		25%

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the Profit and Loss Account.

BIOHYBRIDS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2005

	2005	2004
	£	£
2. Debtors		
Trade Debtors	0	9,750
Other Debtors - VAT	5,624	15,533
	<u>5,624</u>	<u>25,283</u>

3. Creditors : Amounts Falling Due Within One Year

Trade Creditors	10400	
Other Creditors	3120	4368
"Other Creditors" includes taxation of £ 0	<u>13520</u>	<u>4368</u>

4. Share Capital

Authorised	£	£
Equity Shares		
Ordinary Shares of £0.10 each	<u>100</u>	<u>100</u>

Allotted

Equity Shares

Allotted, called up and fully paid

Ordinary Shares of £0.10 each	<u>100</u>	<u>100</u>
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5. Reconciliation of Shareholders' Funds

Profit for the Financial Year	-791	-31,317
Opening Shareholders' Funds	<u>11,897</u>	<u>43,214</u>
Closing Shareholders' Funds	<u>11,106</u>	<u>11,897</u>

6. Turnover

86.7% of the Turnover was derived from the Company's principal activity which was carried out in Asia and Africa

7. Contingent Liabilities

There were no known contingent liabilities at the Balance Sheet date

8. Capital Commitments

There were no known capital commitments at the Balance Sheet date

9. Tangible Assets

Cost	£	Fixtures & Fittings	£
	2005		2004
As at 1st Aug 2004	9,429		8,388
Additions - Computers	<u>0</u>		<u>1,041</u>
As at 31st July 2005	<u>9,429</u>		<u>9,429</u>
Depreciation			
As at 1st Aug 2004	9,139		7997.79
Charge for the Year - FYA - Computers	0		1,041
WDA	<u>75</u> <u>75</u>	<u>100</u>	<u>1,141</u>
As at 31st July 2005	<u>9,214</u>		<u>9,139</u>
Net Book Value			
As at 31st July 2005	<u>215</u>		<u>290</u>

10. Transactions with Directors

Payment of £15,975 was made to Professor PDS Caligari for professional consultancy services during the year.

11. Advance Payments - LONSUM

Development of Markers Research Project	72384	65713	
True Breeding Lines Research Project	17156	12259	
Cfwd	89540		77972