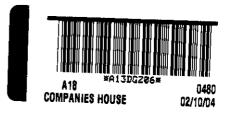
REGISTERED NUMBER: 2359038

Abbreviated Accounts for the Year Ended 31 December 2003

<u>for</u>

Ion Science Limited



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Company Information for the Year Ended 31 December 2003

DIRECTORS:

M Stockdale D B Johns Dr D J Fray Dr F W H Dean

SECRETARY:

R A Oswald

REGISTERED OFFICE:

Lake House Market Hill Royston Hertfordshire SG8 9JN

REGISTERED NUMBER:

2359038

AUDITORS:

Hardcastle Burton Chartered Accountants Registered Auditor Lake House Market Hill

Royston

Herts SG8 9JN

Report of the Independent Auditors to <u>Ion Science Limited</u> Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages three to five, together with the full financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to five are properly prepared in accordance with those provisions.

Howth Bto

Hardcastle Burton Chartered Accountants Registered Auditor Lake House Market Hill Royston

Herts SG8 9JN

Date: 21 9 04

Abbreviated Balance Sheet 31 December 2003

		31.12.0	03	31.12.	02
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		167,939		156,843
Investments	3		18,378		18,281
			186,317		175,124
CURRENT ASSETS:					
Stocks		158,822		133,248	
Debtors		400,316		292,404	
Cash at bank		87,774		226,160	
		646,912		651,812	
CREDITORS: Amounts falling					
due within one year		260,443		286,516	
NET CURRENT ASSETS:			386,469		365,296
TOTAL ASSETS LESS CURRENT					
LIABILITIES:			572,786		540,420
PROVISIONS FOR LIABILITIES					
AND CHARGES:			6,773		3,715
			£566,013		£536,705

CAPITAL AND RESERVES:					
Called up share capital	4		50,000		50,000
Profit and loss account			516,013		486,705
SHAREHOLDERS' FUNDS:			£566,013		£536,705

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

D B Johns Director

Approved by the Board on

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

1.

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings

- in accordance with the lease term

Plant and machinery etc

- 33% on cost,

25% on reducing balance and 15% on reducing balance

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Government Grants

The smart award government grant was issued in the form of cash by the government in return for compliance relating to business activities.

The grant will be written off against expenses that relate to the relevant project when they occur.

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

2. TANGIBLE FIXED ASSETS

۷.	LANGIDLE	L FIXED ASSETS			Total
					£
	COST:				
	At 1 January	2003			393,376
	Additions				53,495
	Disposals				(18,199)
	At 31 Decem	aber 2003			428,672
	DEPRECIA	TION:			
	At 1 January	2003			236,532
	Charge for ye				32,087
	Eliminated o	n disposals			(7,886)
	At 31 Decem	ber 2003			260,733
	NET BOOK	VALUE:			
	At 31 Decem				167,939
	At 31 Decem	ber 2002			156,843
3.	FIXED ASS	ET INVESTMENTS			
	COST:				£
	At 1 January	2003			10.001
	Additions	2003			18,281 97
	Tualions				
	At 31 Decem	ber 2003			18,378
	NET BOOK	VALUE:			
	At 31 Decem	ber 2003			18,378
	At 31 Decem	ber 2002			18,281
4.	CALLED UI	P SHARE CAPITAL			
	Authorised, a	llotted, issued and fully paid:			
	Number:	Class:	Nominal	31.12.03	31.12.02
			value:	£	£
	50,000	Ordinary	£1	50,000	50,000

5. **CONTROLLING PARTY**

In the opinion of the Directors the company is under the control of the board.