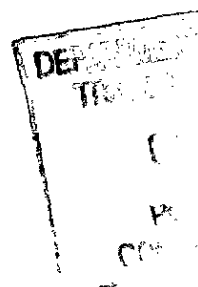




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**SEPHA LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30TH SEPTEMBER 2003**



**SEPHA LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 30TH SEPTEMBER 2003**

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**SEPHA LIMITED****INDEPENDENT AUDITORS' REPORT TO THE COMPANY****UNDER ARTICLE 255B OF THE COMPANIES (NORTHERN IRELAND) ORDER 1986**

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company prepared under Article 234 of the Companies (Northern Ireland) Order 1986 for the year ended 30th September 2003.

This report is made solely to the company's shareholders, as a body, in accordance with Article 255B of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

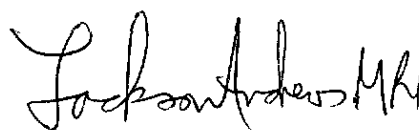
The directors are responsible for preparing the abbreviated accounts in accordance with Article 254 of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts properly prepared in accordance with Articles 254(5) and (6) of the Order 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 financial statements.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Articles 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



Andras House  
60 Great Victoria Street  
Belfast  
BT2 7ET

JACKSON ANDREWS MRI  
Chartered Accountants  
& Registered Auditors

.....2/2/04.....

**SEPHA LIMITED****ABBREVIATED BALANCE SHEET****30TH SEPTEMBER 2003**

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>	<b>2</b>		
Intangible assets		50,835	41,063
Tangible assets		93,212	106,351
Investments		157	157
		<u>144,204</u>	<u>147,571</u>
<b>CURRENT ASSETS</b>			
Stocks		148,551	105,496
Debtors		291,379	386,494
Cash at bank and in hand		20,810	9,878
		<u>460,740</u>	<u>501,868</u>
<b>CREDITORS: Amounts falling due within one year</b>	<b>3</b>	<b>312,260</b>	<b>380,720</b>
<b>NET CURRENT ASSETS</b>		<b>148,480</b>	<b>121,148</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>292,684</b>	<b>268,719</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	<b>4</b>	<b>140,379</b>	<b>70,793</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		<b>95</b>	<b>12,993</b>
<b>GOVERNMENT GRANTS</b>	<b>5</b>	<b>980</b>	<b>1,880</b>
<b>NET ASSETS</b>		<b>151,230</b>	<b>183,053</b>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	<b>6</b>	20,000	20,000
Other reserves		10,000	10,000
Profit and loss account		121,230	153,053
<b>SHAREHOLDERS' FUNDS</b>		<b>151,230</b>	<b>183,053</b>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VIII of the Companies (Northern Ireland) Order 1986.

These abbreviated accounts were approved by the directors on 26 May 2004 and are signed on their behalf by:

  
A.E. PARKER

# SEPHA LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

### YEAR ENDED 30TH SEPTEMBER 2003

#### 1. ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

##### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Article 256 of the Companies (Northern Ireland) Order 1986 not to prepare group accounts.

##### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

##### **Research and development**

Research and development expenditure is written off in the year in which it is incurred.

##### **Intangible fixed assets**

Intangible fixed assets comprise the registration costs of a patent in various parts of the world. These are shown at the cost of registering the ownership of the patents.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Patents        over 19 years

##### **Fixed assets**

All fixed assets are initially recorded at cost.

##### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Building alterations	10%-13%	straight line
Plant and machinery	5%-10%	straight line
Fixtures and fittings	10%-25%	straight line
Motor vehicles	25%	straight line

**SEPHA LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH SEPTEMBER 2003****1. ACCOUNTING POLICIES** *(continued)***Stocks**

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

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

**Deferred government grants**

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

**SEPHA LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH SEPTEMBER 2003****2. FIXED ASSETS**

	<b>Intangible Assets £</b>	<b>Tangible Assets £</b>	<b>Investments £</b>	<b>Total £</b>
<b>COST</b>				
At 1st October 2002	48,518	238,927	157	287,602
Additions	12,840	13,397	—	26,237
<b>At 30th September 2003</b>	<b>61,358</b>	<b>252,324</b>	<b>157</b>	<b>313,839</b>
<b>DEPRECIATION</b>				
At 1st October 2002	7,455	132,576	—	140,031
Charge for year	3,068	26,536	—	29,604
<b>At 30th September 2003</b>	<b>10,523</b>	<b>159,112</b>	<b>—</b>	<b>169,635</b>
<b>NET BOOK VALUE</b>				
<b>At 30th September 2003</b>	<b>50,835</b>	<b>93,212</b>	<b>157</b>	<b>144,204</b>
At 30th September 2002	41,063	106,351	157	147,571

The company holds the allotted ordinary share capital of the following subsidiary undertakings which are incorporated in Northern Ireland:-

Sephascan Limited	155 £1 Ordinary shares( 77.5% of issued capital)
Sepha Pharmaceutical Limited	2 £1 Ordinary shares(100% of issued capital)

**3. CREDITORS: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2003 £</b>	<b>2002 £</b>
Bank loans and overdrafts	<b>101,163</b>	<b>53,572</b>

**4. CREDITORS: Amounts falling due after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<b>2003 £</b>	<b>2002 £</b>
Bank loans and overdrafts	<b>120,708</b>	<b>46,080</b>

**SEPHA LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH SEPTEMBER 2003****6. SHARE CAPITAL****Authorised share capital:**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
100,000 Ordinary shares of £1 each	<b>100,000</b>	100,000
10,000 Redeemable preference shares of £1 each	<b>10,000</b>	10,000
	<b><u>110,000</u></b>	<b><u>110,000</u></b>

**Allotted, called up and fully paid:**

	<b>2003</b>		<b>2002</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b><u>20,000</u></b>	<b><u>20,000</u></b>	<b><u>20,000</u></b>	<b><u>20,000</u></b>