

Report & Financial Statements
Year Ended 31 March 2005



Annual Report and Financial Statements for the year ended 31 March 2005

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Directors and Advisers

Directors

Jim Slater	(Chairman)
Terry Bond	(Deputy Chairman and Managing Director)
Dr John Broome	(Executive)
Dr Richard Dixey	(Non-Executive)
Julian Viggars	(Non-Executive)

Secretary and Registered Office

Mark Collingbourne, Ashcombe Court, Woolsack Way, Godalming, Surrey GU7 1LQ

Nominated Adviser and Broker

Seymour Pierce Limited, Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London W1U 3LL

Solicitors

Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB

Bankers

The Royal Bank of Scotland PLC, Edinburgh West End Office, 142-144 Princess Street, Edinburgh EH2 4EQ

Registrars

Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA

Company Number

3971582

Chairman's Statement

I am pleased to report on the financial results and the progress of BioProjects International PLC (BioProjects) during the financial year ended 31 March 2005.

It has been an interesting time for BioProjects. At the beginning of the year we were almost fully invested, with our faith and our funds in three companies. We completed the year having sold one of our investments at a satisfactory profit and with our two remaining investments having made considerable progress. During the year their technologies advanced and were independently validated by their potential customers and they have now taken the first steps on the road to commercialising their products.

In addition, in July 2004, £1 million was raised in a private placing of shares in BioProjects, principally to provide an additional loan to our main investment, ViaLogy Corp.

Acolyte Biomedica Limited (Acolyte)

First I will deal with the sale of our holding in Acolyte Biomedica, which is developing a testing process for speeding up the detection of infections in hospitals. We received £2.5 million (net) for our shareholding which is a profit of approximately £500,000 over cost and approximately £750,000 over book value. Your board considered this was an acceptable premium on our investment. More importantly, it increased our cash resources to give us capacity to support our other investments if necessary and also to investigate further opportunities for BioProjects to increase shareholder value.

ViaLogy Corp (ViaLogy)

ViaLogy, based in Pasadena, California, is BioProjects' biggest investment. It owns a remarkable technology, with its origins in Caltech/NASA's jet propulsion laboratory. In essence, it is a revolutionary process for identifying and understanding information contained in weak signals, hitherto undetectable because of 'background noise'.

BioProjects has supported ViaLogy almost from its inception because we have always believed that the potential is very considerable and we have remained convinced that we are funding a pioneering breakthrough technology, which will have wide-ranging effects in a number of international industries. During the year several global businesses worked closely and successfully with ViaLogy scientists to validate the process for use in the microarray industry. The ViaLogy patented VMAxS technology is now being offered as an online DNA microarray analysis service.

The really exciting news is that in recent weeks it has been verified that the technology can be adapted to provide substantial benefits in several other industries including, for instance, geo-seismology, defence and communications. Detailed discussions with companies in these fields are already well advanced. A non-exclusive licensing deal has just been signed with a Texas-based oil company which has 80 producing wells and, when the development of the technology is completed, there are plans to provide the service to oil exploration companies around the world. In addition the technology has been successfully validated by a leading international mass spectrometry company and commercial terms are being discussed which should produce substantial revenues for ViaLogy.

The expansion of ViaLogy's business will need considerable additional finance both for research and development and to strengthen the management and scientific teams. Although, during the year, BioProjects and its fellow investor, Aeris Holdings AG of Switzerland, provided additional loans to support the ViaLogy investment, we are essentially an early-stage funder and we accept that, in order to realise ViaLogy's full potential, substantial new money will have to come from other sources. The ViaLogy board is currently examining various ways to secure this funding.

Chairman's Statement (Continued)

The Acrobot Company Limited (Acrobot)

During the financial year Acrobot, BioProjects' other investment, which develops precision surgical systems for minimally invasive, bone conserving, orthopaedic surgery, made considerable progress. The company signed a collaboration agreement to work with prosthesis manufacturer Corin PLC on a major hip-resurfacing project. Acrobot also took the brave step of moving from the safe confines of academia (it had its origins in the laboratories of Imperial College, London) to a new independent laboratory in London's Leathermarket. The board and the management of the company is being strengthened to keep pace with the expansion.

VALUATION

In the interim figures we provided £1.8 million as a provision for diminution in the value of ViaLogy. The recent excellent commercial news from the company has encouraged your board to reappraise the position. As a result we have concluded that our investment in ViaLogy is now worth at least our original cost. The £1.8m provision is therefore no longer required.

OUTLOOK

To sum up, BioProjects has two investments which are technically proven and which we believe have considerable commercial potential. We have a strong cash position and it is still a possibility that we might invest a further substantial amount of our available funds in ViaLogy to assist with its future plans. This will depend upon technological developments and the success ViaLogy achieves in commercialising current projects.

While we are constantly and diligently examining new investments in the bio-technology field, we are being ultra-careful because hard experience during the last few years has taught us that in this area the road to commercial success is long and unpredictable. With this in mind, the directors propose that we should not restrict our future investment policy to bio-technology. We believe that the interests of shareholders would be better served if we were able to consider a wider range of investment opportunities, particularly in undervalued quoted companies or established unquoted companies that are planning to change to public company status. The Directors will focus in particular on the following sectors in their investment and acquisition considerations: energy and resources, leisure, healthcare, support services, media and technology. A resolution to this effect will therefore be proposed at the Annual General Meeting.

We are also proposing a further change. Neither of our two residual investments, ViaLogy and Acrobot, is an exclusively biotechnology business. With this in mind, coupled with our suggested change of strategy to enable us to consider a wider range of future investments, your directors believe that your company's present name is inappropriate. We therefore propose to change it to Original Investments PLC and a resolution to this effect will be proposed at the Annual General Meeting.

Jim Slater
Chairman

15 August 2005

Report of the Directors for the year ended 31 March 2005

The Directors present their report together with the audited financial statements for the year ended 31 March 2005.

Results and dividends

The profit and loss account is set out on page 9 and shows the profit for the year.

The Directors do not recommend a final ordinary dividend for the year (2004 - £Nil).

Principal activities, trading review and future developments

The main aim of the Company has been to invest in biotechnology and biotech related companies and other such companies or corporations which the Directors consider to be connected to biotechnology. A detailed review of the business is given in the Chairman's Statement.

Ethical Position on Animal Rights

BioProjects is not involved in any animal research or testing nor does it currently hold any investments which are involved in any animal research or testing.

BioProjects will not invest funds in an enterprise which knowingly exploits, harms or abuses animals.

Treasury policy

The Company's current account is swept at the end of each day into a short term money market account. A US dollar account is retained for any US investment opportunities which may arise. The money is placed on weekly deposit.

The Company does not trade in financial instruments.

Payments to suppliers

The Company agrees terms and conditions under which business transactions with suppliers are conducted. It is Company policy that, provided a supplier is complying with the relevant terms and conditions, including the prompt and complete submission of all specified documentation, payment will be made within a reasonable period of the invoice being received and in any case within the agreed payment period. The number of days' purchases outstanding at 31 March 2005 for the Company was 41 days (2004 - 34 days).

Going concern

Following its review of the Company's financial plans, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the financial statements set out on pages 9 to 20 have been prepared on a going concern basis.

Report of the Directors for the year ended 31 March 2005 (Continued)

Directors and their interests

The Directors of the Company at the year end and their interests (including non-beneficial interests) in the ordinary share capital were:

	Ordinary shares of 1p each	
	2005	2004
Jim Slater (note 1)	25,485,000	25,485,000
Terry Bond (note 2)	7,925,000	7,925,000
Dr John Broome	10,000,000	10,000,000
Dr Richard Dixey	3,400,000	3,400,000
Julian Viggars	100,000	100,000

Note 1: Jim Slater's interests include interests in 7,985,000 Ordinary Shares owned by the Gladerange Executive Pension Scheme in which he has a beneficial interest, 10,000,000 Ordinary Shares owned by Artemis Management Services Limited in which he has a beneficial interest and a non-beneficial interest in 7,000,000 Ordinary Shares held by the Slater Foundation Limited.

Note 2: Terry Bond's interests include interests in 1,800,000 Ordinary Shares beneficially owned by his wife and 625,000 Ordinary Shares beneficially owned by Arbroath Investments Inc. in which Mr Bond has a non-beneficial interest.

The Directors interests in the options and warrants of the company as at 31 March 2005 and 31 March 2004 were as follows:

Options

	Number	Exercise Period	Exercise Price
Jim Slater	2,500,000	May 2005 to May 2012	6p
Terry Bond	2,500,000	May 2005 to May 2012	6p
Dr John Broome	1,500,000	May 2005 to May 2012	6p
Julian Viggars	3,000,000	May 2005 to May 2012	6p
	<u>9,500,000</u>		

Warrants

Expiry date	1p	3p	6p	6p	Total
	July 2005	July 2005	July 2005	May 2012	
Jim Slater	1,000,000	-	3,000,000	-	4,000,000
Terry Bond	6,000,000	-	-	-	6,000,000
Dr John Broome	2,500,000	-	-	-	2,500,000
Dr Richard Dixey	2,500,000	-	-	1,500,000	4,000,000
Julian Viggars	-	2,000,000	-	-	2,000,000
	<u>12,000,000</u>	<u>2,000,000</u>	<u>3,000,000</u>	<u>1,500,000</u>	<u>18,500,000</u>

The exercise period for each set of warrants is given in note 13 to the financial statements.

Report of the Directors for the year ended 31 March 2005 (Continued)
Substantial shareholdings

Excluding Directors whose shareholdings are set out above, the following have declared an interest of 3% or more in the Company's issued ordinary share capital at 31 March 2005. No other shareholder had declared an interest of 3% or more in the Company's issued ordinary share capital by 2 August 2005.

Name	Ordinary shares	Percentage ordinary shares
Atlas Capital S.A.	14,700,000	5.1%
Christopher Slater (note 1)	11,610,000	4.0%
Jenny Damaskos (note 2)	10,235,000	3.6%
Mark Jones (note 3)	8,810,000	3.1%
Northglen Investments Limited	8,800,000	3.1%

Note 1: Christopher Slater's interests include interests in 1,365,000 Ordinary Shares beneficially owned by his wife, 2,260,000 Ordinary Shares in which his wife and children are interested and 7,985,000 Ordinary Shares owned by the Gladerange Executive Pension Scheme in which he has a beneficial interest.

Note 2: Jenny Damaskos' interests include 7,985,000 Ordinary Shares owned by the Gladerange Executive Pension Scheme in which she has a beneficial interest.

Note 3: Mark Jones' interests include interests in 300,000 Ordinary Shares beneficially owned by his wife, and 7,985,000 Ordinary Shares owned by the Gladerange Executive Pension Scheme in which he has a beneficial interest.

None of the Directors is aware of any interest, apart from those listed above, which represents 3% or more of the issued share capital of the Company or which directly or indirectly, jointly or severally, exercises or could exercise control of the Company.

The market price of the Company's shares at the end of the financial year was 2.27p; the highest and lowest closing share prices during the year were 6.5p and 1.75p respectively.

Report of the Directors for the year ended 31 March 2005 (Continued)

Biographies of Directors

EXECUTIVE

Jim Slater (aged 76)

Jim Slater is a Chartered Accountant. He was Deputy Sales Director of the Leyland Motor Corporation from 1961-3 and subsequently became a non-executive Director of BLMC from 1969-75. From 1964-75 Jim Slater was Chairman of Slater Walker Securities which began as a small shell company and became a substantial industrial conglomerate. In 1969 it developed into an investment bank, which failed when it became a victim of the 1974-5 secondary banking crisis. From 1976 to date he has been a professional investor in both shares and property. He has written several best-selling investment books and also devised Really Essential Financial Statistics (REFS) with Hemmington Scott, the publisher.

Terry Bond (aged 67)

During the 1960s Terry Bond was Managing Director of a public relations consultancy. Throughout the 1970s he was Sir Chay Blyth's business partner and Managing Director of Chay Blyth Supersail. In 1980 Terry was appointed Managing Director of International Property Marketing Limited ('IPM') and in 1987 he was appointed Sales and Marketing Director for Wimpey Leisure. During the 1990s he was a director of ProShare (UK) Ltd, responsible for building up the British investment club movement to 12,000 clubs. Representing the interests of BioProjects, Terry is chairman of ViaLogy and a director of Acrobot. He is also managing director of Sector Investment Managers.

Dr John Broome (aged 73)

Dr John Broome is currently Professor of Pathology, New York University School of Medicine, and Senior Scientist at the Ordway Research Institute, Albany, New York. He is a member of The Society for Experimental Biology and Medicine, The American Society for Investigative Pathology and The Association for University Pathologists. Dr Broome is the author or co-author of numerous published papers on subjects in the field of cancer research and is resident in the USA.

NON-EXECUTIVE

Dr Richard Dixey (aged 52)

Dr Richard Dixey has a BA (Hons) in physiological sciences (Oxford, 1973), a PhD in biophysics (London, 1984) and an MSc in history and philosophy of science (London, 1988). He founded the Bioelectronic Research Unit at St Bartholomew's Hospital, London in 1979 and became the Director of the unit in 1984. In 1990, he became a founding Director of Phytopharm Limited and its Vice Chairman in 1992. In 1994, he became Chief Executive Officer of the company and led its flotation as Phytopharm plc in 1996. In 1989, he founded Chakra Limited, an investment company, of which he remains a Director.

Julian George Viggars (aged 37)

Julian Viggars is a Chartered Accountant and has a BSc in geology/chemistry. He was previously with the London based accountancy firm Smith & Williamson, latterly as an Associate Partner. During his time with Smith & Williamson he spent some five years dealing with private equity transactions and completed an 18 month secondment at Barclays Ventures. He is currently an Investment Director with technology venture capital investor Enterprise Ventures.

Report of the Directors for the year ended 31 March 2005 (Continued)

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 affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

On behalf of the Board

Jim Slater
Director

15 August 2005

Report of the Independent Auditors

To the shareholders of BioProjects International PLC

We have audited the financial statements of BioProjects International PLC for the year ended 31 March 2005 on pages 9 to 20 which have been prepared under the accounting policies set out on page 12.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Act 1985. 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.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement and the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatements, or material inconsistencies with the financial statements. Our responsibility does not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
London

15 August 2005

Profit and Loss Account for the year ended 31 March 2005

	Note	2005 £	2004 £
Turnover	2	19,110	46,947
Administrative expenses		271,035	370,414
Operating loss	5	(251,925)	(323,467)
Provision for diminution in value of investments	9	-	(111,407)
Profit on disposal of investments		746,117	-
Profit/(loss) on ordinary activities before interest and other income		494,192	(434,874)
Interest receivable		99,114	31,387
Interest payable and similar charges		-	(41)
Profit/(loss) on ordinary activities before and after taxation	6	593,306	(403,528)
Earnings/(loss) per share			
Basic earnings/(loss) per share	7	0.21p	(0.16p)
Diluted earnings/(loss) per share	7	0.19p	(0.16p)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 12 to 20 form part of these financial statements.

Balance Sheet at 31 March 2005

	Note	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible assets	8		3,809		2,180
Investments	9		3,535,056		5,284,684
			<u>3,538,865</u>		<u>5,286,864</u>
Current assets					
Debtors	10	749,066		159,641	
Cash at bank and in hand	19	3,176,484		449,628	
		<u>3,925,550</u>		<u>609,269</u>	
Creditors: amounts falling due within one year	11	38,185		54,514	
			<u>3,887,365</u>		<u>554,755</u>
Net current assets					
			<u>7,426,230</u>		<u>5,841,619</u>
Total assets less current liabilities					
			<u>7,426,230</u>		<u>5,841,619</u>
Capital and reserves					
Called up share capital	13	2,882,222		2,650,000	
Share premium account	14	7,601,513		6,824,930	
Share scheme reserve	14	87,500		87,500	
Warrant reserve	14	66,240		83,740	
Profit and loss account	14	(3,211,245)		(3,804,551)	
		<u>7,426,230</u>		<u>5,841,619</u>	
Shareholders' funds - equity	15				
			<u>7,426,230</u>		<u>5,841,619</u>

The financial statements were approved by the Board on 15 August 2005.

Jim Slater
Director

The notes on pages 12 to 20 form part of these financial statements.

Cash Flow Statement for the year ended 31 March 2005

	Note	2005 £	2005 £	2004 £	2004 £
Net cash outflow from operating activities	17		(310,842)		(447,985)
Returns on investments and servicing of finance					
Interest received		99,114		31,387	
Interest paid		-		(41)	
			99,114		31,346
Taxation					
UK corporation tax refunded			-		673
Capital expenditure and financial investment					
Increase in loans to Investee Company		(542,936)		-	
Payments to acquire tangible fixed assets		(2,581)		-	
Payments to acquire fixed assets investments		-		(1,873,723)	
Receipt from sale of fixed asset investments		2,495,745		51,199	
			1,950,228		(1,822,524)
Management of liquid resources					
Cash (outflow)/inflow from increase in liquid resources			(9,393)		271,463
Cash inflow/(outflow) before financing			1,729,107		(1,967,027)
Financing					
Cash inflow from issue of shares		1,010,000		264,000	
Issue costs incurred on issue of shares		(18,695)		(3,795)	
			991,305		260,205
Increase/(decrease) in cash	19		2,720,412		(1,706,822)

The notes on pages 12 to 20 form part of these financial statements

Notes forming part of the Financial Statements for the year ended 31 March 2005

I Accounting policies

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

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Office equipment - 20% per annum, reducing balance

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Options and warrants

Where options are issued to employees and directors a profit and loss account charge is made equal to the difference between the fair value of shares at the date the award was made and the exercise price of the options. The charge is spread in accordance with UITF17. Warrants issued by the company are recorded at the fair value of the consideration received and are reported in the reconciliation of movement in shareholders' funds in the period in which they are issued.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

2 Turnover

Turnover is wholly attributable to the consultancy activity provided by Directors of the Company to trade investments and arises within the United Kingdom (except for US\$12,000 (2004 - US\$12,000) relating to the United States). Turnover is recognised when the consultancy services are provided.

**Notes forming part of the Financial Statements for the year ended 31 March 2005
 (Continued)**
3 Employees

	2005	2004
	£	£
Staff costs consist of:		
Wages and salaries	110,000	153,751
Social security costs	9,761	12,888
	<hr/>	<hr/>
	119,761	166,639
	<hr/>	<hr/>

The average number of employees, including Directors, during the year was 6 (2004 - 9). All the costs related to administration activities.

4 Directors' remuneration

The remuneration received by each Director was as follows:

	Salary/fees	Salary/fees
	2005	2004
	£	£
Jim Slater	31,667	41,250
Terry Bond	28,333	35,417
Julian Viggars	10,000	55,834
Dr John Broome	10,000	12,917
Dr Richard Dixey	10,000	10,000
Christopher Slater (resigned 29 September 2003)	-	10,000
Mark Tompkins (resigned 29 September 2003)	-	10,000
	<hr/>	<hr/>
	90,000	175,418
	<hr/>	<hr/>

5 Operating loss

	2005	2004
	£	£
This has been arrived at after charging:		
Depreciation of tangible fixed assets	952	545
Amortisation of intangible fixed assets	-	187
Auditors' remuneration - audit services	14,200	18,550
- non audit services	6,500	3,100
Foreign exchange differences	17,559	8,624
	<hr/> <hr/>	<hr/> <hr/>

**Notes forming part of the Financial Statements for the year ended 31 March 2005
 (Continued)**
6 Taxation on profit from ordinary activities

	2005	2004
	£	£
<i>Current tax</i>		
UK corporation tax on profits of the year	-	-
Over provision in prior years	-	-
	<u>-</u>	<u>-</u>
	<u>593,306</u>	<u>(403,528)</u>
Profit/(loss) on ordinary activities before tax	593,306	(403,528)
	<u>593,306</u>	<u>(403,528)</u>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 - 30%)	177,992	(121,058)
	<u>177,992</u>	<u>(121,058)</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	638	56
Capital allowances for year in (excess)/deficit of depreciation	(163)	82
Provisions not deductible for tax purposes	-	33,422
Difference between book and tax basis on disposal of investments	(118,835)	-
Profit on disposal of investments extinguished by capital losses	(105,000)	-
Increase in excess management expenses carried forward	45,368	87,498
	<u>45,368</u>	<u>87,498</u>
Current tax charge for year	-	-
	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Deferred tax assets relating to excess management expenses and capital losses of £954,000 and £1,293,000 respectively (2004 - £804,000, £642,000) have not been recognised as these losses can only be offset against future taxable profits and at present there is insufficient evidence to justify recognition. A capital loss of £1,000,000 has been claimed relating to the loss in value on the investment in International Interstitial Technologies (IIT).

7 Earnings per share
Basic

The calculation of earnings per share is based on the profit for the year of £593,306 (2004 - £403,528 loss) and on 281,785,693 (2004 - 257,426,229) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

Diluted

Diluted earnings per share dilutes the basic earnings per share to take into account share options and warrants. The calculation includes the weighted average number of ordinary shares that would have been issued on the conversion of all the dilutive share options and warrants into ordinary shares. The weighted average number of shares for this purpose is 298,970,266. The profit after taxation was unchanged from the basic figure.

In 2004 the effect of all potential shares was anti-dilutive.

**Notes forming part of the Financial Statements for the year ended 31 March 2005
 (Continued)**
8 Tangible assets

	Office equipment £
Cost	
At 1 April 2004	3,995
Additions	2,581
	<hr/>
At 31 March 2005	6,576
<i>Depreciation</i>	
At 1 April 2004	1,815
Provided for the year	952
	<hr/>
At 31 March 2005	2,767
<i>Net book value</i>	
At 31 March 2005	3,809
	<hr/>
At 31 March 2004	2,180
	<hr/>

9 Investments

	Unlisted investments £
Cost	
At 1 April 2004	7,581,517
Additions	-
Disposals	(3,000,113)
	<hr/>
At 31 March 2005	4,581,404
<i>Provisions</i>	
At 1 April 2004	2,296,833
Provisions made during the year	-
Disposals	(1,250,485)
	<hr/>
At 31 March 2005	1,046,348
<i>Net book value</i>	
At 31 March 2005	3,535,056
	<hr/>
At 31 March 2004	5,284,684
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Notes forming part of the Financial Statements for the year ended 31 March 2005 (Continued)

9 Investments (Continued)

The principal undertakings in which the Company has an interest at the year end are as follows:

	Class of share capital held	Percentage of share capital held %
<i>Participating interest:</i>		
The Acrobot Company Limited	Ordinary	24.7
Pivotal Machines Inc	Ordinary	48.2
ViaLogy Corp.	Ordinary and Series A-I	46.5

The company also holds 1,250,000 warrants in Bionex Investments plc exercisable at 2.5p each, at any time before 31 December 2006 and 1,250,000 warrants exercisable at 2.5p each at any time from 1 January 2007 to 31 December 2010. The fair value of the Bionex warrants has been estimated as nil as the exercise price is currently in excess of the quoted Bionex ordinary share price.

10 Debtors

	2005 £	2004 £
Trade debtors	12,447	4,653
Other debtors	12,762	13,651
Loans to investee company	723,857	141,337
	749,066	159,641

All amounts shown under debtors fall due for payment within one year.

11 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	17,013	16,306
Other creditors	1,007	10,691
Accruals	20,165	27,517
	38,185	54,514

12 Financial assets

The interest rates applying to the Company's financial assets are:

	Fixed rate 2005	Fixed rate 2004	Floating rate 2005	Floating rate 2004
Sterling	-	-	3,169,914	449,502
US\$	-	-	6,570	126

The floating rate assets are held in a money market account earning interest on a LIBOR based rate.

**Notes forming part of the Financial Statements for the year ended 31 March 2005
 (Continued)**
12 Financial assets (Continued)
Fair values

The fixed asset investments represent investments in unlisted companies and have a carrying value of £3,535,056. The fair value of these investments cannot be reliably estimated as the investee companies are involved in the specialist industries with complex technologies that are still at an early stage of their development. The fair value of the investments is dependent on a number of factors including the results of clinical trials, the emergence or activities of competitors, the availability of sufficient funding, the successful marketing of each investee company's technology and the development of a customer base.

The narrative disclosures required by Financial Reporting Standard No. 13 are provided in the Chairman's report on page 1 and the Directors' report on page 3.

13 Share capital

	2005 Number	Authorised 2004 Number	2005 £	2004 £
Ordinary shares of 1p each	500,000,000	500,000,000	5,000,000	5,000,000
		Allotted, called up and fully paid		
	2005 Number	2004 Number	2005 £	2004 £
Ordinary shares of 1p each	288,222,223	265,000,000	2,882,222	2,650,000

All shares issued carry the same level of voting rights.

On 14 July 2004, the Company issued 22,222,223 new Ordinary shares of 1p each, for a consideration of £981,305 (net of issue costs). These funds have been used to invest further in ViaLogy and strengthen the Company's cash position.

On 16 July 2004, the company issued 1,000,000 new Ordinary shares of 1p each, for a consideration of £10,000 following the exercise of 1,000,000 warrants at an exercise price of 1p.

**Notes forming part of the Financial Statements for the year ended 31 March 2005
 (Continued)**
13 Share capital (Continued)
Share options

At 31 March 2005, the following share options were outstanding in respect of Ordinary shares.

Number of shares	Exercise period	Exercise price
10,500,000	May 2005 to May 2012	6p

Warrants

At 31 March 2005, the following warrants were outstanding in respect of ordinary shares.

Number	Exercise period	Exercise price
23,000,000	July 2002 to July 2005	1p
3,000,000	December 2002 to July 2005	3p
1,000,000	December 2003 to July 2005	5p
5,500,000	May 2004 to May 2012	6p
<hr/>		
32,500,000		
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14 Reserves

	Share premium account £	Share scheme reserve £	Warrant reserve £	Profit and loss account £
At 1 April 2004	6,824,930	87,500	83,740	(3,804,551)
Premium on shares issued during the year (net of issue costs)	759,083	-	-	-
Premium relating to warrants	17,500	-	(17,500)	-
Profit for the year	-	-	-	593,306
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At 31 March 2005	7,601,513	87,500	66,240	(3,211,245)
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The Company incurred issue costs of £18,695 in relation to the issue of 22,222,223 shares at 4.5p on 14 July 2004. These costs have been set against the share premium account.

**Notes forming part of the Financial Statements for the year ended 31 March 2005
 (Continued)**
15 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit/(Loss) for the year	593,306	(403,528)
New share capital subscribed	232,222	120,000
Premium on shares issued during the year (net of issue costs)	759,083	140,205
	<hr/>	<hr/>
Net reduction in to shareholders' funds	1,584,611	(143,323)
Opening shareholders' funds	5,841,619	5,984,942
	<hr/>	<hr/>
Closing shareholders' funds	7,426,230	5,841,619
	<hr/>	<hr/>

16 Related party transactions
Related party transactions and balances

The Company pays £500 per month (2004 - £500 per month) contribution towards general office expenses to Artemis Management Services Limited, a company in which Jim Slater is a director and in which he has a beneficial interest. The Company also contributed towards secretarial and administration services of £9,130 (2004 - £1,660). The total amount outstanding at the year end was £6,451 (2004- £4,010).

During the year the Company made loans of US\$1,000,000 to ViaLogy Corp. A company in which it owns 46.5% of the share capital and has Terry Bond and Dr John Broome as common directors.

17 Reconciliation of operating loss to net cash outflow from operating activities

	2005 £	2004 £
Operating loss	(251,925)	(323,467)
Depreciation of tangible fixed assets	952	545
Amortisation of intangible fixed assets	-	187
Increase in debtors	(61,099)	(144,176)
(Decrease)/increase in creditors	(16,329)	10,302
Foreign exchange movements	17,559	8,624
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Net cash outflow from operating activities	(310,842)	(447,985)
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Foreign exchange movements include movements of £14,610 relating to loans made to ViaLogy.

**Notes forming part of the Financial Statements for the year ended 31 March 2005
 (Continued)**
18 Reconciliation of net cash inflow to movement in net funds

	2005 £	2004 £
Increase/(decrease) in cash	2,720,412	(1,706,822)
Increase/(decrease) in liquid resources	9,393	(271,463)
Foreign exchange movements	(2,949)	(8,624)
Opening net funds	449,628	2,436,537
	<hr/>	<hr/>
Closing net funds	3,176,484	449,628
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19 Analysis of net funds

	At 1 April 2004 £	Cash flow £	Foreign exchange movements £	At 31 March 2005 £
Cash in hand and at bank	449,502	2,720,412	-	3,169,914
Liquid resources	126	9,393	(2,949)	6,570
	<hr/>	<hr/>	<hr/>	<hr/>
	449,628	2,729,805	(2,949)	3,176,484
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20 Post balance sheet events

On 1 June 2005 the company issued 23,000,000 new Ordinary shares of 1p each as a result of the exercise of 23,000,000 warrants. The number of Ordinary shares issued to Directors upon the exercise of warrants and the exercise price is listed below.

Director	Warrants exercised	Exercise price
Jim Slater	1,000,000	1p
Terry Bond	6,000,000	1p
Dr John Broome	2,500,000	1p
Dr Richard Dixey	2,500,000	1p

NOTICE OF ANNUAL GENERAL MEETING

BIOPROJECTS INTERNATIONAL PLC

Notice is hereby given that the Annual General Meeting of BioProjects International PLC will be held at Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL at 11.00 a.m. on 28 September 2005 for the following purposes:

1. To receive the Company's Report and Accounts for the year ended 31 March 2005.
2. To re-elect Mr. J.D. Slater, who retires by rotation, as a Director.
3. To re-elect Dr. J Broome, who retires by rotation, as a Director.
4. To re-appoint BDO Stoy Hayward LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolutions as to the resolution numbered 5 as an Ordinary Resolution and as to the resolution numbered 6 as a Special Resolution:

5. That the proposed investment policy of the Company, as set out in the Chairman's Statement contained in the Annual Report and Accounts of the Company for the year ended 31 March 2005, be and it is hereby approved.
6. That the name of the Company be and it is hereby changed to Original Investments PLC.

By order of the Board

Mark Collingbourne
Company Secretary

Registered Office:
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

15 August 2005

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him. The proxy need not be a member of the company.
2. To be effective Forms of Proxy must be duly completed and returned so as to reach Capita Registrars, Proxy Department, PO Box 25, Beckenham, Kent BR3 4BR not less than 48 hours before the time appointed for the holding of the Meeting.
3. Depositing a form of proxy shall not preclude a member from attending and voting in person at the meeting or any adjournment thereof instead of the proxy.
4. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered in the Register of members at 11.00 a.m. on 26 September 2005 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's Register of Members at the time which is not less than 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

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