

Company No. 2647768

Report of the Directors and
Financial Statements
for the Year Ended 31 December 2004
for
Cobalt Development Institute
(A Company Limited By Guarantee, Not
Having A Share Capital)



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Cobalt Development Institute
(A Company Limited By Guarantee, Not
Having A Share Capital)

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for the Year Ended 31 December 2004

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Cobalt Development Institute
(A Company Limited By Guarantee, Not
Having A Share Capital)

Company Information
for the Year Ended 31 December 2004

DIRECTORS:

L Gellens
D Morgan
T Shepherd
T Kubota
B Rochon
Dr S Dunmead
G J Dyason
P Gundermann
Dr I Akalay
Ms G Platonova
C Tan
S Brown

SECRETARY:

Dr M J Hawkins

REGISTERED OFFICE:

167 High Street
Guildford
Surrey
GU1 3AJ

REGISTERED NUMBER:

2647768 (England and Wales)

AUDITORS:

Pugh Clarke & Co
Registered Auditors
Suite 17 & 18
Riverside House
Lower Southend Road
Wickford
Essex SS11 8BB

Cobalt Development Institute
(A Company Limited By Guarantee, Not
Having A Share Capital)

Report of the Directors
for the Year Ended 31 December 2004

The directors present their report with the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the promotion of the uses of cobalt and its applications for various products.

DIRECTORS

The directors during the year under review were:

D Elliott	- resigned 18.5.04
L Gellens	
J Koeleman	- resigned 18.5.04
R McSweeney	- resigned 13.10.04
D Morgan	
T Shepherd	
T Kubota	
B Rochon	
J Cochrane	- resigned 13.10.04
Dr S Dunmead	
G J Dyason	- appointed 18.5.04
P Gundermann	- appointed 18.5.04
Dr I Akalay	- appointed 18.5.04
Ms G Platonova	- appointed 13.10.04
C Tan	- appointed 13.10.04
S Brown	- appointed 13.10.04

STATEMENT OF 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 surplus or deficit of the company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

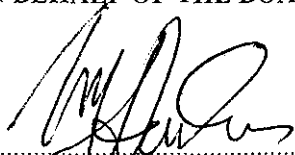
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Pugh Clarke & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has 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:



Dr M J Hawkins - Secretary

Date: 17/5/05

Report of the Independent Auditors to the Members of
Cobalt Development Institute
(A Company Limited By Guarantee, Not
Having A Share Capital)

We have audited the financial statements of Cobalt Development Institute (A Company Limited By Guarantee, Not Having A Share Capital) for the year ended 31 December 2004 on pages four to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors 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 the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pugh Clarke & Co
Registered Auditors
Suite 17 & 18
Riverside House
Lower Southend Road
Wickford
Essex SS11 8BB

Date:

Cobalt Development Institute
(A Company Limited By Guarantee, Not
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Income and Expenditure Account
for the Year Ended 31 December 2004

		<u>2004</u>		<u>2003</u>	
	Notes	£	£	£	£
TURNOVER			771,991		599,085
Research expenses		245,598		287,525	
Administrative expenses		<u>256,597</u>		<u>239,988</u>	
			<u>502,195</u>		<u>527,513</u>
OPERATING SURPLUS	2		269,796		71,572
Interest receivable and similar income			<u>18,307</u>		<u>8,942</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION			288,103		80,514
Tax on profit on ordinary activities	3		<u>1,973</u>		<u>(714)</u>
SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION			286,130		81,228
Retained surplus brought forward			<u>514,029</u>		<u>432,801</u>
			800,159		514,029
Movement in reserves			<u>(141,423)</u>		<u>-</u>
RETAINED SURPLUS CARRIED FORWARD			<u><u>£658,736</u></u>		<u><u>£514,029</u></u>

The notes form part of these financial statements

Cobalt Development Institute
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Balance Sheet
31 December 2004

		<u>2004</u>		<u>2003</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		12,027		14,163
CURRENT ASSETS:					
Debtors	5	61,988		54,994	
Cash at bank and in hand		<u>1,068,621</u>		<u>795,157</u>	
		1,130,609		850,151	
CREDITORS: Amounts falling due within one year	6	<u>21,361</u>		<u>29,169</u>	
NET CURRENT ASSETS:			<u>1,109,248</u>		<u>820,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£1,121,275</u></u>		<u><u>£835,145</u></u>
RESERVES:					
Contingency Fund	7		109,325		102,978
Health, Safety and Environment	7		353,214		218,138
Accumulated Fund	7		<u>658,736</u>		<u>514,029</u>
			<u><u>£1,121,275</u></u>		<u><u>£835,145</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

.....
- Director

Approved by the Board on 17 May 2005

Cobalt Development Institute
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Notes to the Financial Statements
for the Year Ended 31 December 2004

1. **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

Turnover represents net receipts of subscriptions from the members of the Company.

Tangible fixed assets

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

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Pensions

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

Deferred Taxation

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

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.

2. **OPERATING SURPLUS**

The operating surplus is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	4,009	4,722
Auditors' remuneration	4,400	4,070
Pension costs	<u>13,304</u>	<u>12,186</u>
Directors' emoluments and other benefits etc	-	-

3. **TAXATION**

Analysis of the tax charge/(credit)

The tax charge/(credit) on the surplus on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
UK corporation tax	1,973	-
Over reserve in previous years	<u>-</u>	<u>(714)</u>
Tax on surplus on ordinary activities	<u>1,973</u>	<u>(714)</u>

Cobalt Development Institute
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Notes to the Financial Statements
for the Year Ended 31 December 2004

4. **TANGIBLE FIXED ASSETS**

	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 January 2004	23,272	17,022	40,294
Additions	2,036	-	2,036
Disposals	<u>(163)</u>	<u>-</u>	<u>(163)</u>
At 31 December 2004	<u>25,145</u>	<u>17,022</u>	<u>42,167</u>
DEPRECIATION:			
At 1 January 2004	16,289	9,842	26,131
Charge for year	<u>2,214</u>	<u>1,795</u>	<u>4,009</u>
At 31 December 2004	<u>18,503</u>	<u>11,637</u>	<u>30,140</u>
NET BOOK VALUE:			
At 31 December 2004	<u>6,642</u>	<u>5,385</u>	<u>12,027</u>
At 31 December 2003	<u>6,983</u>	<u>7,180</u>	<u>14,163</u>

5. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
VAT	1,186	1,560
Trade debtors	1,300	-
Other debtors	1,400	1,200
Prepayments	<u>58,102</u>	<u>52,234</u>
	<u>61,988</u>	<u>54,994</u>

6. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Bank loans and overdrafts	6	-
Other creditors	19,382	24,598
Social security & other taxes	-	4,571
Taxation	<u>1,973</u>	<u>-</u>
	<u>21,361</u>	<u>29,169</u>

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Notes to the Financial Statements
for the Year Ended 31 December 2004

7. RESERVES

	Accumulated Fund	Health, Safety & Environment	Contingency Fund	Total
	£	£	£	£
At 1 January 2004	514,029	218,138	102,978	835,145
Retained surplus for the year	286,130	-	-	286,130
Transfer between reserves	(141,423)	135,076	6,347	-
At 31 December 2004	<u>658,736</u>	<u>353,214</u>	<u>109,325</u>	<u>1,121,275</u>

8. ULTIMATE CONTROLLING PARTY

The Company is under the ultimate control of the board of directors.

9. COMMITMENTS

Research expenditure

At 31 December 2004, research expenditure commitments were as follows :-

	2004 £	2005 £
Authorised, contracted for, but not provided for in the accounts	487,205	96,357
Authorised, but not contracted for	93,973	36,057

Pension

The Company is committed to paying pensions in respect of employees of £13,713 per annum.

10. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year.

Expiring:		
In more than five years	<u>17,000</u>	<u>17,000</u>

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Income and Expenditure Account
for the Year Ended 31 December 2004

	<u>2004</u>		<u>2003</u>	
	£	£	£	£
Income:				
Subscriptions	488,099		458,671	
Miscellaneous income	6,661		5,516	
Health, safety & environment	<u>277,231</u>		<u>134,898</u>	
		771,991		599,085
Other income:				
Interest received		<u>18,307</u>		<u>8,942</u>
		790,298		608,027
Expenditure:				
Research, publishing and projects	99,441		144,179	
Health, safety & environment research	146,157		138,175	
Wages	125,885		97,260	
Social security	15,564		12,014	
Pensions	13,304		12,186	
Telephone	6,588		3,800	
Printing, post and stationery	6,590		10,450	
Website costs	13,350		5,171	
Office services (UK)	21,933		21,576	
Motor and travel expenses	21,470		8,238	
Library and journals	4,549		2,529	
General expenses	7,149		9,434	
Auditors remuneration	4,400		4,070	
Other professional fees	6,224		4,541	
Bad debts	-		44,431	
Insurance	<u>5,042</u>		<u>3,725</u>	
		497,646		521,779
		292,652		86,248
Finance costs:				
Bank charges		<u>540</u>		<u>1,012</u>
		292,112		85,236
Depreciation:				
Fixtures & fittings	2,214		2,328	
Motor vehicles	<u>1,795</u>		<u>2,394</u>	
		4,009		4,722
NET SURPLUS		<u>£288,103</u>		<u>£80,514</u>