ENDOCRINE PHARMACEUTICALS LIMITED

INCORPORATION NUMBER 3005721

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2001



A08
COMPANIES HOUSE
0618
30/04/02

ENDOCRINE PHARMACEUTICALS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30 JUNE 2001

	NOTES	THIS YEAR £	£	LAST YEAR £	£
CURRENT ASSETS					
Debtors		29117		-	
Cash at Bank and in Hand		75947		54093	
		105064		54093	
CREDITORS (amounts falling due within one year)		55318		41545	
NET CURRENT ASSETS/(LIABILITIES)			49746		12548
TOTAL ASSETS LESS CURRENT LIABILITIES			49746		12548
CAPITAL AND RESERVES					
Called up Share Capital	2		12032		10407
Share Premium Account	3		1287622		977247
Profit and Loss Account			(1249908)		(975106)
			49746		12548

The accounts have been prepared in accordance with special provisions for small companies under Part VII of the Companies Act 1985 and Financial Reporting Standard for Smaller Entities (effective March 2000) relating to small companies.

APPROVED BY THE BOARD on 26 April 2002

SIGNED: ..... **Dr.J.HART - DIRECTOR**

ENDOCRINE PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2001

1. ACCOUNTING POLICIES

(a) **Basis of Accounting**

The financial statements have been prepared under the Historical Cost Convention in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

(b) **Fundamental Accounting Concept**

The accounts have been prepared on the going concern basis which assumes that the company will continue in operational existance for the forseeable future. During the year the company incurred a loss of £274802. The company is involved in research and development activities and until it is able to convert this into a significant revenue stream it will continue to rely for financial support on additional investments.

The directors are actively seeking further finance. Whilst the directors cannot be certain of future funding, based on the progress made to date, they believe that it is appropriate for these statutory accounts to be prepared on a going concern basis.

(c) **Research and Development**

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

(d) **Government Grants**

Government Grants received during the year are netted off against administration fees, in the year they are received.

(e) **Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year in which they are made.

ENDOCRINE PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2001

2. SHARE CAPITAL

	THIS YEAR £	LAST YEAR £
Authorised		
558197 Ordinary Shares of 1p each	5582	5582
1147324 'A' Ordinary Shares of 1p each	8872	8872
Allotted Issued and Fully Paid		
413661 Ordinary Shares of 1p each	4137	4137
789496 'A' Ordinary Shares of 1p each	7895	6270
	12032	10407

In December 2001 the issued share capital was increased by the creation of 104167 A' ordinary shares for a consideration of £200000. In March 2001 a further 58333 A' ordinary shares were issued for a consideration of £87000 together with additional work to be provided of £25000.

3. SHARE PREMIUM

	THIS YEAR £	LAST YEAR £
At 1 July 2000	977247	529849
Shares Issued	310375	447398
At 30 June 2001	1287622	977247

INDEPENDENT AUDITORS REPORT

ENDOCRINE PHARMACEUTICALS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 1 to 3 together with the financial statements of the company for the year ended 30th June 2001 prepared under Section 226 of the Companies Act 1985.

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 Section 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 considered 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 Sections 246 (5) and (6) of the Company Act 1985, and the abbreviated accounts on pages 1 to 3 are properly prepared in accordance with those provisions.

WAKEFIELD HOUSE
32 HIGH STREET
PINNER
MIDDLESEX
HA5 5 PW

RAMON LEE JACOBS
REGISTERED AUDITOR

DATE: 26th APRIL 2002