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Heraeus Metal Processing Limited

**Report and Financial Statements
Year Ended 31 December 2002**

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DIRECTORS AND OTHER INFORMATION

Board of Directors at

A Link
A Walsh
G Ritter
G O'Neill
J Lund

Solicitors

LK Shields
39/40 Upper Mount Street
Dublin 2

Secretary and Registered Office

G O'Neill
Bay 75
Shannon Industrial Estate
Shannon
Co Clare

Bankers

Bank of Ireland
Shannon Industrial Estate
Co Clare

Bank of Ireland
Head Office
Lower Baggot Street
Dublin 2

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Bank Place
Limerick

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2002

Directors' responsibilities

Irish 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 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 books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2001. 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

Books of account

The measures taken by the directors to secure compliance with the company's obligations to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of accounts are kept at Bay 74/75, Shannon Industrial Estate, Shannon, Co Clare

Principal activities and review of the business

The manufacture of precious metal products continued to be the principal activity of the company. Both the level of business and the year end financial position were satisfactory

Profits, dividends and reserves

	€
Profit for the year amounted to	1,514,359
Profit retained at beginning of year	8,412,470
Dividends paid during the year	
- redeemable preference dividend of €0.127 per share	(1,275)
- ordinary dividend of €89.50 per share	(4,698,725)
Profit retained at end of year	<u>5,226,829</u>

Subsequent events

There have been no significant subsequent events affecting the company since the year end

Health and Safety

The policy of the company is to ensure the health and welfare of employees by maintaining a safe place and system of work. This policy, which is set out in the safety statement required by the Safety, Health and Welfare at Work Act, 1989, was fulfilled during the year

DIRECTORS' REPORT - continued

Directors

The names of the persons who were directors at any time during the year ended 31 December 2002 are set out below
Unless indicated they served as directors for the entire year

A Link
J Lund
G Ritter
A Walsh
G O'Neill

Directors' and Secretary's interests in shares of the company

None of the directors nor the company secretary have any interests in the share capital of the company or the holding company at 1 January 2002 and 31 December 2002

Independent auditors

The independent auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963

On behalf of the board

Independent auditors' report to the members of Heraeus Metal Processing Limited

We have audited the financial statements on pages 7 to 18

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable Irish law and accounting standards generally accepted in Ireland are set out on page 3 in the statement of directors' responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards issued by the Auditing Practices Board applicable in Ireland. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Irish statute comprising the Companies Acts, 1963 to 2001. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to

- whether the company has kept proper books of account,
- whether the directors' report is consistent with the financial statements, and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting, such a financial situation may exist if the net assets of the company, as stated in the company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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.

Independent auditors' report - continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2001

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 3 and 4 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 10, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2002 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Chartered Accountants and Registered Auditors
Limerick

ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Acts, 1963 to 2001. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

Historical cost convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Freehold land is not depreciated. Depreciation on other tangible fixed assets is calculated to write off their cost or valuation over their useful lives by equal annual instalments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Leasehold improvements	40 years
Plant & machinery	10 years
Laboratory equipment	5 years
Computers, office furniture and equipment	5 - 10 years

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost is based on normal levels of cost and comprises cost of purchase and, where applicable, cost of conversion to current condition. Cost of purchase includes charges such as freight or duty where appropriate. Cost of conversion includes direct labour, direct expenses and fixed and variable production overhead expenditure.

Net realisable value comprises the actual or estimated selling price (net of trade but before settlement discounts), less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

Leases

Expenditure on operating leases is charged to the profit and loss account on a basis representative of the benefit derived from the asset, normally on a straight-line basis over the lease period.

Deferred taxation

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

The company has adopted FRS 19 'Deferred tax' with effect from 1 January 2002. As the adoption of FRS 19 did not give rise to any change in the deferred tax liability at 31 December 2001 or in the deferred tax credit for the year then ended, a prior year adjustment was not required.

ACCOUNTING POLICIES - continued

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and revenues, costs and non-monetary assets at the exchange rates ruling at the dates of the transactions

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account

Monetary assets are money held and amounts to be received in money, all other assets are non monetary assets

Capital grants

Capital grants are treated as deferred income, which is amortised to the profit and loss account on the same basis as the related tangible assets are depreciated

Revenue grants

Revenue grants receivable are credited to the profit and loss account in the year in which the related expenditure is incurred

Pensions

The company operates a defined contribution scheme for all eligible employees. Contributions to the pension fund are dealt with in the profit and loss account in the year in which they are incurred

PROFIT AND LOSS ACCOUNT
Year Ended 31 December 2002

	Notes	Discontinued Operations Year ended 31 December 2002 €	Continuing Operations Year ended 31 December 2002 €	Year ended 31 December 2002 €	Year ended 31 December 2001 €
Turnover		400,758	14,671,386	15,072,144	17,820,049
Cost of sales		<u>(310,688)</u>	<u>(12,441,950)</u>	<u>(12,752,638)</u>	<u>(15,241,761)</u>
Gross profit		90,070	2,229,436	2,319,506	2,578,288
Administration expenses		<u>(106,463)</u>	<u>(645,672)</u>	<u>(752,135)</u>	<u>(796,328)</u>
Operating profit/(loss)	1	(16,393)	1,583,764	1,567,371	1,781,960
Interest receivable		<u>-</u>	<u>158,780</u>	<u>158,780</u>	<u>207,591</u>
Profit on ordinary activities before taxation		(16,393)	1,742,544	1,726,151	1,989,551
Exceptional charges	3	<u>-</u>	<u>-</u>	<u>-</u>	<u>(172,061)</u>
Profit before taxation		<u>(16,393)</u>	<u>1,742,544</u>	1,726,151	1,817,490
Taxation	4			<u>(211,792)</u>	<u>(206,664)</u>
Profit after taxation				1,514,359	1,610,826
Dividends paid	5			<u>(4,700,000)</u>	<u>-</u>
Balance at beginning of year				<u>8,412,470</u>	<u>6,801,644</u>
Balance at end of year				<u>5,226,829</u>	<u>8,412,470</u>

The company had no recognised gains or losses other than those dealt with in the profit and loss account

On behalf of the board

BALANCE SHEET
31 December 2002

	Notes	31 December 2002 €	31 December 2001 €
Fixed assets			
Tangible assets	6	<u>834,731</u>	<u>1,170,972</u>
Current assets			
Stocks	7	1,280,896	1,495,444
Debtors	8	3,002,569	2,986,472
Bank and cash		<u>1,578,725</u>	<u>3,985,346</u>
		<u>5,862,190</u>	<u>8,467,262</u>
Creditors - amounts falling due within one year	9	<u>(1,130,908)</u>	<u>(736,170)</u>
Net current assets		<u>4,731,282</u>	<u>7,731,092</u>
Total assets less current liabilities		5,566,013	8,902,064
Provision for liabilities and charges	10	<u>(72,539)</u>	<u>(222,949)</u>
		<u>5,493,474</u>	<u>8,679,115</u>
Financed by:			
Capital and reserves			
Called up share capital	11	151,946	151,946
Share premium account	12	114,699	114,699
Profit and loss account		<u>5,226,829</u>	<u>8,412,470</u>
Shareholders funds		<u>5,493,474</u>	<u>8,679,115</u>
Equity shareholders' funds	13	5,409,465	8,593,831
Non-equity shareholders' funds		<u>84,009</u>	<u>85,284</u>
Shareholders' funds		<u>5,493,474</u>	<u>8,679,115</u>

On behalf of the board

CASH FLOW STATEMENT
Year Ended 31 December 2002

	Notes	31 December 2002 €	31 December 2001 €
Net cash inflow from operating activities	A	2,346,009	1,937,152
Returns on investment and servicing of finance			
Interest received		158,780	207,591
Taxation			
Irish Corporation tax paid		(270,448)	(188,636)
Capital expenditure			
Purchase of tangible fixed assets		(39,784)	(424,346)
Sale of tangible fixed assets		<u>95,979</u>	<u>-</u>
Net cash flow before financing		2,290,536	1,531,761
Equity dividends paid		(4,700,000)	-
Financing		<u>-</u>	<u>-</u>
(Decrease)/increase in cash	B	<u>(2,409,464)</u>	<u>1,531,761</u>

CASH FLOW STATEMENT

A. Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	31 December	31 December
	2002	2001
	€	€
Operating profit	1,567,371	1,781,960
Depreciation charges	280,046	291,471
Grants amortised	(3,259)	(10,419)
Decrease/(increase) in stocks	214,548	(582,478)
(Increase)/decrease in debtors	(16,097)	610,602
Increase/(decrease) in creditors	399,379	(153,984)
	<u>(3,259)</u>	<u>(10,419)</u>
Net cash inflow from operating activities	<u>2,346,009</u>	<u>1,937,152</u>
B. Reconciliation of net cash flow to movement in net cash/(debt)	31 December	31 December
	2002	2001
	€	€
Increase/(decrease) in cash in the period	(2,409,464)	1,531,761
Net funds at beginning of period	<u>3,982,404</u>	<u>2,450,643</u>
Net funds at end of period	<u>1,572,940</u>	<u>3,982,404</u>
Analysis of net cash/(debt)	At 1 January	At
	2002	31 December
	€	2002
		€
Cash at bank and in hand	3,985,346	1,578,725
Bank overdrafts	<u>(2,942)</u>	<u>(5,785)</u>
	<u>3,982,404</u>	<u>1,572,940</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Operating profit	31 December 2002	31 December 2001
Operating profit is stated at after charging/(crediting)	€	€
Auditors' remuneration	18,724	18,179
Operating lease charges		
- Plant & machinery	20,210	23,894
- Premises	202,312	178,557
Depreciation of tangible fixed assets	280,046	291,471
Directors' remuneration	281,304	262,643
Amortisation of government grants	<u>(3,259)</u>	<u>(10,419)</u>

2 Staff costs and employee information	31 December 2002	31 December 2001
	€	€
Wages and salaries	875,732	984,613
Social Welfare costs	81,421	100,864
Other pension costs	<u>74,897</u>	<u>52,815</u>
	<u>1,032,050</u>	<u>1,138,292</u>

The average number of persons employed by the company during the year was

	Number	Number
Operations	16	18
Administration	<u>6</u>	<u>5</u>
	<u>22</u>	<u>23</u>

3 Exceptional charges

The exceptional charges relate to redundancy and closure costs as a result of gauze weaving operations being discontinued in 2002

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Taxation	31 December 2002 €	31 December 2001 €
Irish corporation tax at 10%	210,018	217,092
Under provision for corporation tax in respect of prior years	<u>1,774</u>	<u>-</u>
Total current tax	211,792	217,092
Deferred tax	<u>-</u>	<u>(10,428)</u>
	<u>211,792</u>	<u>206,664</u>

The current tax charge for the year is lower than the current charge that would result from applying the standard rate of Irish corporation tax to profit on ordinary activities. The differences are explained below

	2002 €	2001 €
Profit on ordinary activities before tax	<u>1,726,151</u>	<u>1,817,490</u>
Profit on ordinary activities multiplied by the average rate of Irish corporation tax for the year of 16.78% (2001: 20.56%)	289,648	373,676
Effects of		
Disallowable expenses	22,216	17,400
Capital allowances in excess of depreciation	(5,321)	(19,498)
Manufacturing relief	(100,139)	(164,914)
Adjustment to tax charge in respect of previous years	1,774	-
Tax deducted on payments made	<u>3,614</u>	<u>-</u>
Current tax charge for the year	<u>211,792</u>	<u>206,664</u>

5 Dividends	31 December 2002 €	31 December 2001 €
Paid		
Redeemable preference dividend of €0.127 per share	1,275	-
Ordinary dividend of €89.50 per share	<u>4,698,725</u>	<u>-</u>
	<u>4,700,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Tangible fixed assets	Leasehold improvement €	Plant and machinery €	Laboratory equipment €	Computers, office furniture and equipment €	Total €
Cost					
At 31 December 2001	171,738	2,439,974	303,311	187,160	3,102,183
Additions	-	33,856	4,377	1,551	39,784
Disposals	-	(672,854)	-	-	(672,854)
At 31 December 2002	171,738	1,800,976	307,688	188,711	2,469,113
Accumulated depreciation					
At 31 December 2001	37,117	1,594,410	157,171	142,513	1,931,211
Charge for year	4,164	208,112	38,938	28,832	280,046
Disposals	-	(576,875)	-	-	(576,875)
At 31 December 2002	41,281	1,225,647	196,109	171,345	1,634,382
Net book amounts					
31 December 2001	134,621	845,564	146,140	44,647	1,170,972
31 December 2002	130,457	575,329	111,579	17,366	834,731

7 Stocks	31 December 2002 €	31 December 2001 €
Precious metal stocks	1,280,896	1,495,444

There are no material differences between the replacement cost of stock and the balance sheet amounts

8 Debtors - amounts falling due within one year	31 December 2002 €	31 December 2001 €
Trade debtors	466,771	614,601
Prepayments	104,418	25,533
VAT recoverable	18,419	18,388
Amounts owing from group companies	2,412,961	2,327,950
	3,002,569	2,986,472

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Creditors - amounts falling due within one year	31 December 2002 €	31 December 2001 €
Bank overdraft	5,785	2,942
Trade creditors and accruals	482,566	446,714
Amounts owed to group companies	416,389	28,691
Corporation tax	160,018	218,674
PAYE and PRSI	66,150	39,149
	<u>1,130,908</u>	<u>736,170</u>
Creditor for taxation and social welfare included above	<u>226,168</u>	<u>257,823</u>
10 Provision for liabilities and charges	31 December 2002 €	31 December 2001 €
Capital grants		
At beginning of year	179,241	179,241
Received during year	-	-
At end of year	<u>179,241</u>	<u>179,241</u>
Amortisation		
At beginning of year	175,982	165,563
Released during year	3,259	10,419
At end of year	<u>179,241</u>	<u>175,982</u>
Net book amount	<u>-</u>	<u>3,259</u>
Deferred tax		
Deferred tax has been provided on timing differences arising from capital allowances		
	31 December 2002 €	31 December 2001 €
At beginning of year	47,629	58,057
Charge for year	-	(10,428)
At end of year	<u>47,629</u>	<u>47,629</u>
Provision for closure costs	<u>24,910</u>	<u>172,061</u>
Total provision for liabilities and charges	<u>72,539</u>	<u>222,949</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Share capital	31 December 2002 €	31 December 2001 €
Authorised:		
800,000 ordinary shares of €1 26974 each	1,015,790	1,015,790
200,000 redeemable preference shares of €1 26974 each	253,948	253,948
100,000 redeemable shares of €1 26974 each	126,974	126,974
	<u>1,396,712</u>	<u>1,396,712</u>

	31 December 2002 €	31 December 2001 €
Allotted, called up and fully paid:		
52,500 ordinary shares of €1 26974 each	66,661	66,661
10,037 redeemable preference shares of €1 26974 each	12,745	12,745
57,130 redeemable shares of €1 26974 each	72,540	72,540
	<u>151,946</u>	<u>151,946</u>

The redeemable preference shares and the redeemable shares can be redeemed, at the option of the company, at any time after the expiration of 12 months from the date of the allotment of the shares

The redeemable preference shareholders have the right to receive a dividend if declared, at the rate of 10% of the amount paid up, in priority to any payment of dividend to the ordinary shareholders

The redeemable preference shareholders will also have priority over other classes of shareholders, on a winding up of the company to receive payment, limited to the repayment of amounts paid up or credited in respect of the shares, together with the amount of any accrued dividends

The voting rights of the redeemable preference shareholders are limited to resolutions which affect the rights attaching to the preference shares

12 Share premium	31 December 2002 €	31 December 2001 €
Premium arising on issue of shares	<u>114,699</u>	<u>114,699</u>

13 Reconciliation of movements in equity shareholders' funds	31 December 2002 €	31 December 2001 €
Profit for the year	1,514,359	1,610,826
Dividends	<u>(4,698,725)</u>	<u>-</u>
Net (reduction)/increase in equity shareholders' funds	(3,184,366)	1,610,826
Equity shareholders' funds at 1 January 2002	<u>8,593,831</u>	<u>6,983,005</u>
Equity shareholders' funds at 31 December 2002	<u>5,409,465</u>	<u>8,593,831</u>

NOTES TO THE FINANCIAL STATEMENTS - continued**14 Pensions**

All pension entitlements of employees are met by payments to an externally funded defined contribution superannuation scheme for the sole benefit of employees and their dependants. The amount charged to the profit and loss account was €74,897 (2001: €52,815).

15 Operating lease commitments

The company has annual commitments under non-cancellable operating leases which were due to expire in the following years after the period end:

	31 December 2002		31 December 2001	
	Land and buildings €	Other €	Land and buildings €	Other €
Within one year	-	-	-	3,673
Between 2 and 5 years	-	14,094	-	20,221
After more than 5 years	202,312	9,480	178,557	-
	<u>202,312</u>	<u>23,574</u>	<u>178,557</u>	<u>23,894</u>

The rentals payable under leases in respect of land and buildings are subject to re-negotiation at five yearly intervals as specified in the lease agreement.

16 Parent company

The company is a wholly owned subsidiary of Heraeus Holding GmbH, a company incorporated and operating in Germany.

17 Related parties

The company has availed of the exemption in FRS No 8 "Related Party Transactions" which permits qualifying subsidiaries of an undertaking not to disclose details of transactions between group entities that are eliminated on consolidation.

18 Reporting currency

The reporting currency used in these financial statements is the Euro, denoted by the symbol "€".

19 Approval of financial statements

The financial statements were approved by the directors on 31st March 2002.

DETAILED PROFIT AND LOSS ACCOUNT
Year Ended 31 December 2002

		31 December 2002 Discontinued operations €	31 December 2002 Continuing operations €	31 December 2002 €	31 December 2001 €
Turnover		400,758	14,671,386	15,072,144	17,820,049
Cost of sales	Schedule A	<u>(310,688)</u>	<u>(12,441,950)</u>	<u>(12,752,638)</u>	<u>(15,241,761)</u>
Gross profit		90,070	2,229,436	2,319,506	2,578,288
Administration	Schedule B	<u>(106,463)</u>	<u>(645,672)</u>	<u>(752,135)</u>	<u>(796,328)</u>
Operating profit/(loss)		<u>(16,393)</u>	<u>1,583,764</u>	<u>1,567,371</u>	<u>1,781,960</u>

DETAILED PROFIT AND LOSS ACCOUNT - continued
Year Ended 31 December 2002

SCHEDULE A	Discontinued operations 31 December 2002 €	Continuing operations 31 December 2002 €	31 December 2002 €	31 December 2001 €
Cost of sales				
Opening stock	-	1,495,445	1,495,445	1,012,971
Purchases	68,706	10,806,803	10,875,509	13,726,529
Less closing stock	-	(1,280,896)	(1,280,896)	(1,495,445)
	<u>68,706</u>	<u>11,021,352</u>	<u>11,090,058</u>	<u>13,244,055</u>
Operating expenses				
Development cost	-	5,280	5,280	4,223
Production salaries (net of grant)	67,893	464,219	532,112	642,364
Employee benefits	16,493	109,694	126,187	142,837
Financing costs	-	(1,403)	(1,403)	(10,549)
Rent and rates (net of grant)	72,511	109,677	182,188	201,149
Freight	8,053	39,085	47,138	98,200
Analytical services	-	8,476	8,476	19,541
Light, heat and power	19,794	73,507	93,301	145,861
Chemicals	-	120,282	120,282	131,281
Packaging	1,379	65,747	67,126	61,681
Maintenance	481	84,678	85,159	77,798
Supplies	10,144	73,154	83,298	131,342
Security	-	9,145	9,145	8,799
Depreciation				
- Leasehold improvements	-	4,164	4,164	4,254
- Plant and machinery	45,234	162,878	208,112	217,984
- Laboratory equipment	-	38,938	38,938	37,507
Amortisation of government grant	-	(3,259)	(3,259)	(10,419)
Sundry	-	56,336	56,336	93,853
	<u>241,982</u>	<u>1,420,598</u>	<u>1,662,580</u>	<u>1,997,706</u>
Cost of sales	<u>310,688</u>	<u>12,441,950</u>	<u>12,752,638</u>	<u>15,241,761</u>

DETAILED PROFIT AND LOSS ACCOUNT - continued
Year Ended 31 December 2002

SCHEDULE B	Discontinued operations ended 31 December 2002 €	Continuing operations ended 31 December 2002 €	31 December 2002 €	31 December 2001 €
Administrative expenses				
Administration salaries	51,990	253,836	305,826	289,996
Marketing support	-	92,431	92,431	92,071
Employee benefits	11,547	56,378	67,925	63,096
Travel and entertainment	2,410	11,767	14,177	36,297
Telephone and fax	3,859	18,840	22,699	16,425
Insurance	9,430	46,040	55,470	36,217
Motor expenses	4,830	23,580	28,410	28,617
Bank charges	691	3,372	4,063	6,369
Stationery	1,032	5,038	6,070	11,176
Legal and audit	7,446	36,354	43,800	42,917
Cleaning	1,633	7,974	9,607	9,013
Loss/(profit) on foreign exchange	-	33,452	33,452	30,871
Depreciation computers, office furniture and equipment	4,901	23,931	28,832	31,727
Sundry	4,446	21,704	26,150	80,472
Subscriptions	2,248	10,975	13,223	21,064
	<u>106,463</u>	<u>645,672</u>	<u>752,135</u>	<u>796,328</u>