



Press Release

28 August 2008

Cyprotex PLC (“Cyprotex” or “the Company” or “the Group”)

Interim results for the six months to 30 June 2008

Cyprotex PLC (LSE:CRX), the drug discovery technology and information company, today reports its Interim results for the half year ended 30 June 2008.

Financial Highlights

- Revenues for the period ended June 2008 expanded significantly on the comparable period, up 33% to £2.25m (1H 2007: £1.69m).
- The Group recorded a net profit for the first time at £56,000 (1H 2007: loss £418,000)
- Cash and cash equivalents ended the period largely unchanged from the 2007 year end position, at £276,000 (2007: £301,000), although the second half of the year will bear the weight of certain non-recurring costs associated with the departure of Cyprotex’s previous Chief Executive Officer, Mr Robert Morrisson Atwater.
- At a General Meeting on 14th July 2008, shareholders authorised the placement of 40 million new ordinary shares at 2.5p each to both new and existing shareholders raising £1m (gross). The closing date for subscriptions associated with this placement was 26th August 2008, following which the fund raising was declared successfully completed.

Commenting on the results, Nikolas Sofronis, Chairman of Cyprotex PLC, said:

“A number of important steps took place during the first half of 2008. As a result, Cyprotex now possesses greater confidence and remains optimistic of securing further growth in the second half.”



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CHAIRMAN'S STATEMENT

Notable Events

The first half of 2008 was a particularly busy period for Cyprotex, marked by three specific and notable events.

Firstly, increased operational activity during the six-month period allowed Cyprotex to report a profit for the very first time. Secondly, the Company witnessed the departure of Mr Robert Morrisson Atwater who, after four years at the helm, handed the role of Chief Executive Officer to Dr Anthony Baxter. Thirdly, the Board took the opportunity to bolster Group reserves by embarking on a fund raising exercise.

Given the significance of each of these events, I will now more fully expand upon their details:

A Positive Return

Declaring its first profit, however modest, is undoubtedly a landmark event for Cyprotex. The positive net and operating profits achieved during the six months to June 2008, represent the first genuine fruits that follow six years of heavy strategic investment.

This improvement resulted from a sharp acceleration in revenue growth. As I have explained in the past, Cyprotex's automated platform provides significant operational gearing. Enjoying a relatively low cost of consumables, the Group is able to demonstrate consistently strong gross margins, while other operational expenses have remained generally fixed. Increased activity thus drops largely to the bottom line. The half-year cash position finished close to where it began the period, although the second half of 2008 will bear the weight of certain non-recurring costs associated with the departure of Chief Executive Officer, Mr Robert Morrisson Atwater.

In my report for the year ended 31st December 2007, I suggested that the New Year should present an excellent opportunity in which to prove Cyprotex's business plan. I said this in the knowledge that the global drug discovery industry was confronting caution on two fronts: one being the imminent economic slowdown associated with the international credit crunch; the other being the continued tightening of the regulatory screw that was already being blamed for the two years of consecutive underperformance by the international sector. Against this, however, I was clear that Cyprotex should prosper under conditions that force industry players into maximising their operational efficiencies.

In so doing, pharmaceutical companies would be adopting a more generalised policy of externalising non-core, or generic activities, which cannot be said to form part of their core competency. While offering the potential for significant cost savings, such a move also represents a break with the past where most stages of drug development, from concept through to commercialisation, have been controlled internally. Nevertheless, with industry costs continuing to spiral, levels of success have tumbled (2007 saw the number of new drug approvals by the US Food and Drugs Administration (FDA) fall to its lowest level in nearly quarter of a century) against the gathering pace of generic competition for a number of the world's most profitable offerings. Recently, a number of authoritative reports, including one by Turner Investment Partners (TIP), have recognised this evolution. TIP cites independent forecasts of market expansion for global contract research organisations (CRO) from US\$16.3bn in 2006 rising to US\$29.4bn by 2011. Importantly, it also suggests that CROs will be involved in as much as half of all drug development, both at the pre-clinical level and beyond, within five years.



With urgent calls for change now clearly being heard, Cyprotex has claimed its first formal and longer-term collaborations with significant pharmaceutical companies. These collaborations effectively pass responsibility for providing high integrity ADMET (Absorption, Distribution, Metabolism, Excretion and Toxicity) services covering entire screening schedules and in so doing, Cyprotex becomes an integral part of its partner's development programme. In turn, such interdependence significantly improves forward visibility and operational planning, while its automated platform is able to cope with the higher levels of throughput without deterioration in quality or turnaround.

With the tangible benefit of such collaborations being simple to demonstrate, Cyprotex is confident of securing similar agreements over the coming months. Having a truly global customer base established through well over 200 Master Services Agreements (MSA), ranging from the global giants down to the smallest biotechs, Cyprotex is already a trusted partner. Such relationships, historically built through servicing laboratory overflow for the majors, or piecemeal work for fledgling companies too small to operate their own facilities, can now be expected to deepen significantly. In so doing, Cyprotex hopes to lessen its historical dependence on shorter-term 'fee-for-service' activity, against which forward scheduling can be uncertain, in favour of highly visible longer-term projects. Recognition of the true scale of this opportunity will indeed prove Cyprotex's business plan.

The second half of 2008 opened on a similarly optimistic note. Activity levels continue to accelerate while levels of customer satisfaction remain high. Cyprotex's sales and marketing team continued to add new customers at an impressive pace. In so doing they are focussing customers on the Group's technical capabilities and value-added services as a means of accelerating candidate selection.

Financial Highlights

- Revenues for the period ended June 2008 expanded sharply on the comparable period, up 33% to £2.25m (1H 2007: £1.69m).
- The Group recorded a net profit for the first time at £56,000 (1H 2007: loss £418,000)
- Cash and cash equivalents ended the period largely unchanged from the 2007 year end position, at £276,000 (2007: £301,000), although the second half of the year will bear the weight of certain non-recurring costs associated with the departure of Cyprotex's previous Chief Executive Officer, Mr Robert Morrisson Atwater.
- At a General Meeting on 14th July 2008, shareholders authorised the placement of 40 million new ordinary shares at 2.5p each to both new and existing shareholders. The closing date for subscriptions associated with this placement was 26th August 2008, following which the fund raising was declared as successfully completed.

A Change of Management

Toward the end of the first half, Cyprotex's Chief Executive Officer, Mr Robert Morrisson Atwater, decided to step down in favour of Dr Anthony Baxter.

Robert assumed the title of Chief Executive Officer some four years ago after overseeing a refinancing exercise for Cyprotex PLC. Having recognised the value embedded in its technologies, he refocused the Group's business plan and invested heavily in its infrastructure. During his tenure, Cyprotex's customer base and international reputation expanded dramatically.



In passing the baton to Dr Anthony Baxter, Robert has ensured the Group's next phase of growth will be overseen by an experienced industry professional with an exceptional record.

At both CEO and CSO level, Anthony's career stretches over 25 years, with experience at board level, in management and research functions. His core competence can be found in drug discovery, medicinal chemistry, combinatorial chemistry and genomics.

He has had notable scientific roles in assisting the discovery and development of significant drugs for large pharmaceutical groups and in the discovery of advanced clinical development candidates for several major industry players.

Anthony co-founded Argenta Discovery Ltd, leading the funding through a number of City institutions and then building revenues to \$20m over four years. Significant success was been claimed in the arranging of international collaborations with numerous partners, including Aventis, GSK and Astra Zeneca. This was followed by its merger with biotech group, Etiologies, to create a world class respiratory therapeutics company.

Anthony followed this by leading the turnaround of deltaDOT Ltd, a technically impressive but financially distressed, proteomics/genomics platform technology company.

Since May 2006, Anthony has been Non-Executive Chairman of Equinox Pharma Ltd and remains a Member of the Imperial College Non-Executive panel.

Bolstering Group Reserves

On commencing his role with Cyprotex, Anthony, in conjunction with the Board, completed a thorough review of Group operations.

Our conclusion was that Cyprotex's proprietary technologies, its unique high-throughput offering and market reputation presented a major opportunity for growth. This review also convinced the Board that there is a significant opportunity to expand both the product offering and value-added services, while deepening customer relationships.

Securing such opportunities, however, requires both commitment and resources. Having depleted reserves, during the first half of 2008 Cyprotex utilised its banking facilities for the first time. Given the significant hike in the cost of borrowing that followed the now all-too-apparent credit crunch, the Board recognised that it would be unrealistic to finance a short term expansion of working capital through borrowings alone.

Having performed ahead of management forecasts during the first half, and registering improved confidence amongst major shareholders following Anthony's appointment, the Board proposed a placement of 40,000,000 new ordinary shares priced at 2.5 pence each, representing 22.39% of the Group's enlarged share capital. New funds raised would be used to strengthen the Group's commercial sales infrastructure with a view to increasing revenue from existing customers, together with investment in laboratory quality, efficiency and capacity. In so doing, Cyprotex would be providing additional confidence for mid-scale pharmaceutical companies to consider longer-term and significant outsourcing of the ADMET requirement.

Eligible shareholders were permitted to avoid dilution of their existing holdings, while core shareholders (that comprised a combination of existing shareholders, management and one new investor) remained subject to claw-back of their subscriptions. The placing was successfully completed on 26th August 2008, raising £1 million (gross).



Product Development

Cyprotex's range of services are offered under the Cloe[®] ('Cyprotex-Lead-Optimisation-Engine') title and include *Cloe[®] Screen*, *Cloe[®] Select* and *Cloe[®] Predict*.

Shortly after taking up his role at Cyprotex, Anthony authorised a comprehensive review the Group's entire range of products and services. In so doing, he recognised that technological advances can provide both a threat to the Group's established market position and an opportunity to power its future growth.

Based on a marriage of 'leading-edge' laboratory technologies, Cyprotex offers a proprietary operating system, an automated decision making and processing package (the *Cyprotex Discovery Bus*), pharmacokinetic prediction software (*Cloe[®] PK*), combined with a highly automated screening facility (*Cloe[®] Screen*) and an ability to perform higher-value bespoke project work (*Cloe[®] Select*). This combination offers something unique to the international discovery and drug development community.

Feedback from questionnaires, interviews and market surveys has provided us with greater visibility as to our customer's requirements and expectations. They display particularly high levels of satisfaction and opportunity for repeat business for the Group's existing offering. They also provide guidance for anticipated market evolution and recommended areas into which Cyprotex should focus its own research and development to both protect and expand its market position.

As a result, Cyprotex's offering will be broadened to capture more customised, higher value and scientifically challenging studies. As well as enjoying higher margin on such later-stage work, Cyprotex will be responding to customer demands for a more complete service spanning the discovery and development process. Investment in areas such as metabolite profiling services and method development (bioanalysis) are obvious targets, while the main portfolio of automated ADMET screens are also continually updated, refined and expanded to meet new regulatory guidelines and customer demands.

The Discovery Bus (part of *Cloe[®] Predict*), software incorporating novel workflow techniques to automate QSAR (Quantitative Structure-Activity Relationships) and support laboratory operations, is also to be repackaged as a commercial offering to the pharmaceutical industry. In the first instance, Cyprotex will seek a development partner through which to champion the system.

The Scientific Computing division already routinely supports *Cloe[®] PK* for a number of important customers, while investigating means by which to improve the performance of pharmacokinetic prediction through external collaboration. Having successfully participated in EUMAPP (looking to accelerate the transition from 'lab to clinic' using human microdosing, improved analytical and *in silico* approaches), Cyprotex is already quoting to participate in similar grant-funded projects sponsored through the European Union alongside continuing work with OSIRIS that seeks to comprehensively address REACH (Registration, Evaluation and Authorisation of Chemicals) legislation.

Corporate Governance

On 3rd June 2008, the Board of Directors accepted the resignation of Chief Executive Officer, Robert Morrisson Atwater and, effective the same day, the appointment of his replacement, Dr Anthony Baxter.

Following this, on the 17th June 2008, Non-Executive Directors, Dr Martial Lacroix and Mr. Minhaz Manji both tendered their resignations. After due consideration the Board accepted their proposals, which would become effective immediately.



At our Annual General Meeting on 14th July 2008, I took the opportunity to inform shareholders that it is my intention, in due course, to pass the responsibility of Chairing Cyprotex PLC to a new Non-Executive Director. I look forward to this individual being named during the second half of 2008 and to supporting my successor at Board level going forward.

Nikolas Sofronis

Non-Executive Chairman

28 August 2008

Consolidated interim income statement
for the six months ended 30 June 2008

	Note	Unaudited 6 months ended 30 June 2008	Unaudited 6 months ended 30 June 2007	Audited year ended 31 December 2007
		£	£	£
Continuing operations				
Revenue	4	2,246,012	1,685,358	3,626,118
Cost of sales		(351,769)	(247,944)	(621,717)
Gross profit		1,894,243	1,437,414	3,004,401
Administrative costs		(1,813,741)	(1,865,189)	(3,500,028)
Operating profit /(loss)		80,502	(427,775)	(495,627)
Finance income		2,377	10,639	8,591
Finance cost		(26,753)	(34,602)	(56,066)
Profit/(loss) before tax		56,126	(451,738)	(543,102)
Income tax		-	34,210	64,367
Profit/(loss) for the period		56,126	(417,528)	(478,735)
Earnings/(loss) per share attributable to the equity holders of the company during the period				
Basic earnings/(loss) per share	5	0.04p	(0.31)p	(0.35)p
Diluted earnings/(loss) per share	5	0.04p	(0.31)p	(0.35)p

Consolidated interim balance sheet at 30 June 2008

		Unaudited 6 months ended 30 June 2008	Unaudited 6 months ended 30 June 2007	Audited year ended 31 December 2007
		£	£	£
ASSETS	Note			
Non current assets				
Property, plant and equipment	7	1,250,589	1,472,532	1,365,661
		1,250,589	1,472,532	1,365,661
Current assets				
Inventories		82,574	101,729	113,694
Trade receivables		560,579	405,511	467,105
Other receivables		306,406	202,152	192,911
Current tax assets		68,986	134,277	68,986
Cash and cash equivalents		275,737	267,468	300,854
		1,294,282	1,111,137	1,143,550
Total assets		2,544,871	2,583,669	2,509,211
LIABILITIES				
Non current liabilities				
Long term borrowings		600,000	623,500	611,500
Obligations under finance leases		47,267	107,435	72,399
		647,267	730,935	683,899
Current liabilities				
Trade payables		176,345	236,157	166,334
Current portion of long term borrowings		22,500	22,500	22,500
Other payables		301,684	162,491	275,768
Obligations under finance leases		59,974	113,500	92,556
		560,503	534,648	557,158
Total liabilities		1,207,770	1,265,583	1,241,057
EQUITY				
Share capital	6	138,648	138,619	138,648
Share premium account		9,663,685	9,663,385	9,663,685
Other reserve		128,070	128,070	128,070
Share based payment reserve		376,294	352,527	363,473
Retained losses		(8,969,596)	(8,964,515)	(9,025,722)
		1,337,101	1,318,086	1,268,154
Total equity and liabilities		2,544,871	2,583,669	2,509,211

Consolidated interim statement of changes in equity
for the six months ended 30 June 2008

	Share capital	Share premium account	Other reserve	Share based payment reserve	Retained losses	Total equity
	£	£	£	£	£	£
Balance at 31 December 2006	138,573	9,662,913	128,070	299,984	(8,546,987)	1,682,553
Changes in equity for the first half of 2007						
Loss for the period	-	-	-	-	(417,528)	(417,528)
Total recognised income and expense for the period	-	-	-	-	(417,528)	(417,528)
Issue of share capital	46	472	-	-	-	518
Share based payment charge	-	-	-	52,543	-	52,543
Balance at 30 June 2007	138,619	9,663,385	128,070	352,527	(8,964,515)	1,318,056
Balance at 31 December 2006	138,573	9,662,913	128,070	299,984	(8,546,987)	1,682,553
Changes in equity for 2007						
Loss for the period	-	-	-	-	(478,735)	(478,735)
Total recognised income and expense for the period	-	-	-	-	(478,735)	(478,735)
Issue of share capital	75	772	-	-	-	847
Share based payment charge	-	-	-	63,489	-	63,489
Balance at 31 December 2007	138,648	9,663,685	128,070	363,473	(9,025,722)	1,268,154
Balance at 31 December 2007	138,648	9,663,685	128,070	363,473	(9,025,722)	1,268,154
Changes in equity for the first half of 2008						
Profit for the period	-	-	-	-	56,126	56,126
Total recognised income and expense for the period	-	-	-	-	56,126	56,126
Share based payment charge	-	-	-	12,821	-	12,821
Balance at 30 June 2008	138,648	9,663,685	128,070	376,294	(8,969,596)	1,337,101

Consolidated interim cash flow statement for the six months ended 30 June 2008

	Unaudited 6 months ended 30 June 2008 £	Unaudited 6 months ended 30 June 2007 £	Audited Year ended 31 December 2007 £
Cash flows from operating activities			
Profit/(loss) after taxation	56,126	(417,528)	(478,735)
Adjustments for:			
Depreciation	121,558	141,230	264,225
Share based payment charge	12,821	52,543	63,489
Investment income	(2,377)	(10,639)	(8,591)
Interest expense	26,753	34,602	56,066
Taxation income recognised in income statement	-	(34,210)	(64,367)
(Increase)/decrease in trade and other receivables	(206,969)	150,761	98,408
Decrease/(increase) in inventories	31,120	(16,093)	(28,058)
Increase in trade and other payables	35,927	10,753	54,207
Cash generated/(consumed) from operations	74,959	(88,581)	(43,356)
Interest paid	(26,753)	(34,602)	(56,066)
Income tax received	-	-	95,448
Net cash from operating activities	48,206	(123,183)	(3,974)
Cash flows from investing activities			
Purchase of property, plant and equipment	(6,603)	(17,214)	(33,338)
Sale of property, plant and equipment	117	-	-
Interest received	2,377	10,639	8,591
Net cash used in investing activities	(4,109)	(6,575)	(24,747)
Cash flows from financing activities			
Proceeds from issue of share capital	-	518	847
Repayment of long-term borrowings	(11,500)	(12,300)	(24,300)
Payment of finance lease liabilities	(57,714)	(46,271)	(102,251)
Net cash used in financing activities	(69,214)	(58,053)	(125,704)
Net decrease in cash and cash equivalents	(25,117)	(187,811)	(154,425)
Cash and cash equivalents at beginning of period	300,854	455,279	455,279
Cash and cash equivalents at end of period	275,737	267,468	300,854

Notes to the Interim Statements

for the six months ended 30 June 2008

1. Nature of operations and general information

Cyprotex PLC and its subsidiaries' ('the Group') principal activity is the provision of *in vitro* and *in silico* ADMET/PK (Absorption, Distribution, Metabolism, Excretion, Toxicity/Pharmacokinetic) information to the pharmaceutical industry.

Cyprotex PLC is the Group's ultimate parent company. It is incorporated and domiciled in England and Wales. The address of the registered office of Cyprotex PLC is 100 Barbirolli Square, Manchester, M2 3AB. It trades through a wholly owned subsidiary, Cyprotex Discovery Limited whose place of business is 15 Beech Lane, Macclesfield, Cheshire, SK10 2DR. Cyprotex PLC's shares are listed on the Alternative Investment Market of the London Stock Exchange.

The consolidated interim statements of Cyprotex PLC are presented in Pounds Sterling (£), which is also functional currency of the parent.

These consolidated interim financial statements have been approved for issue by the Board of Directors on 28 August 2008.

The consolidated interim financial statements have been prepared under the historical cost convention.

The financial information set out in the interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 December 2007, prepared under IFRS, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985.

2. Basis of preparation

The Group's interim results for the six months ended 30 June 2008 have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those adopted in the preparation of the annual financial statements for the year ended 31 December 2007 and represent those to be used in the preparation of the annual financial statements for the year ending 31 December 2008.

The comparative figures are an abridged version of the Group's full financial statements and, together with other financial information contained in these interim results, do not constitute statutory financial statements of the Group within the meaning of section 240 of the Companies Act 1985.

Statutory financial statements for the year ended 31 December 2007 have been filed with the Registrar of Companies for England and Wales and have been reported on by the Group's auditors. The report of the auditors was not qualified and did not contain a statement under section 273(2) or (3) of the Companies Act 1985.

Notes to the Interim Statements

for the six months ended 30 June 2008

3. Seasonal fluctuations

Variations during the calendar year are impacted by the budgetary position and vacation trends of the Group's customer base. The strongest period is historically seen during the final quarter as annual projects move towards completion; the weaker period coincide with summer holidays in the third quarter and to a lesser extent, immediately after the New Year celebrations. During these times the Group allocates surplus resources to internal research and product development.

For the six months ended 30 June 2008, revenue represented 62% of the annual total achieved for the year ended 31 December 2007.

For the six months ended 30 June 2007, revenue represented 47% of the annual total achieved for the year ended 31 December 2007.

4. Segmental information

The Group's principal activity (and its primary business segment) is the provision of *in vitro* and *in silico* ADMET/PK (Absorption, Distribution, Metabolism, Excretion, Toxicity/ Pharmacokinetic) information to the pharmaceutical industry. As such its primary segmental information is the income statement.

Whilst the Directors recognise there is no requirement to disclose within interim financial statements any further secondary segmental analysis the Group gives an additional geographic analysis of revenue by destination. Key markets for the Group are identified as North America, Mainland Europe and the United Kingdom.

	Unaudited 6 months ended 30 June 2008	Unaudited 6 months ended 30 June 2007	Audited year ended 31 December 2007
	£	£	£
Geographical analysis of revenue by destination			
United Kingdom	759,885	366,759	753,468
Rest of Europe	820,976	541,812	1,072,586
USA and Canada	628,998	743,005	1,730,468
Rest of the World	36,153	33,782	69,596
	2,246,012	1,685,358	3,626,118

Notes to the Interim Statements for the six months ended 30 June 2008

5. Earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the profit or (loss) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

For diluted earnings per share in relation to share options, the average number of ordinary shares in issue includes an additional element being the weighted average number of shares issued at average market price deemed to be issued for nil consideration to satisfy outstanding share options where the grant price of the underlying option exceeded the average market price in the six months ended 30 June 2008.

In previous periods share options in issue were anti-dilutive in respect of the basic loss per share calculation and have therefore not been included.

	Unaudited 6 months ended 30 June 2008	Unaudited 6 months ended 30 June 2007	Audited year ended 31 December 2007
Attributable profit/(loss) (£)	56,126	(417,528)	(478,735)
Average number of ordinary shares in issue for basic earnings/(loss) per share	138,647,988	136,603,599	138,604,307
Average number of ordinary shares in issue for diluted earnings/(loss) per share	139,579,920	136,603,599	138,604,307
Basic earnings/(loss) per share (pence)	0.04p	(0.23)p	(0.35)p
Diluted earnings/(loss) per share (pence)	0.04p	(0.23)p	(0.35)p

6. Share issues

During the period to 30 June 2008, no shares were issued by the Company. Shares issued and authorised for the period to 30 June 2008 may be summarised as follows:

	Number	£
6 months to 30 June 2007		
At 1 January 2007	138,573,016	138,573
Issue of shares	45,828	46
At 30 June 2007	138,618,844	138,619
Year to 31 December 2007		
At 1 January 2007	138,573,016	138,573
Issue of shares	74,972	75
At 31 December 2007 and 30 June 2008	138,647,988	138,648

Notes to the Interim Statements

for the six months ended 30 June 2008

7. Additions and disposals of property, plant and equipment

	Long leasehold and buildings	Office equipment	Computer equipment	Laboratory equipment	Total
	£	£	£	£	£
Carrying amount at 1 January 2008	817,606	21,343	52,492	474,220	1,365,661
Additions	-	229	6,374	-	6,603
Disposals	-	-	(117)	-	(117)
Depreciation	(8,692)	(2,338)	(16,154)	(94,374)	(121,558)
Carrying amount at 30 June 2008	808,914	19,234	42,595	379,846	1,250,589

	Long leasehold and buildings	Office equipment	Computer equipment	Laboratory equipment	Total
	£	£	£	£	£
Carrying amount at 1 January 2007	834,991	24,028	67,219	495,788	1,422,026
Additions	-	1,945	19,876	186,039	207,860
Depreciation	(17,385)	(4,630)	(34,603)	(207,607)	(264,225)
Carrying amount at 31 December 2007	817,606	21,343	52,492	474,220	1,365,661

	Long leasehold and buildings	Office equipment	Computer equipment	Laboratory equipment	Total
	£	£	£	£	£
Carrying amount at 1 January 2007	834,991	24,028	67,219	495,788	1,422,026
Additions	-	1,650	5,047	185,039	191,736
Depreciation	(8,692)	(2,305)	(17,901)	(112,332)	(141,230)
Carrying amount at 30 June 2007	826,299	23,373	54,365	568,495	1,472,532

8. Taxation

In prior periods income tax represented amounts recoverable in respect of Research and Development tax credits.

At 30 June 2008, the group has tax losses of approximately £6.0 million that are available for offset against future profits arising from the same trade.