

**VACCINE RESEARCH INTERNATIONAL PLC**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

# VACCINE RESEARCH INTERNATIONAL PLC

## COMPANY INFORMATION

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### DIRECTORS

K Murray (appointed 6 October 2010)  
Dr A Ahmad  
R W Stevens  
Dr G R B Skinner  
R J Llewellyn (resigned 8 September 2010)  
Dr J M Saffar (resigned 8 September 2010)  
G Raday (resigned 8 September 2010)

### COMPANY SECRETARY

R Hayer

### COMPANY NUMBER

4449300

### REGISTERED OFFICE

22 Alcester Road  
Moseley  
Birmingham  
B13 8BE

### AUDITORS

haysmacintyre  
Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

# VACCINE RESEARCH INTERNATIONAL PLC

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# VACCINE RESEARCH INTERNATIONAL PLC

## CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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The chairman presents his statement for the period.

### **Introduction**

During 2010 the Company progressed research and development into the vaccine which will pari passu improve the intellectual property position. The Board has been reduced in number in the last quarter of the year and have appointed a Non-executive Director and Acting Chief Executive Officer.

### **Board of Directors**

At the Annual General Meeting held on 8 September 2010, Dr Jean-Marc Saffar and Mr Gilead Raday, who were Non-executive Directors, left the Board following majority shareholder vote. Mr Kevin Murray was subsequently appointed by the Board as a Non-executive Director and Dr Gordon Skinner was appointed Acting Chief Executive Officer; shareholders will be given the opportunity to approve these appointments at the next Annual General Meeting to be held on 18 May 2011. The Board intends to appoint one more NED when a suitable candidate is identified.

### **Chief Executive Officer**

Mr Richard Llewellyn resigned as part-time CEO on 8 September 2010. Dr Gordon Skinner was appointed as acting CEO until a suitable replacement for Mr Llewellyn is found.

### **Fundraising**

A collaborative agreement with a major pharmaceutical company to carry out tests on the sera from our Phase I trial was agreed in October 2010 and a payment to VRi of \$200,000 in respect of this agreement was negotiated. Further fundraising activities will be initiated in 2011 to support ongoing scientific studies and further clinical trials of the vaccine.

We are actively seeking funding wherein our present finances will allow continuation of our developmental programme until July/August 2011. We have ring fenced certain critical components of the development programme namely protection studies which will allow definition of final dose, level of vaccine and vaccination schedule, identification of immunological markers which will be required for release and potency tests prior to our Phase III trial and stability studies on the vaccine which will establish its shelf life for global marketing.

We are targeting four possible funding sources namely, pharmaceutical companies, venture capitalists and seeking collaborative grants with Universities, Government Institutions and their Agencies for example Oxford Innovation who are presently preparing a quotation for a Business Plan which is specifically targeted towards funding in the particular sector in which Oxford Innovation have specialised expertise. This latter sector has of course shrunk during the last year in these constrained finance times and indeed a number of these bodies have disbanded.

Notwithstanding these adverse factors the Company are confident that we will take this product to global marketing.

### **Scientific Research**

During 2010 we achieved encouraging results from important experimental work to examine the protective efficacy of vaccine SA75 We now propose to establish vaccine dosage and immunisation schedule towards further models of protection and Phase II/III clinical trials. In collaboration with known experts in the field, we are establishing immunological markers of efficacy which will be required at a later date in post field evaluation of vaccine efficacy and in potency release specification. Genetic analysis of the vaccine strain S.aureus P/DFO 75 which is required by regulatory authorities in the UK, Europe and the USA, will be conducted in collaboration with a local University.

## VACCINE RESEARCH INTERNATIONAL PLC

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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#### **Intellectual Property Rights (IPR)**

We have progressed with our Patent Cooperation Treaty application to make patent filings at the national and European level and the PCT application is undergoing examination in Australia, Brazil, Canada, China, European Patent Office, India, Japan, Mexico, Singapore and the United States of America.

#### **Summary**

We are pleased with scientific progress during 2010 and plan to continue with further important studies during 2011 towards the initiation of the next clinical trial.

Name Russell Stevens  
Chairman

Date 5 April 2011

## **VACCINE RESEARCH INTERNATIONAL PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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The directors present their report and the financial statements for the year ended 31 December 2010.

#### **PRINCIPAL ACTIVITIES**

The financing and conducting of the Phase I trial of a specialist vaccine to combat staphylococcal infection.

#### **BUSINESS REVIEW**

A review of the company's business during the year has been included within the Chairman's Statement.

#### **RESULTS**

The loss for the year, after taxation, amounted to £275,930 (2009 - loss £100,387).

#### **DIRECTORS**

The directors who served during the year were:

K Murray (appointed 6 October 2010)  
Dr A Ahmad  
R W Stevens  
Dr G R B Skinner  
R J Llewellyn (resigned 8 September 2010)  
Dr J M Saffar (resigned 8 September 2010)  
G Raday (resigned 8 September 2010)

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **VACCINE RESEARCH INTERNATIONAL PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

#### **PAYMENT POLICY AND PRACTICE**

It is the company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them. Trade creditors at the year end amount to 14 days (2009: 7 days) of average supplies for the year.

#### **AUDITORS**

The auditors, Haysmacintyre, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 5 April 2011 and signed on its behalf.

**Dr G R B Skinner**  
Director

## **VACCINE RESEARCH INTERNATIONAL PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VACCINE RESEARCH INTERNATIONAL PLC**

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We have audited the financial statements of Vaccine Research International Plc for the year ended 31 December 2010, set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## VACCINE RESEARCH INTERNATIONAL PLC

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VACCINE RESEARCH INTERNATIONAL PLC

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#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Ball (Senior statutory auditor)

for and on behalf of  
**haysmacintyre**

Statutory Auditors

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

5 April 2011

VACCINE RESEARCH INTERNATIONAL PLC

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010

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	Note	2010 £	2009 £
Administrative expenses		(308,065)	(100,762)
<b>OPERATING LOSS</b>	2	(308,065)	(100,762)
Interest receivable and similar income	6	722	375
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(307,343)	(100,387)
Tax on loss on ordinary activities	7	31,413	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	(275,930)	(100,387)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account.

The notes on pages 10 to 16 form part of these financial statements.

**VACCINE RESEARCH INTERNATIONAL PLC**  
**REGISTERED NUMBER: 4449300**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Note	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets			-		-
Tangible assets	8		4,036		5,045
			<u>4,036</u>		<u>5,045</u>
<b>CURRENT ASSETS</b>					
Debtors	9	36,871		10,295	
Cash at bank		99,910		415,328	
		<u>136,781</u>		<u>425,623</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(22,755)		(36,676)	
<b>NET CURRENT ASSETS</b>			<u>114,026</u>		<u>388,947</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>118,062</u></u>		<u><u>393,992</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		320,534		320,534
Share premium account	12		2,277,086		2,277,086
Other reserves	12		671,684		671,684
Profit and loss account	12		(3,151,242)		(2,875,312)
<b>SHAREHOLDERS' FUNDS</b>	13		<u><u>118,062</u></u>		<u><u>393,992</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 April 2011.

**Dr G R B Skinner**  
 Director

The notes on pages 10 to 16 form part of these financial statements.

## VACCINE RESEARCH INTERNATIONAL PLC

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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	Note	2010 £	2009 £
Net cash flow from operating activities	15	(316,140)	(181,854)
Returns on investments and servicing of finance	16	722	375
Capital expenditure and financial investment	16	-	(735)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<u>(315,418)</u>	<u>(182,214)</u>
Financing	16	-	597,153
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<u><u>(315,418)</u></u>	<u><u>414,939</u></u>

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### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2010

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	2010 £	2009 £
(Decrease)/Increase in cash in the year	<u>(315,418)</u>	<u>414,939</u>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>(315,418)</u>	<u>414,939</u>
Net funds at 1 January 2010	<u>415,328</u>	<u>389</u>
<b>NET FUNDS AT 31 DECEMBER 2010</b>	<u><u>99,910</u></u>	<u><u>415,328</u></u>

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The notes on pages 10 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Going concern**

In February 2011, the company received funding of £124,286. The directors have budgeted to show that these additional funds will allow activities to continue until March 2012, following which further funds will need to be raised.

**1.3 Intangible fixed assets and amortisation**

Intangible fixed assets are stated at cost less amortisation. Amortisation is calculated to write down the cost of all intangible fixed assets by equal instalments over their useful economic lives on the following basis:

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	-	Reducing balance
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**1.5 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

**1.6 Share based payments**

FRS 20 requires the Company to recognise the expense in respect of granting over shares to employees, directors or other parties. This expense, which is calculated by reference to the fair value of the options granted, is recognised on a straight line basis over the vesting period based on the Company's estimate of options that will eventually vest. The Directors have used the Black Scholes model to estimate the value of options granted in the current and prior periods.

## VACCINE RESEARCH INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 2. OPERATING LOSS

The operating loss is stated after charging:

	2010 £	2009 £
Amortisation - intangible fixed assets	-	3,000
Depreciation of tangible fixed assets: - owned by the company	1,009	1,170
Research and development expenditure written off	8,662	2,681
	<u>          </u>	<u>          </u>

#### 3. AUDITORS' REMUNERATION

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	6,750	6,500
	<u>          </u>	<u>          </u>

#### 4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2010 £	2009 £
Wages and salaries	123,735	18,214
Social security costs	11,047	4,409
	<u>          </u>	<u>          </u>
	<u>134,782</u>	<u>22,623</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2010 No.	2009 No.
	5	3
	<u>          </u>	<u>          </u>

#### 5. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	63,817	3,622
	<u>          </u>	<u>          </u>

VACCINE RESEARCH INTERNATIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

6. INTEREST RECEIVABLE

	2010 £	2009 £
Other interest receivable	722	375

7. TAXATION

	2010 £	2009 £
<b>Analysis of tax (credit)/charge in the year</b>		
UK corporation tax (credit)/charge on loss for the year	(22,870)	-
Adjustments in respect of prior periods	(8,543)	-
<b>Tax on loss on ordinary activities</b>	<b>(31,413)</b>	<b>-</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2009 - the same as) the small companies rate of corporation tax in the UK of 21% (2009 - 21%) as set out below:

	2010 £	2009 £
Loss on ordinary activities before tax	(307,343)	(100,387)
Loss on ordinary activities multiplied by small companies rate of corporation tax in the UK of 21% (2009 - 21%)	(64,542)	(21,081)
<b>Effects of:</b>		
Capital allowances for year less than depreciation	112	-
Adjustments to tax charge in respect of prior periods	(8,543)	-
Enhanced R&D expenditure	(14,702)	-
Excess losses in the year	44,827	21,081
Change in tax rate for R&D tax credit	11,435	-
<b>Current tax (credit)/charge for the year</b> (see note above)	<b>(31,413)</b>	<b>-</b>

**Factors that may affect future tax charges**

Based on current research and development plans, the company expects to continue to be able to claim research and development tax credits in future years.

VACCINE RESEARCH INTERNATIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

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8. TANGIBLE FIXED ASSETS

	Equipment £
<b>Cost</b>	
At 1 January 2010 and 31 December 2010	17,861
<b>Depreciation</b>	
At 1 January 2010	12,816
Charge for the year	1,009
At 31 December 2010	13,825
<b>Net book value</b>	
At 31 December 2010	4,036
At 31 December 2009	5,045

9. DEBTORS

	2010 £	2009 £
Other debtors	33,975	8,404
Prepayments and accrued income	2,896	1,891
	<u>36,871</u>	<u>10,295</u>

10. CREDITORS:  
Amounts falling due within one year

	2010 £	2009 £
Trade creditors	6,463	1,880
Directors' loans	4,050	4,350
Other creditors including taxation and social security	2,492	8,061
Accruals and deferred income	9,750	22,385
	<u>22,755</u>	<u>36,676</u>

VACCINE RESEARCH INTERNATIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

11. SHARE CAPITAL

	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
500,000 Ordinary shares of £0.001 each	500	500
3,193,705 Ordinary shares of £0.10 each	319,371	319,371
500,000 'A' Deferred ordinary shares of £0.001 each	500	500
107,143 'B' Deferred ordinary shares of £0.001 each	107	107
17,857 'C' Deferred ordinary shares of £0.001 each	18	18
38,000 'D' Deferred ordinary shares of £0.001 each	38	38
	320,534	320,534
	320,534	320,534

**Share options and warrants**

Share options and warrants are granted to directors and employees. The majority of options are exercisable from the end of the vesting period and lapse ten years after the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

All options were fully vested prior to 1 January 2008 and hence there is no charge relating to options in the results for the year ended 31 December 2010.

**Number of options/warrants**

At 1 January 2010	Granted	At 31 December 2010	Exercise price	Exercisable
15,000	-	15,000	£0.10	Until 05/06/2012
150,000	-	150,000	£0.10	Until 24/07/2012
50,000	-	50,000	£1.00	Until 12/01/2015
40,000	-	40,000	£1.40	Until 30/01/2015
100,000	-	100,000	£1.40	Until 03/03/2015
20,000	-	20,000	£1.40	Until 03/03/2015
92,000	-	92,000	£2.50	Until 11/03/2017
<b>467,000</b>	<b>-</b>	<b>467,000</b>		

## VACCINE RESEARCH INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 12. RESERVES

	Share premium account £	Other reserves £	Profit and loss account £
At 1 January 2010	2,277,086	671,684	(2,875,312)
Loss for the year			(275,930)
	<u>2,277,086</u>	<u>671,684</u>	<u>(3,151,242)</u>

#### 13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds/(deficit)	393,992	(102,774)
Loss for the year	(275,930)	(100,387)
Shares issued during the year	-	42,059
Share premium on shares issued (net of expenses)	-	555,094
	<u>118,062</u>	<u>393,992</u>

#### 14. DIVIDENDS

No dividends were paid or proposed during the year.

#### 15. NET CASH FLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating loss	(308,065)	(100,762)
Amortisation of intangible fixed assets	-	3,000
Depreciation of tangible fixed assets	1,009	1,170
Decrease/(increase) in debtors	4,837	(10,210)
Decrease in creditors	(13,921)	(75,052)
	<u>(316,140)</u>	<u>(181,854)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	722	375
	<u>722</u>	<u>375</u>
	2010 £	2009 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	-	(735)
	<u>-</u>	<u>(735)</u>
	2010 £	2009 £
<b>Financing</b>		
Issue of ordinary shares	-	597,153
	<u>-</u>	<u>597,153</u>

17. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £	Cash flow £	31 December 2010 £
Cash at bank and in hand	415,328	(315,418)	99,910
	<u>415,328</u>	<u>(315,418)</u>	<u>99,910</u>
<b>Net funds</b>	<u>415,328</u>	<u>(315,418)</u>	<u>99,910</u>

18. CONTINGENT LIABILITIES

Under the terms of employment contracts with a former director and two present directors, the company has agreed to pay £60,000 to each of the three directors who worked for VRI Plc without remuneration for a period of 18 months; this is contingent on VRI raising a minimum of £1.5million of additional capital.

VACCINE RESEARCH INTERNATIONAL PLC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010

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	Page	2010 £	2009 £
<b>LESS: OVERHEADS</b>			
Administration expenses	18	(308,065)	(100,762)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>		(308,065)	(100,762)
Interest receivable	18	722	375
		<hr/>	<hr/>
<b>LOSS FOR THE YEAR</b>		<u>(307,343)</u>	<u>(100,387)</u>

**VACCINE RESEARCH INTERNATIONAL PLC****SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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	2010 £	2009 £
<b>ADMINISTRATION EXPENSES</b>		
Rental of laboratory	9,000	3,500
Directors' remuneration and fees	63,817	3,622
Wages and salaries	59,918	14,592
Social security costs	11,047	4,409
Computer costs	1,132	2,281
Telephone and fax	1,230	818
Light and heat	2,849	1,863
Travel expenses	5,457	2,665
Equipment maintenance	-	335
Legal and professional	195	6,566
Auditors' remuneration	6,750	6,500
Auditors' remuneration - non-audit	2,228	500
Amortisation - intangible fixed assets	-	3,000
Depreciation	1,009	1,170
Insurances	3,733	2,117
Bank charges	379	544
Contract research work	35,100	26,920
Shareholder relations	1,822	2,780
Patents	31,987	8,980
Printing and stationery	2,989	3,419
Future financial planning	4,497	1,500
Vaccine manufacture	54,264	-
Research and development	8,662	2,681
	<u>308,065</u>	<u>100,762</u>
	2010 £	2009 £
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	<u>722</u>	<u>375</u>