

SGS LABORATORIES LIMITED

Company Registration Number: 05706308 (England and Wales)

REPORT OF THE DIRECTOR AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 28 February 2010

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COMPANIES HOUSE

DIRECTORS

Lucy Camilla Siddiqi
Igor Alexandre Semikhodski (resigned on 12th June 2009)

SECRETARY

Igor A Semikhodski

REGISTERED OFFICE

7 Pine Walk
Cobham
Surrey
KT11 2HJ

REPORT OF THE DIRECTOR

The director presents her report with the financial statements of the company for the year ended 28 February 2010

Principal Activities

The principal activity of the company in the year under review was the development of DNA-based testing methodology for medical diagnostic purposes

Directors

Lucy Camilla Siddiqi has held office during the whole year from 1st March 2009 to 28th February 2010
Igor Alexandre Semikhodski resigned on 12th June 2009

Political and charitable donations

No contributions to political organisations or charitable donations were made during this or previous year

Company policy on the employment of disabled persons

It is the company's policy to give employment to disabled persons wherever practicable. No registered disabled were employed by the company during this or previous year

The above report has been prepared in accordance with the special provisions contained in Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the sole director on 18th November 2010 and signed by



Lucy Camilla Siddiqi
Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2010**

	<u>Notes</u>	<u>Year ended 28/02/2010</u>	<u>Year ended 28/02/2009</u>
		£	£
Turnover		-	-
Administrative expenses	2	<u>(32,162)</u>	<u>(91,683)</u>
Operating loss		(32,162)	(91,683)
Interest receivable and similar income	3	<u>-</u>	<u>2</u>
Loss on ordinary activities before taxation		(32,162)	(91,681)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the year		<u>(32,162)</u>	<u>(91,681)</u>

**STATEMENT OF TOTAL RECOGNISED GAINES AND LOSSES
FOR THE YEAR ENDED 28 FEBRUARY 2010**

There are no recognised gains or losses other than those recorded in the profit and loss account

BALANCE SHEET AS AT 28 FEBRUARY 2010

	Notes	As at 28/02/2010		As at 28/02/2009	
		£	£	£	£
Fixes assets					
Tangible fixed assets	5		468		938
Current assets					
Debtors	6	8,515		387	
Cash at bank and in hand		5		32	
		<u>8,520</u>		<u>419</u>	
Creditors amounts falling due within one year	7	<u>(53,591)</u>		<u>(48,047)</u>	
Net current liabilities			(45,071)		(47,628)
Creditors amounts falling due after more than one year	8		(122,167)		(87,918)
Net Liabilities			<u>(166,770)</u>		<u>(134,608)</u>
Capital and Reserves					
Called up share capital	9		20		20
Profit and loss account	10		(166,790)		(134,628)
Total Shareholders' Funds			<u>(166,770)</u>		<u>(134,608)</u>

These accounts have been prepared in accordance with the special provisions contained in Part 15 of Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

For the year ended 28th February 2010 the company was entitled to the exemption from audit, in accordance with sections 475 and 477 of the Companies Act 2006 relating to small companies and no notice has been deposited under section 476 of the Act requiring the company to obtain an audit of its accounts

The director acknowledges her responsibility for complying with the requirement of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The Financial Statements were approved by the sole director on 18th November 2010


Lucy Gamilla Siddiqi
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2010

1. Principal Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

(b) Turnover

Turnover represents amounts, net of Value Added Tax, invoiced during the year in respect of services provided to customers in the United Kingdom and abroad

(c) 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 less estimated residual value of each asset over its expected useful economic life, as follows

Computer Equipment – 33% straight line method

(d) Research and development

Expenditure on research and development is written off in the year in which it is incurred

2 Administrative Expenses

	Year ended 28/02/2010 £	Year ended 28/02/2009 £
Professional fees	25,945	86,559
Depreciation – owned assets	469	469
Other administrative expenses	5,748	4,655
Administrative expenses	<u>32,162</u>	<u>91,683</u>

3. Interest Receivable and Similar Income

	Year ended 28/02/2010 £	Year ended 28/02/2009 £
Bank interest	<u>-</u>	<u>2</u>

4 Tax on Profit on Ordinary Activities

No UK Corporation Tax is payable due to a trading loss incurred in the year (2009 £nil)

5. Tangible Fixed Assets

**Computer
Equipment
£**

Cost

At 1 March 2009	1,406
Additions	-
At 28 February 2010	<u>1,406</u>

Accumulated Depreciation

At 1 March 2009	(469)
Charge for the year	(469)
At 28 February 2010	<u>(938)</u>

Net Book Value

At 1 March 2009	<u>938</u>
At 28 February 2010	<u>468</u>

6. Debtors

	As at 28/02/2010 £	As at 28/02/2009 £
Other debtors	<u>8,515</u>	<u>387</u>

7 Creditors: Amounts Due Within One Year

	As at 28/02/2010 £	As at 28/02/2009 £
Trade creditors	53,591	47,932
Accruals	-	115
	<u>53,591</u>	<u>48,047</u>

8 Creditors: Amounts Due After One Year

	As at 28/02/2010 £	As at 28/02/2009 £
Unsecured loans	<u>122,167</u>	<u>87,918</u>

The loans have arisen as a result of funding of company's expenditure by a shareholder and other related parties (see Note 11) No interest is charged on the loans, which are all unsecured and repayable when the company's resources permit

9 Share Capital

	As at 28/02/2010 £	As at 28/02/2009 £
Authorised 100,000 ordinary shares of 10p each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid 200 ordinary shares of 10p each	<u>20</u>	<u>20</u>

10. Profit and Loss Account

	As at 28/02/2010 £	As at 28/02/2009 £
At the beginning of the year	(134,628)	(42,947)
Loss for the year	<u>(32,162)</u>	<u>(91,681)</u>
At the end of the year	<u>(166,790)</u>	<u>(134,628)</u>

11 Ultimate Control and Related Parties

The ultimate control of the company rests with four related parties, namely

- 1 Tariq Siddiqi and Lucy Siddiqi
- 2 Igor Semikhodski
- 3 Simon Green
- 4 Andrei Semikhodskii

The aforementioned four parties are joint founders of the company and for practical purposes agreed to exercise the control over the company by means of the following structure

- 1 The ordinary share capital of the company has been issued in equal parts to Igor Semikhodski and Simon Green. Igor Semikhodski holds 50% of his shareholding in trust for Andrei Semikhodskii. Simon Green holds 50% of his shareholding in trust for Tariq Siddiqi and Lucy Siddiqi.

10 Litigation

In 2007, the company issued legal proceedings against one of its former directors, Simon Green, and certain other defendants (see below). The circumstances giving rise to these proceedings were as follows

The company, represented by its director, Simon Green, negotiated the investment agreement with SSL International plc ("SSL") whereby the company agreed to sell to SSL for £1.5 million new shares representing 15% in the share capital of the company following the issue of these new shares. However, prior to signing of the investment agreement with SSL, Simon Green,

acting without authorisation from the company's shareholders, proceeded with incorporation of a new company, Stirus Global Solutions Limited (UK registration no 06031246), and diverting certain assets of the company, including the patent applications and the benefit of the negotiated investment agreement, to Stirus Global Solutions Ltd

The particulars of claim were filed in the High Court of Justice Chancery Division on 31 October 2007. The claimants include the company, Igor Semikhodski, Tariq Siddiqi and Lucy Siddiqi. The defendants include Simon Green, Andrei Semikhodskii, Stirus Global Solutions Ltd, Jonathan Wall, Alan Edwards, Scott Dougan and the trustees of Scott Dougan Trust, and S&A Trust. At the time of approval of these financial statements the litigation was ongoing. The directors are confident of a successful outcome of this litigation.

12 Related Party Transactions

There were no related party transactions other than as described in Note 8 above.

