

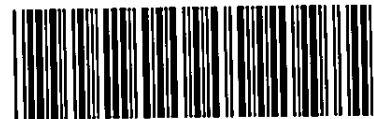
Company No 05706308

SGS LABORATORIES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

For the period from Incorporation to 28 February 2007

WEDNESDAY



AGHERVFM
A23 12/12/2007 203
COMPANIES HOUSE

DIRECTORS

Name	Appointed	Resigned
Igor Alexandre Semikhodski	13 February 2006	
Simon Green	13 February 2006	10 August 2007
Lucy Camilla Siddiqi	16 November 2007	

SECRETARY AND REGISTERED OFFICE

Igor Semikhodski
Third Floor
Accurist House
44 Baker Street
London
W1U 7AL

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the period from the date of incorporation to 28 February 2007

Review of Activities

SGS Laboratories Limited was incorporated on 13 February 2006 as a private limited liability company and commenced trading on the same date. The principal activity of the company is provision of the DNA testing services for medical diagnostic purposes.

During the period the company continued developing the methodology for high throughput multiplex testing for presence of microorganisms in a biological sample using nucleic acid based enzymatic techniques. A patent application in this regard was filed on 23 January 2007 by Simon Green, then a director of the company, and Andrei Semikhodskii, a related party (see Note 7 to the Financial Statements).

Review of Results and Performance

The company made no sales during the period from incorporation to 28 February 2007. The loss of the company arising as a result of expenditure incurred in the period amounted to £7,731. The directors do not recommend payment of a dividend, and accordingly the amount of the loss has been charged to reserves.

In the coming year, the company will continue the development of medical diagnostic products which utilise the patented methodology. The directors are confident that a successful commercial application of the patent can be achieved within two years.

Directors

Igor Semikhodski and Simon Green were appointed directors of the company upon incorporation and served throughout the period. Simon Green resigned on 10 August 2007 and Lucy Camilla Siddiqi was appointed director on 16 November 2007.

The interests of directors in the ordinary share capital of the company remained unchanged from date of incorporation on 13 February 2006 to 28 February 2007 and were as follows

Name of Director	Ordinary Shares Of 10p Each	% of Issued Shares Capital
Igor Semikhodski	100 ⁽¹⁾	50% ⁽¹⁾
Simon Green	100 ⁽²⁾	50% ⁽²⁾

⁽¹⁾ 50% of Igor Semikhodski's holding (i.e. 50 ordinary shares of 10p each) is held by him in trust for Andrei Semikhodski, a related party (see Note 7 to the Financial Statements)

⁽²⁾ 50% of Simon Green's holding (i.e. 50 ordinary shares of 10p each) is held by him in trust for Tariq Siddiqi and Lucy Siddiqi, together a related party (see Note 7 to the Financial Statements)

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of Directors



Igor Semikhodski
Director

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM INCORPORATION TO 28 FEBRUARY 2007**

	<u>Notes</u>	<u>From Incorporation to 28/02/2007</u> £
Net operating expenses	2	<u>(7,731)</u>
Loss on ordinary activities before taxation		(7,731)
Tax on loss on ordinary activities	3	<u>-</u>
Loss for the period		<u><u>(7,731)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing

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

BALANCE SHEET AS AT 28 FEBRUARY 2007

	<u>Notes</u>	As at 28/02/2007 £
Net current assets		-
Creditors: amounts falling due after more than one year	4	(7,711)
Net Liabilities		<u>(7,711)</u>
 Capital and Reserves		
Share Capital	5	20
Profit and Loss Account	6	(7,731)
 Shareholders' Funds		<u>(7,711)</u>

For the period from incorporation to 28 February 2007 the company was entitled to exemption from audit under Section 249A(1) of the Companies Act 1985. The members have not required the company to obtain an audit of its accounts for the year under Section 249B(2). The directors acknowledge their responsibility for ensuring that the company keeps proper accounting records in accordance with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

The Financial Statements were approved by Directors on 23rd November 2007



Igor Semikhodski
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION TO 28 FEBRUARY 2007**

1. Principal Accounting Policies**(a) Basis of Accounting**

The financial statements have been prepared in accordance with Accounting Standards and under the historical cost convention

(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

2 Net Operating Expenses

	From Incorporation to 28/02/2007 £
Professional fees	3,404
Travel and subsistence	3,721
Other administrative expenses	606
Net operating expenses	<u>7,731</u>

3 Tax on Profit on Ordinary Activities

	From Incorporation to 28/02/2007 £
UK Corporation Tax	<u>-</u>

No UK Corporation Tax is payable due to a trading loss incurred in the period

4. Creditors: Amounts Due After One Year

	As at 28/02/2007 £
Unsecured loans	<u>7,711</u>

The loans have arisen as a result of funding of company's expenditure by its shareholders and other related parties (see Note 7) No interest is charged on the loans, which are all unsecured and repayable when the company's resources permit

5. Share Capital

	As at 28/02/2007 £
Authorised 100,000 ordinary shares of 10p each	<u>10,000</u>
Issued, Called Up and Fully Paid 200 ordinary shares of 10p each	<u>20</u>

6. Profit and Loss Account

	As at 28/02/2007 £
At the beginning of the period	-
Loss for the period	<u>(7,731)</u>
At the end of the period	<u>(7,731)</u>

7 Ultimate Control and Related Parties

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

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

The aforementioned four parties are joint founders of the company and for practical purposes agreed to exercise the control over the company and the patent referred to in the Review of Activities in the Report of the Directors 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.
- 2 The patent application has been made in the names of Andrei Semikhodskii and Simon Green. Andrei Semikhodskii holds 50% of his interest in the patent in trust for Igor Semikhodski. Simon Green holds 50% of his interest in the patent in trust for Tariq Siddiqi and Lucy Siddiqi.

8. Post Balance Sheet Events

Since the balance sheet date, the company initiated legal proceedings against one of its directors, Simon Green, and certain other defendants (see below). The circumstances giving rise to these proceedings are as follows:

During the period, the company, represented by its director, Simon Green, negotiated an 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 post 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 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 company was awaiting responses from the defendants in the claim. The directors are confident of a successful outcome of the claim.