

Report of the Directors and  
Financial Statements for the Year Ended 30 April 2006  
for  
CELL ANALYSIS LTD

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CELL ANALYSIS LTD

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for the Year Ended 30 April 2006

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CELL ANALYSIS LTD

Company Information  
for the Year Ended 30 April 2006

**DIRECTORS:** Mr. Peter Salmon FCA  
Mr. Peter Michael Budden BSc.

**SECRETARY:** Mrs Elena Luisa Salmon

**REGISTERED OFFICE:** The Old Stable  
Farnham Lane  
Farnham Royal  
Slough  
Berkshire  
SL2 3SE

**REGISTERED NUMBER:** 3262862 (England and Wales)

**AUDITOR:** Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants  
Churchill House  
Chalvey Road East  
Slough  
SL1 2LS

## CELL ANALYSIS LTD

### Report of the Directors for the Year Ended 30 April 2006

The directors present their report with the financial statements of the company for the year ended 30 April 2006.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of development of dielectrophoresis technology.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company changed its accounting reference date on 29 June 2005 to 30 April 2005

#### **DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2006.

#### **DIRECTORS**

The directors during the year under review were:

Mr. Peter Salmon FCA  
Mr. Peter Michael Budden BSc.

The beneficial interests of the directors holding office on 30 April 2006 in the issued share capital of the company were as follows:

	30.4.06	1.5.05
<b>Ordinary £1 shares</b>		
Mr. Peter Salmon FCA	89,500	89,500
Mr. Peter Michael Budden BSc.	5,500	5,500
<b>Ordinary "A" £1 shares</b>		
Mr. Peter Salmon FCA	35,000	-
Mr. Peter Michael Budden BSc.	-	-
<b>Ordinary "B" £1 shares</b>		
Mr. Peter Salmon FCA	72,238	70,000
Mr. Peter Michael Budden BSc.	-	-

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

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

CELL ANALYSIS LTD

Report of the Directors  
for the Year Ended 30 April 2006

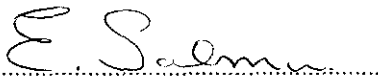
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITOR**

The auditor, Grant Thornton UK LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



.....  
Mrs Elena Luisa Salmon - Secretary

Date: ..... 23.8.06 .....

Report of the Independent Auditors to the Shareholders of  
CELL ANALYSIS LTD

We have audited the financial statements of Cell Analysis Limited for the year ended 30 April 2006 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 director and auditor**

The director's responsibilities for preparing the Report of the Director and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 the Companies Act 1985. We also report to you if, in our opinion, the Report of the Director is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 director 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.

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements for the year ended 30 April 2006.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LONDON THAMES VALLEY OFFICE  
SLOUGH

Date: 6 September 2006

CELL ANALYSIS LTD

Profit and Loss Account  
for the Year Ended 30 April 2006

		Year Ended 30.4.06		Period 1.11.03 to 30.4.05	
	Notes	£	£	£	£
<b>TURNOVER</b>			912		-
Distribution costs		32,469		-	
Administrative expenses		<u>235,352</u>		<u>345,159</u>	
			<u>267,821</u>		<u>345,159</u>
			(266,909)		(345,159)
Other operating income			<u>26,546</u>		<u>-</u>
<b>OPERATING LOSS</b>	3		(240,363)		(345,159)
Interest receivable and similar income			<u>159</u>		<u>11</u>
			(240,204)		(345,148)
Interest payable and similar charges	4		<u>10,248</u>		<u>23,523</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(250,452)		(368,671)
Tax on loss on ordinary activities	5		<u>-</u>		<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>(250,452)</u>		<u>(368,671)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous period.

CELL ANALYSIS LTD

Balance Sheet  
30 April 2006

		<u>30.4.06</u>	<u>30.4.05</u>
	Notes	£	£
<b>CURRENT ASSETS:</b>			
Debtors	7	16,752	14,512
Cash at bank and in hand		<u>2,943</u>	<u>88</u>
		19,695	14,600
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>1,319,203</u>	<u>1,051,443</u>
<b>NET CURRENT LIABILITIES:</b>		<u>(1,299,508)</u>	<u>(1,036,843)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		(1,299,508)	(1,036,843)
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>-</u>	<u>12,213</u>
		<u>£(1,299,508)</u>	<u>£(1,049,056)</u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	11	232,203	232,203
Share premium	12	1,320,672	1,320,672
Profit and loss account		<u>(2,852,383)</u>	<u>(2,601,931)</u>
<b>SHAREHOLDERS' FUNDS:</b>	15	<u>£(1,299,508)</u>	<u>£(1,049,056)</u>

**ON BEHALF OF THE BOARD:**



Mr. Peter Salmon FCA - Director

Approved by the Board on 12.8.06



1. **ACCOUNTING POLICIES**

**Accounting convention**

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

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Laboratory Equipment	- 33% on cost
Computer equipment	- 33% on cost

**Deferred tax**

Deferred tax is recognised on all timing differences where transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**Going Concern**

The financial statements have been prepared on a going concern basis that Blood Analysis Limited will provide financial support to the company for the foreseeable future until such time royalties are earned each year from the sales of the Bac-Detect.

2. **STAFF COSTS**

	Year Ended	Period
	30.4.06	1.11.03
	£	to
	£	30.4.05
Wages and salaries	111,205	60,327
Social security costs	7,831	28,926
Other pension costs	<u>5,064</u>	<u>26,584</u>
	<u>124,100</u>	<u>115,837</u>

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

	Year Ended	Period
	30.4.06	1.11.03
		to
		30.4.05
	<u>4</u>	<u>4</u>

**CELL ANALYSIS LTD**

**Notes to the Financial Statements  
for the Year Ended 30 April 2006**

**3. OPERATING LOSS**

The operating loss is stated after charging:

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Auditors' remuneration	<u>3,100</u>	<u>4,500</u>
Directors' emoluments	<u>32,000</u>	<u>72,000</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Bank interest	1,746	5,748
Other Interest	<u>8,502</u>	<u>17,775</u>
	<u>10,248</u>	<u>23,523</u>

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2006 nor for the period ended 30 April 2005.

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.4.06 £	Period 1.11.03 to 30.4.05 £
Loss on ordinary activities before tax	<u>(250,452)</u>	<u>(368,671)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	(47,586)	(70,047)
Effects of: Losses carried forward	<u>47,586</u>	<u>70,047</u>
Current tax charge	<u>-</u>	<u>-</u>

**CELL ANALYSIS LTD**

**Notes to the Financial Statements  
for the Year Ended 30 April 2006**

**6. TANGIBLE FIXED ASSETS**

	Laboratory Equipment	Computer equipment	Totals
	£	£	£
<b>COST:</b>			
At 1 May 2005			
and 30 April 2006	<u>62,584</u>	<u>16,608</u>	<u>79,192</u>
<b>DEPRECIATION:</b>			
At 1 May 2005			
and 30 April 2006	<u>62,584</u>	<u>16,608</u>	<u>79,192</u>
<b>NET BOOK VALUE:</b>			
At 30 April 2006	<u>-</u>	<u>-</u>	<u>-</u>
At 30 April 2005	<u>-</u>	<u>-</u>	<u>-</u>

**7. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	30.4.06	30.4.05
	£	£
Trade debtors	181	-
Other debtors	10,696	7,249
Prepayments & accrued income	<u>5,875</u>	<u>7,263</u>
	<u>16,752</u>	<u>14,512</u>

**8. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	30.4.06	30.4.05
	£	£
Bank loans and overdrafts (see note 10)	-	16,463
Trade creditors	235,649	196,637
Other Creditors	603,239	362,419
Social security & other taxes	29,039	92,158
Accrued expenses	<u>451,276</u>	<u>383,766</u>
	<u>1,319,203</u>	<u>1,051,443</u>

**9. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	30.4.06	30.4.05
	£	£
Bank loans (see note 10)	<u>-</u>	<u>12,213</u>

**CELL ANALYSIS LTD**

**Notes to the Financial Statements  
for the Year Ended 30 April 2006**

**10. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	30.4.06 £	30.4.05 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>16,463</u>
Amounts falling due between one and two years:		
Bank loans	<u>-</u>	<u>12,213</u>

**11. CALLED UP SHARE CAPITAL**

Authorised:			30.4.06	30.4.05
Number:	Class:	Nominal value:	£	£
105,000	Ordinary	£1	105,000	105,000
35,000	Ordinary "A"	£1	35,000	35,000
130,000	Ordinary "B"	£1	<u>130,000</u>	<u>130,000</u>
			<u>270,000</u>	<u>270,000</u>

Allotted, issued and fully paid:			30.4.06	30.4.05
Number:	Class:	Nominal value:	£	£
105,000	Ordinary	£1	105,000	105,000
35,000	Ordinary "A"	£1	35,000	35,000
92,203	Ordinary "B"	£1	<u>92,203</u>	<u>92,203</u>
			<u>232,203</u>	<u>232,203</u>

**12. SHARE PREMIUM**

	30.4.06 £	30.4.05 £
Share Premium	<u>1,320,672</u>	<u>1,320,672</u>

**13. PROFIT & LOSS**

	30.4.06 £	30.4.05 £
At 1 May 2005	(2,601,931)	(2,233,260)
Retained loss for period	<u>(250,452)</u>	<u>(368,671)</u>
	<u>(2,852,383)</u>	<u>(2,601,931)</u>

**14. ULTIMATE PARENT COMPANY**

There is no ultimate controlling parent company however the director, Peter Salmon is the major shareholder.

CELL ANALYSIS LTD

Notes to the Financial Statements  
for the Year Ended 30 April 2006

15. **RELATED PARTY DISCLOSURES**

Cell Analysis Ltd, Blood Analysis Ltd and Salmon and Partners Ltd are related parties by virtue of common directorship. The transaction between these companies in the year were as follows:

Blood Analysis Ltd is owed £377,032 (2005:£100,370) in overhead recharges by Cell Analysis Ltd

The administration and accounting function of the company is conducted by Salmon and Partners Ltd, a company incorporated in England. A directors fee of £32,000 is also charged by this company. Salmon and Partners Ltd are owed £211,759 (2005:£211,115) as included within other creditors and £443,266 (2005:£379,266) as included within accruals at the year end (including directors fees).

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.4.06	30.4.05
	£	£
Loss for the financial year	<u>(250,452)</u>	<u>(368,671)</u>
<b>Net reduction of shareholders' funds</b>	(250,452)	(368,671)
Opening shareholders' funds	<u>(1,049,056)</u>	<u>(680,385)</u>
<b>Closing shareholders' funds</b>	<u>(1,299,508)</u>	<u>(1,049,056)</u>
Equity interests	<u>(1,299,508)</u>	<u>(1,049,056)</u>