

Report of the Directors and
Financial Statements for the Year Ended 30 April 2008
for
Blood Analysis Limited

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Company No: 4426672

Blood Analysis Limited

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for the Year Ended 30 April 2008

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Blood Analysis Limited

Company Information
for the Year Ended 30 April 2008

DIRECTORS: Mr P Salmon FCA
Mr A J Culverwell

SECRETARY: Mrs E L Salmon

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

REGISTERED NUMBER: 4426672 (England and Wales)

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

Blood Analysis Limited

Report of the Directors
for the Year Ended 30 April 2008

The directors present their report with the financial statements of the company for the year ended 30 April 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of developing healthcare solutions.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2008.

FUTURE DEVELOPMENTS

The company plans to seek a listing in the alternative investment market (AIM).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2007 to the date of this report.

Mr P Salmon FCA
Mr A J Culverwell

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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.

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Blood Analysis Limited

Report of the Directors
for the Year Ended 30 April 2008

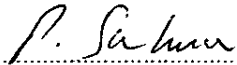
AUDITOR

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
Mr P Salmon FCA - Director

Date: 10.11.08

Report of the Independent Auditor to the Members of
Blood Analysis Limited

We have audited the financial statements of Blood Analysis Limited for the year ended 30 April 2008 which comprise the profit and loss account, balance sheet and notes 1 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), 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 directors and auditor

The directors' responsibilities for preparing the Report of the Directors 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 directors' 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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors 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 judgments made by the directors 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.

Report of the Independent Auditor to the Members of
Blood Analysis Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 April 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Emphasis of matter - Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in the accounting policies concerning the company's ability to continue as a going concern. The company incurred a net loss of £692,000 during the year ended 30 April 2008. This loss indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Grant Thornton UK LLP

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

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Blood Analysis Limited

Profit and Loss Account
for the Year Ended 30 April 2008

	Notes	30.4.08 £	30.4.07 £
TURNOVER		-	-
Administrative expenses		<u>(687,647)</u>	<u>(709,965)</u>
OPERATING LOSS	3	(687,647)	(709,965)
Interest receivable and similar income		<u>1,101</u>	<u>29,531</u>
		(686,546)	(680,434)
Interest payable and similar charges	4	<u>(5,454)</u>	<u>(11,863)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(692,000)	(692,297)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(692,000)</u>	<u>(692,297)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

Blood Analysis Limited

Balance Sheet
30 April 2008

	Notes	30.4.08 £	30.4.07 £
CURRENT ASSETS			
Stocks	6	104,337	104,337
Debtors	7	1,086,901	992,854
Cash at bank and in hand		<u>34,141</u>	<u>148,484</u>
		1,225,379	1,245,675
CREDITORS			
Amounts falling due within one year	8	<u>(1,077,401)</u>	<u>(405,697)</u>
NET CURRENT ASSETS		<u>147,978</u>	<u>839,978</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>147,978</u>	<u>839,978</u>
CAPITAL AND RESERVES			
Called up share capital	9	53,877	53,877
Share premium	10	3,881,308	3,881,308
Profit and loss account	10	<u>(3,787,207)</u>	<u>(3,095,207)</u>
SHAREHOLDERS' FUNDS	13	<u>147,978</u>	<u>839,978</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the Directors and authorised for issue on 10/11/2008 and are signed on its behalf by:

P. Salmon

Mr P Salmon FCA - Director

[Signature]

Mr A J Culverwell Director

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Going concern

The financial statements have been prepared on a going concern basis that BioCo Limited will provide financial support to the company for the foreseeable future until such time as income is earned each year from the sales of the Bac-Detect product.

Cash flow statement

The company has taken advantage of the exemption available under Financial Reporting Standards No. 1 'Cash Flow Statements' on the grounds that the company qualifies as a small company.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised on all timing differences where the 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 they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

No deferred tax asset has been recognised on the company's brought forward losses as the timing of future profit which would result in the realisation of the asset associated with these losses is uncertain.

Research and development

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

2. STAFF COSTS

	30.4.08	30.4.07
	£	£
Wages and salaries	327,850	334,460
Social security costs	34,180	35,182
Other pension costs	18,997	13,034
	<u>381,027</u>	<u>382,676</u>

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

30.4.08	30.4.07
<u>7</u>	<u>7</u>

Blood Analysis Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2008**

3. OPERATING LOSS

The operating loss is stated after charging:

	30.4.08	30.4.07
	£	£
Auditor's remuneration	<u>15,850</u>	<u>6,690</u>
Directors' emoluments	<u>96,000</u>	<u>97,000</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.4.08	30.4.07
	£	£
Other interest	<u>5,454</u>	<u>11,863</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on the loss ordinary activities for the year ended 30 April 2008 nor for the year ended 30 April 2007.

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:

	30.4.08	30.4.07
	£	£
Loss on ordinary activities before tax	<u>(692,000)</u>	<u>(692,297)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2007 - 19%)	(138,400)	(131,536)
Effects of: Losses carried forward	<u>138,400</u>	<u>131,536</u>
Current tax charge	<u>-</u>	<u>-</u>

6. STOCKS

	30.4.08	30.4.07
	£	£
Stocks	<u>104,337</u>	<u>104,337</u>

Blood Analysis Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2008

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

	30.4.08	30.4.07
	£	£
Amounts due from group undertakings	1,069,230	971,353
VAT	10,408	14,238
Prepayments and accrued income	7,263	7,263
	<u>1,086,901</u>	<u>992,854</u>

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

	30.4.08	30.4.07
	£	£
Trade creditors	57,801	68,832
Social security and other taxes	37,453	-
Accrued pension cost	1,955	1,997
Amounts owed to group undertakings	576,072	-
Other creditors	25,003	36,969
Accrued expenses	379,117	297,899
	<u>1,077,401</u>	<u>405,697</u>

9. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	30.4.08	30.4.07
			£	£
10,000,000	Ordinary	0.1p	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.08	30.4.07
			£	£
53,876,038	Ordinary	0.1p	<u>53,877</u>	<u>53,877</u>

10. **RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 May 2007	(3,095,207)	3,881,308	786,101
Deficit for the year	<u>(692,000)</u>	-	<u>(692,000)</u>
At 30 April 2008	<u>(3,787,207)</u>	<u>3,881,308</u>	<u>94,101</u>

11. **ULTIMATE PARENT COMPANY**

On 31 August 2006 the company was acquired by BioCo Limited, which is the immediate parent company.

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

Notes to the Financial Statements - continued
for the Year Ended 30 April 2008

12. **RELATED PARTY DISCLOSURES**

The company is a wholly owned subsidiary undertaking of BioCo Limited and has taken advantage of the exemption available under Financial Reporting Standard No. 8 'Related Party Disclosures' not to disclose details of transactions with entities which are part of this group. The directors do not consider that transactions with other related parties, which were conducted under normal commercial terms, are sufficiently material to influence decisions made by the users of the financial statements.

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

	30.4.08	30.4.07
	£	£
Loss for the financial year	(692,000)	(692,297)
Ordinary Shares issued during year	-	5,993
Share Premium received during year	-	1,460,367
	<u> </u>	<u> </u>
Net (reduction)/addition to shareholders' funds	(692,000)	774,063
Opening shareholders' funds	<u>839,978</u>	<u>65,915</u>
Closing shareholders' funds	<u><u>147,978</u></u>	<u><u>839,978</u></u>