

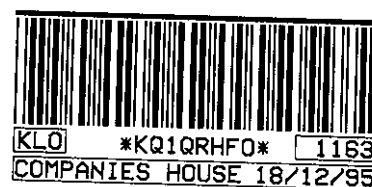
# ARTHUR ANDERSEN

ARTHUR ANDERSEN & CO. SC

## K S Biomedix Holdings Plc and subsidiary undertakings

Accounts - 31 May 1995  
together with directors' and auditors' reports

Registered number: 3006674



# Directors' report

For the year ended 31 May 1995

The Directors present their report and accounts for the Company for the period from incorporation to 31 May 1995 and for the Group for each of the two years ended 31 May 1995.

## Formation of the Company

The Company was incorporated on 6 January 1995 and in February 1995 was granted a dealing facility for its Ordinary Shares under Rule 4.2 of the London Stock Exchange. This facility was first utilised on 31 July 1995. On 2 October 1995 the Company gained a listing on the Alternative Investment Market of the London Stock Exchange.

## Change of accounting reference date

On incorporation the Company had a first accounting reference period up to 31 May 1996. On 14 December 1995 the Company's accounting reference period was shortened to end on 31 May 1995, to bring the year end into line with that of its principal trading subsidiary undertaking K S Biomedix Limited.

## Principal activities and business review

The principal activities of the Group are the development of pharmaceutical products, scientific consultancy, the management of patents and the commercial exploitation of its scientific discoveries and intellectual property.

As part of a Group reconstruction K S Biomedix Holdings Plc acquired the whole of the issued share capital of K S Biomedix Limited in April 1995. The acquisition was made by way of a share for share exchange in which each 10p ordinary share in K S Biomedix Limited was exchanged for five 2p ordinary shares in K S Biomedix Holdings Plc. The Group reconstruction has been accounted for under merger accounting principles. Under this method results are reported as if the acquiring and acquired companies have been combined since the earlier date of incorporation. Consequently, while the Company was not incorporated until 6 January 1995, consolidated profit and loss accounts, consolidated balance sheets and consolidated cash flow statements for each of the two years ended 31 May 1995 are presented in these accounts.

## Results and dividends

The Group's results are described in the profit and loss account on page 5.

The Directors do not recommend the payment of a dividend (1994 - £nil).

## Directors and their interests

The Directors who served during the year, together with the interests of those who were Directors as at 31 May 1995 in the shares of the Company at 31 May 1995, are as follows:

	Ordinary shares of 2p each Number
Dr. K.S. Tan (appointed 17 January 1995)	30,151,460
J.J. Wright (appointed 17 January 1995)	630,000
M.W. Myerscough (appointed 17 January 1995)	-
B.R.R. Butler (appointed 17 January 1995)	75,000
D.W. Armour (appointed 6 January 1995, resigned 17 January 1995)	-
D.A. Venus (appointed 6 January 1995, resigned 17 January 1995)	-

## Directors' report (continued)

As at 31 May 1994 Dr K.S. Tan had an interest in 6,451,282 and J.J. Wright had an interest in 150,000 ordinary shares of 10p each in K S Biomedix Limited, the Company's principal subsidiary undertaking.

Share options exercisable at any time before 6 September 2001 at a price of 20p per ordinary share were granted to Directors of K S Biomedix Holdings Plc during the year as follows:

	Number
J.J. Wright	600,000
M.W. Myerscough	1,000,000
B.R.R. Butler	400,000

The share options were initially granted in K S Biomedix Limited but were replaced by options in K S Biomedix Holdings Plc when the Group reorganisation was completed.

Dealing in the Company's ordinary shares through the Rule 4.2 facility did not begin until after year end. On 31 July 1995, the first day of dealing, a market trade at a sale price of £0.80 per share was agreed.

### Substantial shareholdings

On 11 December 1995 the following shareholders were registered as being interested in 3% or more of the Company's ordinary share capital:

	Number of shares held	%
Dr K.S. Tan	30,151,460	79.7%
Earlsdon Investments Limited	1,753,200	4.6%

### Research and development

The Directors consider that research and development continues to play a vital role in the Group's success.

### Related party transactions

Details of related party transactions are given in note 20 to the accounts.

### Close company status

K S Biomedix Holdings Plc is a close company within the provisions of the Income and Corporation Taxes Act 1988.

### Fixed assets

Information relating to changes in tangible fixed assets is given in note 9 to the accounts.

### Auditors

During the period Arthur Andersen were appointed by the Directors as the Company's auditors.

## Directors' report (continued)

### Corporate governance

The Directors welcome the Code of Best Practice introduced by the Cadbury Report and have taken appropriate measures to ensure that the Group complies with its spirit, bearing in mind the size of the Group, and propose to follow the recommendations on corporate governance of The City Group for Smaller Companies. K S Biomedix Holdings Plc has two non-executive Directors, including the non-executive Chairman, who bring an independent viewpoint to the Group's activities and provide an overall balance to the two executive Directors.

The Board has formally established an Audit Committee and a Remuneration Committee consisting of the two non-executive Directors.

All Board Directors receive regular reports from management and have unrestricted access to the Group's auditors.

### Directors' responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group 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 Group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

32A High Street  
Esher  
Surrey  
KT10 9RT

By order of the Board,

J.J. Wright

Director

15 December 1995

## Auditors' report

Reading

### To the Shareholders of K S Biomedix Holdings Plc

We have audited the accounts on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

### Respective responsibilities of directors and auditors

As described on page 3, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group'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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31 May 1995 and of the Group's profit and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Abbots House  
Abbey Street  
Reading  
Berkshire  
RG1 3BD

15 December 1995

# Consolidated profit and loss account

For the year ended 31 May 1995

	Notes	1995 £	1994 (Note 2b) £
Turnover	2i	3,200	22,511
Cost of sales		(2,960)	(18,455)
Gross profit		240	4,056
Administrative expenses		(139,604)	(83,424)
Operating loss		(139,364)	(79,368)
Profit on sale of a business	4	196,000	-
Profit (loss) on ordinary activities before interest		56,636	(79,368)
Investment income (expense)	5	5,242	(3,449)
Interest payable		(2,790)	(25)
Profit (loss) on ordinary activities before taxation	6	59,088	(82,842)
Tax on profit (loss) on ordinary activities	7	-	-
Retained profit (deficit) for the year	14	59,088	(82,842)

There are no recognised gains or losses in either year other than the profit (loss) for the year.

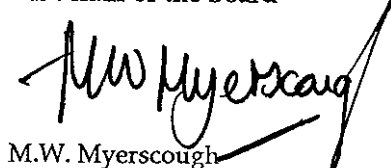
The accompanying notes are an integral part of these consolidated profit and loss accounts.

# Balance sheets

31 May 1995

	Notes	Group		Company
		1995	1994 (Note 2b)	1995
		£	£	£
<b>Fixed assets</b>				
Tangible fixed assets	9	16,163	5,443	-
Investments	10	-	-	754,001
		<u>16,163</u>	<u>5,443</u>	<u>754,001</u>
<b>Current assets</b>				
Investments	10	-	-	-
Debtors	11	241,166	20,215	-
Cash at bank and in hand		124,320	8,652	101,988
		<u>365,486</u>	<u>28,867</u>	<u>101,988</u>
<b>Creditors: amounts falling due within one year</b>	12	(146,275)	(131,652)	(1,000)
<b>Net current assets (liabilities)</b>		<u>219,211</u>	<u>(102,785)</u>	<u>100,988</u>
<b>Total assets less current liabilities</b>		<u>235,374</u>	<u>(97,342)</u>	<u>854,989</u>
Provisions for liabilities and charges	10	-	(3,872)	-
<b>Net assets (liabilities)</b>		<u>235,374</u>	<u>(101,214)</u>	<u>854,989</u>
<b>Share capital and reserves</b>				
Called-up share capital	13	756,721	743,951	756,721
Share premium account	14	99,280	-	99,280
Other reserves	14	419,557	254,107	-
Profit and loss account	14	(1,040,184)	(1,099,272)	(1,012)
<b>Total shareholders' funds</b>	15	<u>235,374</u>	<u>(101,214)</u>	<u>854,989</u>

On behalf of the Board



M.W. Myerscough

Director

15 December 1995

The accompanying notes are an integral part of these balance sheets.

# Consolidated cash flow statement

For the year ended 31 May 1995

	Notes	Group	
		1995	1994
		£	(Note 2b) £
Net cash outflow from operating activities	16	<u>(146,214)</u>	<u>(47,761)</u>
Returns on investments and servicing of finance			
Interest received		1,370	447
Interest paid		<u>(2,790)</u>	<u>(25)</u>
Net cash (outflow) inflow from returns on investments and servicing of finance		<u>(1,420)</u>	<u>422</u>
Investing activities			
Payments to acquire tangible fixed assets		<u>(14,198)</u>	<u>(385)</u>
Net cash outflow before financing		<u>(161,832)</u>	<u>(47,724)</u>
Financing			
Issue of ordinary share capital	18	<u>277,500</u>	<u>32,200</u>
Increase (decrease) in cash and cash equivalents	17	<u>115,668</u>	<u>(15,524)</u>

The accompanying notes are an integral part of this cash flow statement.



## Notes to accounts

31 May 1995

### 1 History and basis of presentation

The K S Biomedix Group has focused its efforts on the research and development of pharmaceutical products associated with three scientific patents held by the Company or its subsidiary undertakings and has yet to generate significant revenues from sales. To date, the Group's activities have been financed by the issue of securities, the sale of investments and advances from shareholders.

The Directors have prepared cash flow projections for the Group through to 31 May 1997. On the basis of these projections, the Directors consider that the Group has sufficient funds to continue its current operations for the foreseeable future and have prepared these statements on the going concern basis. However, the Group may require further funding to complete the development of its products before it is able to generate significant revenues. The terms on which such funding may be available, if at all, will be dependent upon the results of future research and development activities.

### 2 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

#### *a) Basis of accounting*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *b) Basis of consolidation*

The Group accounts consolidate the accounts of K S Biomedix Holdings Plc and all its subsidiary undertakings made up to 31 May 1995.

As part of a Group reconstruction K S Biomedix Holdings Plc acquired K S Biomedix Limited in April 1995. This purchase has been accounted for under merger accounting principles. Under this method, results are reported as if the acquiring and acquired companies have been combined since the earlier date of incorporation. No purchased goodwill is created on acquisition and the assets and liabilities of the acquired company are not adjusted to reflect their fair or market values. Consequently, while K S Biomedix Holdings Plc was not incorporated until 6 January 1995, consolidated profit and loss accounts, consolidated balance sheets and consolidated cash flow statements are presented in these accounts for the two years ended 31 May 1995.

In the Company's accounts the investment in K S Biomedix Limited is stated at the nominal value of the shares issued as consideration for the purchase.

With the exception of K S Biomedix Limited, K S Biomedix Holdings Plc accounts for its subsidiary undertakings using the acquisition method of accounting. Purchased positive goodwill is written off and negative goodwill is credited in full against reserves in the year of acquisition.

## Notes to accounts (continued)

### 2 Accounting policies (continued)

#### c) *Intangible fixed assets*

Research and development expenditure is written off in the year of expenditure.

Patent costs comprising legal fees and other direct costs incurred in obtaining patents are written off in the year of expenditure.

#### d) *Tangible fixed assets*

Fixed assets are shown at cost. Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a reducing balance basis over its expected useful life as follows:

Leasehold improvements	25% per annum
Fittings and equipment	25% per annum
Motor vehicles	25% per annum

#### e) *Government grants*

Government grants in respect of capital items are accounted for as deferred income and amortised over the expected useful life of the asset concerned. Government grants in respect of revenue items are credited to the profit and loss account in the related period.

#### f) *Fixed asset investments*

Fixed asset investments are shown at cost less amounts written off. Provisions are made for permanent reductions in value where appropriate.

#### g) *Interests in associated undertakings*

Associated undertakings are entities in which a consolidated member of the Group has a participating interest and over whose operating and financial policy it exercises a significant influence. Investments in associated undertakings are dealt with by the equity method of accounting, whereby the consolidated profit and loss account includes the appropriate share of these companies' profits less losses and the Group's share of post-acquisition retained profits and reserves is added to the cost of investment in the consolidated balance sheet. Goodwill included in the acquisition cost of associated undertakings is written off against reserves on acquisition.

#### h) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal. Deferred tax is not provided on timing differences which, in the opinion of the Directors, will probably not reverse.

## Notes to accounts (continued)

### 2 Accounting policies (continued)

#### i) Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes) of goods and services in the normal course of business.

#### j) Leases

The Group enters into finance leases and hire purchase transactions.

Assets held under finance leases are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors falling due within or after one year. The asset is depreciated over the shorter of the lease terms and its useful economic life. Finance costs are allocated to accounting periods over the period of the lease to produce a constant rate of charge on the outstanding balance. Rentals are apportioned between finance costs and reduction of the liability, and allocated to cost of sales and other operating expenses as appropriate. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

### 3 Parent company profit and loss account

No profit and loss account is presented for the Company as provided by section 230 of the Companies Act 1985. The Company's loss for the period from incorporation to 31 May 1995, determined in accordance with the Act, was £1,012, all of which relates to administrative expenses.

### 4 Profit on sale of a business

During 1992 a subsidiary undertaking, Rantau Limited, sold its trade and assets to Guildhay Limited (Note 10). The consideration for this transaction comprised an initial payment of £175,000 and a further sum dependent upon the performance of the business sold. The contingent element of the consideration was agreed on 15 June 1995 at £196,000.

### 5 Investment income (expense)

	1995 £	1994 £
Investment income (expense) comprises:		
Movement on provision relating to interest in associated undertaking	3,872	(3,896)
Interest receivable	1,370	447
	<u>5,242</u>	<u>(3,449)</u>

## Notes to accounts (continued)

### 6 Profit (loss) on ordinary activities before taxation

Profit (loss) on ordinary activities before taxation is stated after charging (crediting):

	1995 £	1994 £
Auditors remuneration		
- audit services	15,000	15,000
- non-audit services	-	-
Depreciation of tangible fixed assets		
- owned	3,478	232
- held under finance leases and hire purchase contracts	-	1,582
Research and development costs	55,322	2,780
Government grants receivable	(19,732)	-

### 7 Tax on profit (loss) on ordinary activities

Tax losses available to be carried forward at 31 May 1995 are estimated at approximately £520,000 (1994 - £420,000), subject to the agreement of the Inland Revenue.

### 8 Staff costs

The only employees of the Group during the period were the Directors who received total remuneration of £20,366 (1994 - £19,664). This total remuneration included:

	1995 £	1994 £
Chairman	-	-
Highest paid director	16,874	19,664

The Directors received emoluments in the following ranges:

	Number	Number
Up to £5,000	4	2
£5,001 to £10,000	1	-
£15,001 to £20,000	1	-
£20,001 to £25,000	-	1
	6	3

## Notes to accounts (continued)

### 9 Tangible fixed assets

Group	Leasehold additions £	Fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
1 June 1994	-	1,480	15,000	16,480
Additions	6,580	7,618	-	14,198
31 May 1995	<u>6,580</u>	<u>9,098</u>	<u>15,000</u>	<u>30,678</u>
<b>Depreciation</b>				
1 June 1994	-	783	10,254	11,037
Charge for the year	970	1,322	1,186	3,478
31 May 1995	<u>970</u>	<u>2,105</u>	<u>11,440</u>	<u>14,515</u>
<b>Net book value</b>				
31 May 1994	-	697	4,746	5,443
31 May 1995	<u>5,610</u>	<u>6,993</u>	<u>3,560</u>	<u>16,163</u>

The Company does not own any tangible fixed assets.

### 10 Investments

	Group		Company
	1995	1994	1995
	£	£	£
Subsidiary undertakings	-	-	754,001
Associated undertaking	-	-	-
	<u>-</u>	<u>-</u>	<u>754,001</u>

## Notes to accounts (continued)

### 10 Investments (continued)

Fixed asset investments comprise the following subsidiary and associated undertakings which are all incorporated and operate, where applicable, in the UK:

	Principal activity	Proportion of ordinary shares held
<b>Subsidiary undertakings:</b>		
K S Biomedix Limited	Development of pharmaceutical products	100%
Rantau Limited*	Non-trading	100%
Steady Progression Limited*	Dormant	100%
<b>Associated undertaking as at 31 May 1994:</b>		
Guildhay Limited*	Diagnostic products	24%

\* owned by K S Biomedix Limited

The Company has taken advantage of the merger relief provisions of the Companies Act 1985 to record its investment in K S Biomedix Limited in its own accounts at the nominal value of the shares issued.

#### *Movements in investments*

The losses incurred in the year ended 31 May 1994 by Guildhay Limited, the Group's associated undertaking, were in excess of the historic cost of the Group's investment in that company. As at 31 May 1994 the Directors regarded the Group's holding in Guildhay Limited as a long-term investment.

The amount of the associated undertaking's net liabilities attributable to the Group as at 31 May 1994 in excess of the historic cost of the investment are recorded in the balance sheet in provisions for liabilities and charges. This provision consists of:

	1994
	£
Group portion of net liabilities recognised	3,896
Provision for permanent diminution in value	-
Offset against the historic cost of investment	(24)
Included in provisions for liabilities and charges	<u>3,872</u>

## Notes to accounts (continued)

### 10 Investments (continued)

The accounts of Guildhay Limited for the financial year ended 31 October 1994, being the last financial period ending before the date of these accounts, show the aggregate value of the capital and reserves of Guildhay Limited to be a deficit of £30,379. During the year ended 31 October 1994 Guildhay Limited recorded a loss of £34,185 on turnover of £ 893,099.

During the year ended 31 May 1995 the Directors decided to dispose of the investment and thus the investment is recorded as a current asset at the expected realisable value of £nil. Subsequent to the year end the Group has disposed of the investment in Guildhay Limited.

### 11 Debtors

	Group		Company
	1995	1994	1995
	£	£	£
Amounts falling due within one year:			
Trade debtors	1,400	-	-
Other debtors	239,766	20,215	-
	<u>241,166</u>	<u>20,215</u>	<u>-</u>

### 12 Creditors: amounts falling due within one year

	Group		Company
	1995	1994	1995
	£	£	£
Trade creditors	-	1,492	-
Loans from Directors	-	21,388	-
Other creditors	27,233	8,772	-
Deferred consideration (see below)	55,000	85,000	-
Accruals	64,042	15,000	1,000
	<u>146,275</u>	<u>131,652</u>	<u>1,000</u>

On 31 October 1991 K S Biomedix Limited acquired 73% of the issued share capital of Rantau Limited to bring the Group's holding to 100%. Part of the consideration for this acquisition was deferred and as at 31 May 1995 an amount of up to £55,000 (1994 - £85,000) was still outstanding.

## Notes to accounts (continued)

### 13 Share capital

As at 31 May 1995 the authorised share capital of the Company and the called-up and fully paid amounts were as follows:

	Number	£
<i>Authorised</i>		
Ordinary shares of 2p each	<u>100,000,000</u>	<u>2,000,000</u>
<i>Issued and fully-paid</i>		
Ordinary shares of 2p each	<u>37,836,045</u>	<u>756,721</u>

During the year the following ordinary shares of 2p each were issued by the Company to acquire the entire issued share capital of K S Biomedix Limited and in order to provide further working capital:

	Number of shares £	Issue price £	Total nominal value £	Total share premium £
Issued on incorporation and under the share for share exchange	37,700,045	Par	754,001	-
Issued for cash consideration	<u>136,000</u>	0.75	<u>2,720</u>	<u>99,280</u>
Issued during the year and in issue, 31 May 1995	<u>37,836,045</u>		<u>756,721</u>	<u>99,280</u>

The balance shown in the Group balance sheet as issued share capital as at 31 May 1994 represents the capital of the Company which would have been issued to acquire the share capital of K S Biomedix Limited as at that date.

### 14 Movement on reserves

#### Group

The movements on reserves during the year were as follows:

	Share premium account	Other reserves	Profit and loss account
	£	£	£
As at 1 June 1994	-	254,107	(1,099,272)
Issue of shares	99,280	-	-
Premium on shares issued by subsidiary	-	165,450	-
Profit for the year	-	-	59,088
As at 31 May 1995	<u>99,280</u>	<u>419,557</u>	<u>(1,040,184)</u>



## Notes to accounts (continued)

### 14 Movement on reserves (continued)

Other reserves represent the share premium recorded on shares issued by K S Biomedix Limited prior to its acquisition by the Company. During the year K S Biomedix Limited issued ordinary shares of 10p each with a nominal value of £10,050 for cash at a premium of £165,450.

### 15 Movement on shareholders' funds

	Group		Company
	1995	1994	1995
	£	£	£
Profit (loss) for the financial year	59,088	(82,842)	(1,012)
Shares issued (including share premium)	1,031,501	32,200	856,001
Less: shares issued to acquire K S Biomedix Limited	(754,001)	-	-
Net addition (diminution) in shareholders' funds	336,588	(50,642)	854,989
Opening shareholders' funds	(101,214)	(50,572)	-
Closing shareholders' funds	235,374	(101,214)	854,989

### 16 Reconciliation of operating loss to net cash outflow from operating activities

	Group	
	1995	1994
	£	£
Operating loss	(139,364)	(79,368)
Depreciation charge	3,478	1,814
(Increase) decrease in debtors	(24,951)	35,041
Increase (decrease) in creditors	14,623	(5,248)
Net cash outflow from operating activities	(146,214)	(47,761)

### 17 Analysis of changes in cash and cash equivalents during the year

	Group	
	1995	1994
	£	£
Balance at beginning of year	8,652	24,176
Net cash inflow (outflow)	115,668	(15,524)
Balance at end of year	124,320	8,652

## Notes to accounts (continued)

### 18 Analysis of changes in financing during the year

	Group	
	1995 £	1994 £
Share capital and share premium balance at 1 June 1994	743,951	740,719
Cash inflow from issue of shares	277,500	32,200
Premium on shares issued by subsidiary undertaking prior to acquisition	(165,450)	(28,968)
Share capital and share premium balance at 31 May 1995	856,001	743,951

### 19 Guarantees and commitments

#### a) Capital commitments

At 31 May 1995, there were no (1994 - £nil) capital commitments authorised or contracted for.

#### b) Contingent liabilities

Pursuant to an overdraft facility agreement dated 17 October 1995, the Group's bankers have a fixed and floating charge over the Group's assets.

### 20 Related party transactions

The Group leases a property on a short lease from Dr K.S. Tan, a Director of the Company, and one of his relations at a rental of £6,000 per annum. Leasehold improvements relating to this property are included in the Group's fixed assets.

In September 1995 K S Biomedix Limited entered into a short term lease relating to new research premises. The rentals payable to Dr K.S. Tan and one of his relations ceased from this date.

### 21 Subsequent events

Since the year end K S Biomedix Limited has entered into a joint-venture agreement with Peladang-Kimia-Berhad (a Malaysian quoted company) to build a specialist cancer unit in Malaysia. The joint-venture unit will use one of K S Biomedix's pharmaceutical products on an experimental basis.

On 2 October 1995 the Company gained a listing for its ordinary shares of 2p each on the Alternative Investment Market of the London Stock Exchange. The trading facility provided under Rule 4.2 of the London Stock Exchange was withdrawn on 29 September 1995.