



NEXTGEN SCIENCES LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2009**

Company registration number: 3914988

Registered office. 8th Floor
Kildare House 3 Dorset Rise
London EC4Y 8EN
United Kingdom

Directors Klaus Rosenau
Leif Hamø

Company secretary Thomas Pryzgoda

Bankers Barclays Bank Plc
Mortlock House
Vision Park
Histon
Cambridge CB4 9DE

Solicitors Moorhead James LLP, Solicitors,
Kildare House, 3 Dorset Rise,
London EC4Y 8EN

Auditors Grant Thornton UK LLP
Registered Auditors and Chartered Accountants
Byron House
Cambridge Business Park
Cambridge CB4 0WZ

NEXTGEN SCIENCES LIMITED

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REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 December 2009

In 2008 NextGen Group Plc made the decision to close its UK based software and instrumentation businesses and its protein production fee-for-service business unit. The UK electrophoresis business was ceased early in 2009. The Group transitioned from a supplier of automation, consumables and services to focus all resources into the growing field of Biomarkers, which is primarily based in the United States.

All resources, including the profit realised from the closure of the UK business, is now focused on growing the biomarker services business in the USA, through the Group's other subsidiary, NextGen Sciences Inc.

Results and dividends

NextGen Sciences Limited has realised the revenue in 2009 from the sale of an expression factory. This was the final transaction for NextGen Sciences Limited as this business unit has no ongoing trade by the end of 2009.

The company made a profit after taxation of £726,953 (2008: £2,759,078). The directors do not recommend the payment of a dividend for the period ended 31 December 2009.

Principal activity

The company's principal activities were the research and development of services in the protein research arena and the manufacture and sale of products and technology for use within the protein research industry. The company had ceased trading as at 31 December 2009.

Directors

The Directors who served during the year are shown below:

Klaus Rosenau

Frank Matthai (resigned 31 July 2009)

Leif Hamø (started 1 July 2009)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of that company. The Company Secretary who served during the year were Justin McCann, Grant Cameron and Thomas Pryzgoda who was appointed on 1 August 2009.

Going concern

The company ceased trading during the year and is not expected to trade for the 12 months following the approval of the financial statements. All of the company's operations are discontinued. The financial statements have been prepared on the going concern basis as the closure of the company is not considered to result in financial statements that differ to those shown under going concern basis.

Directors' responsibilities for the financial statements

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

United Kingdom 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

REPORT OF THE DIRECTORS

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant audit information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information needed by the company's auditors in connection with preparing their report and to establish that the auditors are aware of that information.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with the Companies Act 2006.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'Klaus Rosenau', written over a circular stamp or seal.

Klaus Rosenau

Chairman

30 June 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEXTGEN SCIENCES LIMITED

Company registration number 3914988

We have audited the financial statements of NextGen Sciences Limited for the year ended 31 December 2009, which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors

As explained more fully in the Statement of directors responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion

In our opinion the financial statements.

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

CAMBRIDGE, ENGLAND
30 June 2010

NEXTGEN SCIENCES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The principal accounting policies of the Company have remained unchanged from the previous year and are set out below

TURNOVER

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT and trade discounts.

Revenue is recognised when the contracted services have been fulfilled. Where completion of a sale is conditional upon customer acceptance, recognition is deferred until such acceptance is received.

Revenue for product service and upgrades is recognised over the period during which the service is provided. Where service and upgrades are included in the price of the product, they are unbundled and treated separately for purposes of revenue recognition.

Royalties are recognised over the period to which such royalties relate.

Revenue relating to the achievement of milestones is recognised as and when each milestone is reached.

RESEARCH AND DEVELOPMENT

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life as follows:

Office equipment, Fixtures and fittings	1 to 5 years
Computer equipment	3 years
Motor vehicles	3 years

NEXTGEN SCIENCES LIMITED

PRINCIPAL ACCOUNTING POLICIES

LEASE AND HIRE PURCHASE COMMITMENTS

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the term of the lease and their expected useful lives. The capital elements of future lease obligations are recorded as liabilities, while the finance elements are charged to the profit and loss account over the period of the lease so as to produce a constant rate of charge on the balance of the capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving or defective items where appropriate.

RETIREMENT BENEFITS

The Company operates a defined contribution scheme under which the amount charged to the profit and loss account is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either creditors, accruals or prepayments in the balance sheet.

DEFERRED TAXATION

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 that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the year. In the preparation of these financial statements, estimates and assumptions have been made by management concerning the selection of useful lives of fixed assets and other similar evaluations. Actual results could differ from those estimates.

NEXTGEN SCIENCES LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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. Dividends and distributions relating to equity instruments are debited direct to equity.

NEXTGEN SCIENCES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Turnover	2	1,029,712	954,863
Cost of sales		(174,805)	(512,850)
Gross profit		854,907	442,013
Operating expenses		(350,723)	(320,496)
Other operating income		228,139	2,645,697
Operating profit	3	723,323	2,767,214
Interest receivable		9	209
Interest payable	4	(5,379)	(8,345)
Profit on ordinary activities before taxation		726,953	2,759,078
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	17	726,953	2,759,078

All operations are discontinuing

There were no recognised gains or losses other than the result for the financial year

The accompanying accounting policies and notes are an integral part of these financial statements

NEXTGEN SCIENCES LIMITED

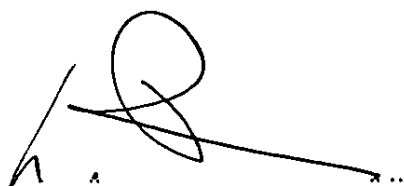
BALANCE SHEET

AS AT 31 DECEMBER 2009

	Note	At 31 December 2009 £	At 31 December 2008 £
Fixed assets			
Tangible assets	8	-	330
Investment in subsidiary	9	<u>24</u>	<u>24</u>
		24	354
Current assets			
Stocks	10	-	231,534
Debtors due within one year	11	4,428	110,757
Cash at bank and in hand		<u>176,131</u>	<u>122,531</u>
		180,559	464,822
Creditors: amounts falling due within one year	12	<u>(174,733)</u>	<u>(1,169,903)</u>
Net current assets/(liabilities)		<u>5,826</u>	<u>(705,081)</u>
Total assets less current liabilities		<u>5,850</u>	<u>(704,727)</u>
Creditors: amounts falling due after more than one year	13	(777)	(17,153)
		<u>5,073</u>	<u>(721,880)</u>
Capital and reserves			
Called up share capital	16	211,517	211,517
Share premium account	17	6,132,963	6,132,963
Profit and loss account	17	<u>(6,339,407)</u>	<u>(7,066,360)</u>
Shareholders' deficit	18	<u>5,073</u>	<u>(721,880)</u>

The accompanying accounting policies and notes are an integral part of these financial statements

The financial statements were approved by the Board of Directors on 30th June 2010.



Klaus Rosenau, Chairman

30 June 2010

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Company has the necessary resources to continue operations. However, after the close down of the protein production fee-for-service business, the sale of the gene to protein automation and software business and the sale of the electrophoresis business the company will have no business activity after the end of 2009

The company has net current assets of £5,826 and net assets of £5,073

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss on ordinary activities before taxation is attributable to geographical area as follows

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
United Kingdom	1,029,712	276,905
United States of America	-	175,181
Rest of the world	-	502,777
	1,029,712	954,863

3 OPERATING PROFIT/LOSS

The operating profit/loss is stated after charging

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Fees payable to the company's auditors for the audit of the financial statements	8,000	8,000
Depreciation	330	16,827
Exchange rate differences	17,223	(573,549)

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Bank loans and overdrafts	4,577	555
Other interest payable	124	559
Hire purchase interest	678	7,231
	5,379	8,345

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Wages and salaries	41,635	517,673
Social security costs	7,034	60,653
Other pension costs	2,021	22,434
Share based remuneration charge	-	37,693
	<u>50,690</u>	<u>638,453</u>

The average number of employees of the Company during the year was

	Year ended 31 December 2009 Number	Year ended 31 December 2008 Number
Technical	1	8
Sales and marketing	-	3
Administration	-	1
	<u>1</u>	<u>12</u>

None of the Directors are remunerated through this company (2008. £nil) and no Directors (2008 nil Directors) participated in money purchase pension schemes or healthcare schemes

6 TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Profit/(loss) before taxation	<u>726,953</u>	<u>2,759,078</u>
Theoretical corporation tax on profit at 28% (2008 20 75%)	203,547	572,509
Effects of:		
Expenses not deductible for tax purposes	35	(549,015)
Differences between capital allowances and depreciation	92	-
Creation of tax losses	(203,869)	69,698
Other timing differences	195	(11,020)
Research and development tax credit	-	(82,172)
Current tax credit for the period	<u>-</u>	<u>-</u>

Unrelieved tax losses of £7,230,457 (2008: £6,719,616) remain available to offset against future taxable trading profits, subject to agreement with HMRC

7 DIVIDENDS

No dividends have been declared or paid in respect of 2009 and 2008

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

8 TANGIBLE FIXED ASSETS

	Office equipment fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2009	3,121	1,968	5,089
Additions	-	-	-
Disposals	(3,121)	(1,968)	(5,089)
At 31 December 2009	-	-	-
Depreciation			
At 1 January 2009	3,096	1,663	4,759
Provided in the year	25	305	330
Impairment in the year	-	-	-
Disposals	(3,121)	(1,968)	(5,089)
At 31 December 2009	-	-	-
NBV at 31 December 2009	-	-	-
NBV at 31 December 2008	25	305	330

9 FIXED ASSET INVESTMENTS

	At 31 December 2009 £	At 31 December 2008 £
Cost:		
At 1 January	564	540
Additions	-	24
	564	564
Provision for impairment:		
At 1 January	540	-
Provision	-	540
At 31 December	540	540
NBV at 31 December	24	24

The Company holds 24% of the share capital of Exetek Limited, a company incorporated in England and Wales. ExeTek Limited As at 31 December 2009, Exetek Limited had share capital and reserves of £24,389 deficit and a loss after taxation for the period of £24,489

10 STOCKS

	At 31 December 2009 £	At 31 December 2008 £
Raw materials and consumables	-	-
Work in progress	-	25,371
Finished goods	-	206,163
	-	231,534

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

11 DEBTORS

	At 31 December 2009 £	At 31 December 2008 £
Trade debtors	278	54,312
VAT and tax credits	4,150	4,150
Prepayments and accrued income	-	52,295
	<u>4,428</u>	<u>110,757</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 December 2009 £	At 31 December 2008 £
Amounts owed to group undertakings	123,334	300,000
Trade creditors	24,926	246,850
Net obligations under finance leases and hire purchase contracts	11,522	9,307
Other taxation and social security	3,531	15,059
Other creditors	11,420	60,792
Accruals and deferred income	-	537,895
	<u>174,733</u>	<u>1,169,903</u>

There was no overdraft facility available to the Company at 31 December 2009

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	At 31 December 2009 £	At 31 December 2008 £
Net obligations under hire purchase contracts	777	17,153
	<u>777</u>	<u>17,153</u>

14 BORROWINGS

Borrowings are repayable as follows:

	At 31 December 2009 £	At 31 December 2008 £
Finance leases		
Within one year	11,522	9,307
After one and within two years	777	17,153
	<u>12,299</u>	<u>26,460</u>

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

15 DEFERRED TAXATION

No deferred taxation is provided for at 31 December 2009 (2008: £nil). Deferred taxation, which has not been provided for in the financial statements, is set out below:

	At 31 December 2009 £	At 31 December 2008 £
Tax losses carried forward	2,024,538	1,567,352
Unprovided deferred tax asset	2,024,528	1,567,352

16 SHARE CAPITAL

	At 31 December 2009 £	At 31 December 2008 £
Authorised		
45,000,000 (2008: 45,000,000) Ordinary Shares of £0.01 each	450,000	450,000
Allotted, called up and fully paid		
21,151,721 (2008: 21,151,721) Ordinary Shares of £0.01 each	211,517	211,517

17 SHARE PREMIUM ACCOUNT AND RESERVES

	Share Capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2009	211,517	6,132,963	(7,066,360)	(721,880)
Profit/Loss for the year	-	-	726,953	726,953
At 31 December 2009	211,517	6,132,963	(6,339,407)	5,073

18 RECONCILIATION OF MOVEMENTS IN COMPANY SHAREHOLDERS' FUNDS

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Profit for the financial year	726,953	2,759,078
Share option charge	-	37,693
Shareholders' funds at start of year	(721,880)	(3,518,651)
Shareholders' funds at end of year	5,073	(721,880)

19 CAPITAL COMMITMENTS

The Company had no capital commitments at 31 December 2009 or at 31 December 2008.

NEXTGEN SCIENCES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

20 CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31 December 2009 or at 31 December 2008

21 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The Company has taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Disclosure' not to disclose any transactions or balances between Group entities that have been eliminated on consolidation.

22 CONTROLLING AND ULTIMATE CONTROLLING PARTY

The directors consider the controlling and ultimate controlling party is the parent undertaking, NextGen Group Plc by virtue of its 100% shareholding. Consolidated financial statements can be obtained from Companies House.