

**BIOCONTROL SYSTEMS DIAGNOSTICS  
LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2008**

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# **BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2008**

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# **BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

C Feldsine  
P Feldsine

**Company secretary**

P Feldsine

**Registered office**

12 York Gate  
London  
NW1 4QS

**Auditors**

Blick Rothenberg  
Chartered Accountants  
12 York Gate  
Regent's Park  
London, NW1 4QS

# **BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2008**

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

#### **Principal activities**

The principal activity of the company during the year was the provision of food hygiene services.

#### **Directors**

The directors who served the company during the year are as follows:

C Feldsine

P Feldsine

#### **Directors' responsibilities**

The directors are responsible for preparing the Annual Report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 that 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 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.

So far as each person serving as a director of the company at the date this report is approved is aware, there is no relevant audit information of which the company's auditors are unaware and each director hereby confirms that he 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.

#### **Auditors**

Blick Rothenberg were appointed as auditors after the end of the year and a resolution to re-appoint them for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

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### 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.

Signed on behalf of the directors



P Feldsine  
Director

Approved by the directors on ..... 20/05/09

# **BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED**

**YEAR ENDED 31 DECEMBER 2008**

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We have audited the financial statements of Biocontrol Systems Diagnostics Limited for the year ended 31 December 2008 set out on pages 6 to 12, which have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditors' 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 directors' report 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit 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 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.

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED *(continued)*

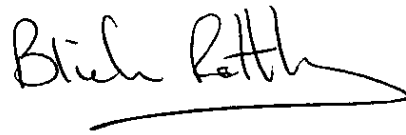
YEAR ENDED 31 DECEMBER 2008

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### 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 31 December 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 directors' report is consistent with the financial statements.



12 York Gate  
Regent's Park  
London, NW1 4QS

**BLICK ROTHENBERG**  
Chartered Accountants and  
Registered Auditors

30 June 2009

**BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2008**

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	Note	2008 £	2007 £
Turnover	2	309,782	215,416
Cost of sales		(177,324)	(133,106)
Gross profit		<u>132,458</u>	<u>82,310</u>
Administrative expenses		(153,509)	(84,988)
Operating loss	3	(21,051)	(2,678)
Interest receivable		454	955
Loss on ordinary activities before taxation		(20,597)	(1,723)
Tax on loss on ordinary activities	4	(188)	-
Loss for the financial year		<u>(20,785)</u>	<u>(1,723)</u>

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All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## BALANCE SHEET

31 DECEMBER 2008

	Note	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Tangible assets	5		2,462		7,758
<b>Current assets</b>					
Debtors	6	67,744		59,613	
Cash at bank		48,539		49,250	
		116,283		108,863	
<b>Creditors: Amounts falling due within one year</b>	7	(93,418)		(70,509)	
<b>Net current assets</b>			22,865		38,354
<b>Total assets less current liabilities</b>			25,327		46,112
<b>Capital and reserves</b>					
Called-up equity share capital	9		1,010,000		1,010,000
Profit and loss account	10		(984,673)		(963,888)
<b>Shareholder's funds</b>	11		25,327		46,112

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

These financial statements were approved by the directors and authorised for issue on 20/05/09, and are signed on their behalf by:



P Feldsine  
Director

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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### 1. Accounting policies

#### 1.1 Basis of accounting

The financial statements have been prepared on the going concern basis and under the historical cost convention.

#### 1.2 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

#### 1.3 Turnover

Turnover represents amounts receivable for goods, net of VAT.

#### 1.4 Fixed assets

All fixed assets are initially recorded at cost.

#### 1.5 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	- 20% straight line
Fixtures & fittings	- 20% straight line

#### 1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### 1.8 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.

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 2. Turnover

The turnover and loss before tax are attributable to the principal activity of the company.

An analysis of turnover is given below:

	2008 £	2007 £
UK	309,782	214,426
Rest of Europe	-	990
	<u>309,782</u>	<u>215,416</u>

### 3. Operating loss

Operating loss is stated after charging:

	2008 £	2007 £
Directors' emoluments	-	-
Depreciation of owned fixed assets	1,721	9,823
Loss on disposal of fixed assets	144	9,075
Auditors' remuneration	5,500	2,300
Foreign currency losses	<u>30,485</u>	<u>3,271</u>

### 4. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
Corporation tax	-	-
Under provided in prior year	<u>188</u>	-
Total current tax	<u>188</u>	-

The company has estimated tax losses of £945,000 (2007: £923,000) available for carry forward against future trading profits.

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 4. Taxation on ordinary activities *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.75% (2007: 19.75%).

	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(20,597)</u>	<u>(1,723)</u>
Loss on ordinary activities multiplied by the standard rate of tax in the UK	(4,274)	(340)
(Capital allowances in excess of depreciation)/depreciation in excess of capital allowances	(340)	1,842
Disallowed expenses	124	405
Under provision in prior year	188	-
Losses carried forward/(utilisation of losses)	<u>4,490</u>	<u>(1,907)</u>
Total current tax (note 4(a))	<u>188</u>	<u>-</u>

#### (c) Factors that may affect future tax charges

There is a potential deferred tax asset of approximately £198,000 (2007: £194,000), which has not been recognised in the financial statements due to the uncertainty concerning the timescale as to its recoverability.

It is anticipated that the deferred tax asset will be recovered when the company makes sufficient taxable profits.

### 5. Tangible fixed assets

	Plant and machinery etc. £
<b>Cost</b>	
At 1 January 2008	69,949
Additions	142
Disposals	<u>(60,492)</u>
<b>At 31 December 2008</b>	<u>9,599</u>
<b>Depreciation</b>	
At 1 January 2008	62,191
Charge for the year	1,721
On disposals	<u>(56,775)</u>
<b>At 31 December 2008</b>	<u>7,137</u>
<b>Net book value</b>	
<b>At 31 December 2008</b>	<u>2,462</u>
At 31 December 2007	<u>7,758</u>

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 6. Debtors

	2008 £	2007 £
Trade debtors	66,667	55,197
Other debtors	1,077	4,416
	<u>67,744</u>	<u>59,613</u>

### 7. Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	9,309	55,164
Amounts owed to group undertaking	61,017	—
Other taxation and social security	14,052	11,509
Other creditors	9,040	3,836
	<u>93,418</u>	<u>70,509</u>

### 8. Related party transactions and controlling party

In the opinion of the directors the immediate controlling party is Biocontrol Systems Inc.

C Feldsine and P Feldsine are the ultimate controlling party.

Transactions with related parties are as follows:

Name (Relationship)	Transaction	Amount		Amount due (to)/from related parties	
		2008 £	2007 £	2008 £	2007 £
Biocontrol Systems Inc. (parent company)	Purchases	169,452	—	(61,017)	—
	Loan provided	20,000	—	—	—
Biocontrol Systems BV (fellow subsidiary undertaking)	Recharged expenses	713	—	—	—

In 2007 the company paid management fees of £5,952 to Biocontrol Consultants BV, a company incorporated in the Netherlands and controlled by H Van Der Meer (former director). The balance owed at 31 December 2007 was £3,069.

# BIOCONTROL SYSTEMS DIAGNOSTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

### 9. Share capital

	2008		2007	
	No	£	No	£
<b>Authorised share capital:</b>				
Ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
<b>Called up, allotted and fully paid:</b>				
Ordinary shares of £1 each	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,010,000</u>

### 10. Reserves

	Profit and loss account £
Balance brought forward	(963,888)
Loss for the year	<u>(20,785)</u>
Balance carried forward	<u>(984,673)</u>

### 11. Reconciliation of movements in shareholder's funds

	2008 £	2007 £
Loss for the financial year	(20,785)	(1,723)
Opening shareholder's funds	<u>46,112</u>	<u>47,835</u>
Closing shareholder's funds	<u>25,327</u>	<u>46,112</u>

### 12. Parent company

The immediate and ultimate parent undertaking is Biocontrol Systems Inc., a company incorporated in the United States of America. Group financial statements are prepared but are not available to the public.