

# **Bayer Diagnostics Manufacturing Limited**

**Company No. 00403450**

## **Financial Statements**

**For the year ended**

**31 December 2007**

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# **Bayer Diagnostics Manufacturing Limited**

## **Company Information**

### **Directors**

S R Waite  
M S Dawkins

### **Secretary**

M A Wilkinson

### **Registered Office**

Bayer House  
Strawberry Hill  
Newbury  
Berkshire  
RG14 1JA

### **Auditors**

PricewaterhouseCoopers LLP  
9 Greyfriars Road  
Reading  
Berkshire  
RG1 1JG

# **Bayer Diagnostics Manufacturing Limited**

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# Bayer Diagnostics Manufacturing Limited

## Directors' Report For the year ended 31 December 2007

The directors present their report and financial statements for the year to 31 December 2007

### Principal activities and review of the business

The company has not traded in the current year and does not intend to trade in the future. The company continued to receive interest on group balances.

As the company has ceased trading the directors do not consider that the company is exposed to any financial risks.

### Results and dividends

The results for the year are set out on page 4.

### Directors

The following directors have held office since 1 January 2007

S R Waite

M S Dawkins

A P Bihl

(Appointed 2 January 2007)

(Resigned 2 January 2007)

### Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, PricewaterhouseCoopers LLP, will be deemed to be reappointed for each succeeding financial year.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2007 and that applicable accounting standards have been followed.

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.

### Statement of disclosure to auditor

Each person who is a director at the date of approval of this report confirms that

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

M A Wilkinson

Secretary

*M. Wilkinson*  
*27 March 2008*

# **Bayer Diagnostics Manufacturing Limited**

## **Independent Auditors' Report To the Members of Bayer Diagnostics Manufacturing Limited**

We have audited the financial statements of Bayer Diagnostics Manufacturing Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of the 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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.

# **Bayer Diagnostics Manufacturing Limited**

## **Independent Auditors' Report (continued) To the Members of Bayer Diagnostics Manufacturing Limited**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's affairs as at 31 December 2007 and of its profit 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 Director's Report is consistent with the financial statements

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Reading

Date *27 March 2008*

# Bayer Diagnostics Manufacturing Limited

## Profit And Loss Account For the year ended 31 December 2007

		Period 01.01 2007 to 31 12 2007 Discontinued operations £ 000's	Period 04 04.2006 to 31 12 2006 Discontinued operations £ 000's
	Notes		
Distribution costs		-	(11)
Administrative expenses		-	(53)
Other operating income		-	572
<b>Operating result</b>	<b>2</b>	-	508
Interest receivable and similar income	<b>3</b>	20	893
Interest payable and similar charges	<b>4</b>	-	(1)
<b>Result of ordinary activities before taxation</b>		20	1,400
Tax on profit on ordinary activities	<b>5</b>	(6)	(335)
<b>Retained profit for the financial year</b>	<b>10</b>	14	1,065

The company's results are derived entirely from discontinued operations. On 3rd April 2006, the trade and certain of the assets were sold to third parties.

There are no recognised gains and losses other than those passing through the profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the profit for the periods stated above and their historical cost equivalents.

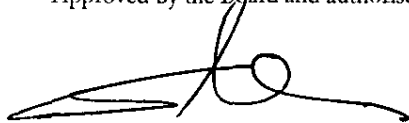
# Bayer Diagnostics Manufacturing Limited

## Balance Sheet As at 31 December 2007

	Notes	2007 £ 000's	£ 000's	2006 £ 000's	£ 000's
<b>Current assets</b>					
Debtors	7	2,815		2,557	
Cash at bank and in hand		20		293	
		<u>2,835</u>		<u>2,850</u>	
<b>Creditors' amounts falling due within one year</b>	8	<u>(50)</u>		<u>(79)</u>	
<b>Net assets</b>			<u>2,785</u>		<u>2,771</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,655		1,655
Profit and loss account	10		<u>1,130</u>		<u>1,116</u>
<b>Equity shareholders' funds</b>	11		<u>2,785</u>		<u>2,771</u>

Approved by the Board and authorised for issue on

27 March 2008



S R Waite  
Director

# Bayer Diagnostics Manufacturing Limited

## Notes To The Financial Statements For the year ended 31 December 2007

### 1 Accounting policies

#### 11 Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

#### 12 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Bayer AG and is included in their consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bayer AG group or investees of the Bayer AG group.

#### 13 Turnover

Other operating income relates to insurance claims received in the prior period.

#### 14 Foreign currency translation

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction or at an average rate for the relevant month where that provides a close approximation.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year except for those liabilities covered by forward exchange contracts which are translated at contract rates. All exchange differences are dealt with in the profit and loss account.

### 2 Operating result

	01 01 2007 to 31 12 2007 £ 000's	04 04 2006 to 31.12 2006 £ 000's
Operating result is stated after charging		
Loss on foreign exchange transactions	-	42
Auditors' remuneration	-	11
and after crediting		
Profit on foreign exchange transactions	(1)	-

The services of the auditor have been paid by another company with no specific recharge to Bayer Diagnostics Manufacturing Limited.

### 3 Interest receivable and similar income

	01 01 2007 to 31 12 2007 £ 000's	04 04 2006 to 31 12 2006 £ 000's
Interest receivable from group companies	20	893

# Bayer Diagnostics Manufacturing Limited

## Notes To The Financial Statements (continued)

For the year ended 31 December 2007

<b>4</b>	<b>Interest payable and similar charges</b>	<b>01 01 2007</b>	<b>04 04 2006</b>
		<b>to</b>	<b>to</b>
		<b>31 12 2007</b>	<b>31 12 2006</b>
		<b>£ 000's</b>	<b>£ 000's</b>

On bank loans and overdrafts	-	1
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<b>5</b>	<b>Taxation</b>	<b>01 01 2007</b>	<b>04 04 2006</b>
		<b>to</b>	<b>to</b>
		<b>31 12 2007</b>	<b>31 12 2006</b>
		<b>£ 000's</b>	<b>£ 000's</b>

### Domestic current year tax

U K corporation tax

Adjustment for prior periods

### Current tax charge

### Factors affecting the tax charge for the year

Profit on ordinary activities before taxation

Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)

Effects of

Adjustments to previous periods

### Current tax charge

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changes to 28% with effect from 1 April 2008

<b>6</b>	<b>Dividends on equity shares</b>	<b>01 01 2007</b>	<b>04 04 2006</b>
		<b>to</b>	<b>to</b>
		<b>31 12 2007</b>	<b>31 12 2006</b>
		<b>£ 000's</b>	<b>£ 000's</b>

Ordinary interim paid	-	30,500
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The directors have not proposed a final dividend for 2007 (2006 £30,500,000) The dividend per share for the prior period was £18.43

# Bayer Diagnostics Manufacturing Limited

## Notes To The Financial Statements (continued) For the year ended 31 December 2007

<b>7 Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£ 000's</b>	<b>£ 000's</b>
Corporation tax	2,815	2,401
Other debtors	-	156
	<u>2,815</u>	<u>2,557</u>
<b>8 Creditors amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	<b>£ 000's</b>	<b>£ 000's</b>
Trade creditors	-	12
Other taxation and social security	8	6
Accruals and deferred income	42	61
	<u>50</u>	<u>79</u>
<b>9 Share capital</b>	<b>2007</b>	<b>2006</b>
	<b>£ 000's</b>	<b>£ 000's</b>
<b>Authorised</b>		
1,700,000 Ordinary Shares of £1 each	<u>1,700</u>	<u>1,700</u>
<b>Allotted, called up and fully paid</b>		
1,655,201 Ordinary Shares of £1 each	<u>1,655</u>	<u>1,655</u>
<b>10 Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
		<b>£ 000's</b>
Balance at 1 January 2007		1,116
Profit for the year		<u>14</u>
Balance at 31 December 2007		<u>1,130</u>

# Bayer Diagnostics Manufacturing Limited

## Notes To The Financial Statements (continued) For the year ended 31 December 2007

11	Reconciliation of movements in shareholders' funds	01 01 2007 to 31 12 2007 £ 000's	04 04 2006 to 31 12 2006 £ 000's
	Profit for the financial period	14	1,065
	Dividends	-	(30,500)
	Net addition to/(depletion in) shareholders' funds	14	(29,435)
	Opening shareholders' funds	2,771	32,206
	Closing shareholders' funds	2,785	2,771

### 12 Contingent liabilities

The company has, in respect of certain UK bank facilities, entered into a cross guarantee arrangement with fellow UK subsidiaries of Bayer AG. There was no contingent liability arising from this arrangement at 31 December 2007 (2006 £nil)

### 13 Directors' emoluments

The emoluments of the directors during the current and prior period were paid by other group companies for services to the group as a whole, and the directors received no separate emoluments for their services to this company.

No recharge for any of these services was made to the company and no apportionment of their total remuneration for these services is practicable. Where required by local legislation, their remuneration is disclosed in the accounts of their employer.

### 14 Employees

#### Number of employees

There were no employees during the current or prior period apart from the directors.

# **Bayer Diagnostics Manufacturing Limited**

## **Notes To The Financial Statements (continued) For the year ended 31 December 2007**

### **15 Ultimate parent undertaking and controlling party**

At 31 December 2007, the company's immediate parent undertaking is considered by the directors to be Bayer Healthcare LLC (which is a Delaware limited liability company) and which holds 100% of the issued share capital of the company. The Secretary of Bayer Healthcare LLC can be contacted at 511 Benedict Avenue, Tarrytown, New York, USA.

The ultimate parent undertaking and controlling party is Bayer AG, which is incorporated in Germany and is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the financial statements of Bayer AG may be obtained from

Investor Relations  
Bayer AG  
Kaiser-Wilhelm Allee  
51368 Leverkusen  
Germany