

Company Registration No. 00403450 (England And Wales)

# **BAYER DIAGNOSTICS MANUFACTURING LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

TUESDAY



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# **BAYER DIAGNOSTICS MANUFACTURING LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	S R Waite M S Dawkins
<b>Secretary</b>	M A Wilkinson
<b>Company number</b>	00403450
<b>Registered office</b>	Bayer House Strawberry Hill Newbury Berkshire RG14 1JA
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors 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 2009**

The Directors present their report and financial statements for the year to 31 December 2009

### **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. Given this, the directors intend to liquidate the company during 2010 and hence the financial statements have been prepared on a break-up basis.

The company continued to receive interest on group balances in 2009.

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

Under the special provision of Section 417 (7) of the Companies Act 2006, the company has taken exemption from providing a full business review.

### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend (2008: £nil).

### **Directors**

The following directors have held office since 1 January 2009:

S R Waite  
M S Dawkins

### **Directors' responsibilities**

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent,
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

# **BAYER DIAGNOSTICS MANUFACTURING LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009**

### **Statement of disclosure of information to auditors**

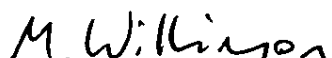
Each person who is a director at the date of approval of this report confirms that

- 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

### **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, which continues in force under the Companies Act 2006. Therefore, the auditors, PricewaterhouseCoopers LLP, will be deemed to be reappointed for each succeeding financial year.

By order of the Board



Mr M Wilkinson  
**Secretary**

**26 MAR 2010**

**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 2009 which comprise the Profit and Loss account, the Balance Sheet, the Accounting Policies and the related notes. 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).

**Respective responsibilities of the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures of the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the company's affairs as at 31 December 2009 and of its profit for the year the 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **BAYER DIAGNOSTICS MANUFACTURING LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BAYER DIAGNOSTICS MANUFACTURING LIMITED**

### **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

### **Senior Statutory Auditor**

The company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the Senior Statutory Auditor's name should not be stated

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
Reading

Date *29 March 2010*

# BAYER DIAGNOSTICS MANUFACTURING LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £'000	2008 £'000
Foreign Currency Loss		(6)	-
Interest receivable and similar income	3	28	469
Interest payable and similar charges	4	-	(8)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		22	461
		<hr/>	<hr/>
Tax charge on profit on ordinary activities	5	(6)	(315)
		<hr/>	<hr/>
<b>Retained profit for the year</b>	9	16	146
		<hr/>	<hr/>

There are no recognised gains and losses other than those passing through the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been prepared.

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



# BAYER DIAGNOSTICS MANUFACTURING LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £'000	Restated 2008 £'000
<b>Current Assets</b>			
Debtors	6	2,947	3,075*
Cash at bank and in hand		-	-
		<hr/>	<hr/>
		2,947	3,075
<b>Creditors, amounts falling due within one year</b>	7	-	(144)
		<hr/>	<hr/>
<b>Net assets</b>		2,947	2,931
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
Called up share capital	8	1,655	1,655
Profit and loss account	9	1,292	1,276
		<hr/>	<hr/>
<b>Total shareholders' funds</b>	10	2,947	2,931
		<hr/>	<hr/>

\* The directors have reviewed the classification of the cash-pooled funds and believe, to be consistent with the rest of the Bayer UK Group companies, it is more appropriate to classify the balance at each year end as an intercompany debtor balance, as disclosed in Note 6, rather than as cash and cash equivalents

The financial statements on pages 5 – 10 were approved by the Board and authorised for issue on

26 MAR 2010



S R Waite  
Director

Company Registration No. 00403450

# BAYER DIAGNOSTICS MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 1 Accounting policies

#### 1.1 Accounting convention

These financial statements are prepared on a break-up basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

#### 1.2 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 (Revised 1996). 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.

#### 1.3 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.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

### 2 Auditors' remuneration

The services of the auditor have been paid by another group company with no specific recharge to Bayer Diagnostics Manufacturing Limited for the current year and prior year.

### 3 Interest receivable and similar income

	2009 £'000	2008 £'000
Interest receivable from group companies	28	93
Interest received from HMRC	-	369
Other interest received	-	7
	<hr/>	<hr/>
	28	469
	<hr/>	<hr/>

Interest receivable from group companies is as a result of group cash pooling arrangements.

# BAYER DIAGNOSTICS MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

<b>4</b>	<b>Interest payable and similar charges</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
	Interest payable on overdrafts & bank loans	-	1
	Other interest payable	-	7
		<hr/>	<hr/>
		-	8
		<hr/>	<hr/>
<b>5</b>	<b>Tax charge on profit on ordinary activities</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	6	131
	Adjustment to previous periods	-	184
		<hr/>	<hr/>
	<b>Current tax charge</b>	<b>6</b>	<b>315</b>
		<hr/>	<hr/>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	22	461
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008 28.5%)	6	131
	Adjustment to previous periods	-	184
		<hr/>	<hr/>
	<b>Current tax charge for the year</b>	<b>6</b>	<b>315</b>
		<hr/>	<hr/>
	<b>Factors that affected tax charges for the current year:</b>		
	The standard rate of corporation tax in the UK changed was 28% for the duration of the accounting year		

# BAYER DIAGNOSTICS MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

6	Debtors	2009 £'000	Restated 2008 £'000
	Amount owed by parent and fellow subsidiary undertakings	2,947	3,057*
	Other debtors	-	18
		<hr/>	<hr/>
		-	18
		<hr/>	<hr/>

\* The directors have reviewed the classification of the cash-pooled funds and believe, to be consistent with the rest of the Bayer UK Group companies, it is more appropriate to classify the balance at each year end as an intercompany debtor balance, rather than cash and cash equivalents

Amount owed by parent and fellow subsidiary undertakings is £2,947,000 (2008 £3,057,000) owed by Bayer AG in respect of cash-pooling arrangements

7	Creditors' amounts falling due within one year	2009 £'000	2008 £'000
	Corporation tax	-	131
	Other taxation and social security	-	3
	Accruals and deferred income	-	10
		<hr/>	<hr/>
		-	144
		<hr/>	<hr/>

8	Called up share capital	2009 £'000	2008 £'000
	<b>Authorised</b>		
	1,700,000 ordinary shares of £1 each	1,700	1,700
		<hr/>	<hr/>
	<b>Allotted, called up and fully paid</b>		
	1,655,201 ordinary shares of £1 each	1,655	1,655
		<hr/>	<hr/>

9	Profit and loss account	£'000
	Balance at 1 January 2009	1,276
	Retained profit for the year	16
		<hr/>
	Balance at 31 December 2009	1,292
		<hr/>

# BAYER DIAGNOSTICS MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

<b>10</b>	<b>Reconciliation of movements in total shareholders' funds</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
	Profit for the financial year	16	146
	Opening shareholders' funds	2,931	2,785
		<hr/>	<hr/>
	Closing shareholders' funds	2,947	2,931
		<hr/>	<hr/>

### **11**      **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 2009 (2008: £nil).

### **12**      **Directors' emoluments**

The emoluments of the directors during the current and prior year 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 to their total remuneration for these services is practicable. Where required by local legislation, their remuneration is disclosed in the accounts of their employer.

### **13**      **Employees**

#### **Number of employees**

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

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

At 31 December 2009, the company's immediate parent undertaking is 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