

**DiaSorin Limited**

**Directors' report and financial  
statements**

**Registered number 1993990**

**Draft - 31 December 2000**



A34  
COMPANIES HOUSE

\*A01X84SU\*

0618  
10/10/01

## Contents

Directors' report	1
Statement of directors' responsibilities	3
Report of the auditors to the members of DiaSorin Limited	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movements in shareholders' funds	7
Notes	8

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activities

The company continued to provide diagnostic kits and reagent to the biomedical industry.

### Business review

The directors are satisfied with the trading performance of the company in an increasingly competitive market. The directors will continue to look for opportunities for growth and are optimistic that the company will consolidate its position in the market.

On 6 November 2000, DiaSorin Srl, the parent company of DiaSorin Limited, was acquired by FIN 2001 SA, a company owned by SNIA, a high-tech industrial firm, Interbanca, a leading Italian merchant bank, Iniziativa Piemonte, a private investment firm, and four senior managers.

The results for the year are shown on page 5.

### Dividend

The directors do not recommend the payment of a dividend.

### Directors and directors' interests

The following directors held office during the financial year:

M Nicholas	
PL Duchene	(Resigned 16 October 2000)
A Falguerra	(Resigned 31 July 2000)
C Rosa	(Appointed 6 November 2000)
CM Even	(Appointed 6 November 2000)
A Boniolo	(Appointed 6 November 2000)

None of the directors have any interest in the shares of DiaSorin Limited. C Rosa, CM Even and A Boniolo have an interest in the shares of FIN 2001 SA, as disclosed in the financial statements of that company.

## **Directors' report** *(continued)*

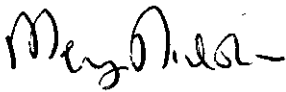
### **Political and charitable contributions**

The company made no political or charitable contributions during the year.

### **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**Mervyn Nicholas**  
*Director*

Salisbury House  
54 Queens Road  
Reading  
Berkshire  
RG1 4AZ

## Statement of directors' responsibilities

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 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Arlington Business Park  
Theale  
Reading RG7 4SD  
United Kingdom

## **Report of the auditors to the members of DiaSorin Limited**

We have audited the financial statements on pages 5 to 14.

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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

### **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 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.

### **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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG 9/10/01

**KPMG**  
*Chartered Accountants*  
*Registered Auditor*

**Profit and loss account**  
*for the year ended 31 December 2000*

	<i>Note</i>	<b>2000</b> £	<b>1999</b> £
Turnover	<i>1</i>	<b>1,510,410</b>	1,586,281
Cost of sales		<b>(841,091)</b>	(932,224)
<b>Gross profit</b>		<b>669,319</b>	654,057
Administrative expenses		<b>(672,256)</b>	(741,631)
Other operating income		-	63,726
<b>Operating loss</b>		<b>(2,937)</b>	(23,848)
Other interest receivable and similar income	<i>5</i>	<b>13,142</b>	16,391
Interest payable and similar charges	<i>6</i>	-	(37)
<b>Profit/(loss) on ordinary activities before taxation</b>	<i>2-4</i>	<b>10,205</b>	(7,494)
Tax on profit / (loss) on ordinary activities	<i>7</i>	<b>(12,177)</b>	(4,608)
<b>Loss for the year</b>		<b>(1,972)</b>	(12,102)

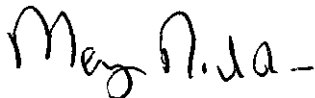
The company has no other recognised gains or losses other than those noted above, which are derived entirely from continuing operations.

## Balance sheet

At 31 December 2000

	Note	2000 £	£	1999 £	£
<b>Fixed assets</b>					
Tangible assets	8		10,000		50,085
<b>Current assets</b>					
Stocks	9	31,406		26,786	
Debtors	10	525,640		478,145	
Cash at bank and in hand		49,417		55,105	
		<u>606,463</u>		<u>560,036</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(249,309)</u>		<u>(240,995)</u>	
<b>Net current assets</b>			<u>357,154</u>		<u>319,041</u>
<b>Total assets less current liabilities</b>			<u>367,154</u>		<u>369,126</u>
<b>Capital and reserves</b>					
Called up share capital	13		500		500
Profit and loss account			<u>366,654</u>		<u>368,626</u>
<b>Equity shareholders' funds</b>			<u>367,154</u>		<u>369,126</u>

These financial statements were approved by the board of directors on 10/9/01 and were signed on its behalf by:



**Mervyn Nicholas**  
Director



**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2000*

	2000 £	1999 £
<b>Loss for the financial year</b>	(1,972)	(12,102)
<b>Reduction in shareholders' funds</b>	(1,972)	(12,102)
Opening shareholders' funds	369,126	381,228
<b>Closing shareholders' funds</b>	367,154	369,126

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

As the company is a wholly owned subsidiary of DiaSorin Srl, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of DiaSorin Srl, within which this company is included, can be obtained from the address given in note 17.

#### ***Fixed assets and depreciation***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment	-	5 years
Plant and equipment	-	3 - 5 years

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

#### ***Leases***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Pension costs***

The company contributes to the private pension schemes of employees. Costs are written off to the profit and loss account in the year in which they are paid.

#### ***Research and development expenditure***

Expenditure on research and development is written off in the profit and loss account in the year in which it is incurred.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

### 2 Profit/(loss) on ordinary activities before taxation

	2000 £	1999 £
<i>Profit/(loss) on ordinary activities before taxation is stated</i>		
<i>after charging/(crediting)</i>		
Auditors' remuneration:		
Audit	7,250	7,000
Depreciation and other amounts written off owned tangible fixed assets:	21,503	22,779
Exchange losses	-	17,457
Hire of plant and machinery - rentals payable under operating leases	39,786	42,602
Hire of other assets - operating leases	37,488	1,771
Loss / (profit) on disposal of tangible fixed assets	7,265	(1,370)
	<hr/>	<hr/>

## Notes (continued)

### 3 Remuneration of directors

	2000 £	1999 £
Directors' emoluments	76,291	80,566

Included within directors emoluments are pension contributions of £4,555 in respect of one director.

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2000	1999
Finance and administration	6	6
Sales	3	5
	9	11

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	286,588	311,314
Social security costs	34,458	32,013
Other pension costs	32,307	34,620
	353,353	377,947

### 5 Other interest receivable and similar income

	2000 £	1999 £
Receivable from group undertakings	11,995	14,483
Bank interest	1,147	1,908
	13,142	16,391

## Notes (continued)

### 6 Interest payable and similar charges

	2000 £	1999 £
Bank interest payable	-	37
	<u>          </u>	<u>          </u>

### 7 Taxation

	2000 £	1999 £
<i>UK corporation tax</i>		
Current tax on income for the period	12,000	4,430
Adjustments in respect of prior periods	177	178
	<u>          </u>	<u>          </u>
	<u>12,177</u>	<u>4,608</u>

### 8 Tangible fixed assets

	Computer equipment £	Plant and equipment £	Total £
<i>Cost</i>			
At beginning of year	84,405	333,239	417,644
Disposals	(15)	(236,146)	(236,161)
	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	84,390	97,093	181,483
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Depreciation</i>			
At beginning of year	67,541	300,018	367,559
Charge for year	7,014	14,489	21,503
On disposals	-	(217,579)	(217,579)
	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	74,555	96,928	(171,483)
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net book value</i>			
At 31 December 2000	<u>9,835</u>	<u>165</u>	<u>10,000</u>
At 31 December 1999	<u>16,864</u>	<u>33,221</u>	<u>50,085</u>

## Notes (continued)

### 9 Stocks

	2000 £	1999 £
Finished goods and goods for resale	31,406	26,786

### 10 Debtors

	2000 £	1999 £
Trade debtors	180,519	199,571
Amounts owed by group undertakings	319,350	248,081
Prepayments and accrued income	25,771	30,493
	<u>525,640</u>	<u>478,145</u>

All the above debtors are due within one year.

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

	2000 £	1999 £
Trade creditors	69,156	58,752
Amounts owed to group undertakings	94,325	111,629
Corporation tax	12,000	2
Other taxation and social security	33,477	39,154
Accruals and deferred income	40,351	31,458
	<u>249,309</u>	<u>240,995</u>

### 12 Provision for liabilities and charges

	Provided 2000 £	1999 £	Unprovided 2000 £	1999 £
Depreciation in excess of capital allowances	-	-	(16,460)	(12,775)
Other short term timing differences	-	-	(3,000)	(3,059)
	<u>-</u>	<u>-</u>	<u>(19,460)</u>	<u>(15,834)</u>

## Notes (continued)

### 13 Called up share capital

	2000	1999
	£	£
<i>Authorised</i>		
Equity: 1,000 Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<i>Allotted, called up and fully paid</i>		
Equity: 500 Ordinary shares of £1 each	500	500
	<u>          </u>	<u>          </u>

### 14 Contingent liabilities

As at 31 December 2000 there are guarantees totalling £20,000 (1999: £20,000) made to HM Customs and Excise in connection with deferment sums.

### 15 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2000		1999	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	4,589	-	14,644
In the second to fifth years inclusive	37,500	21,171	37,550	20,892
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	37,500	25,760	37,550	35,536
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## **Notes** *(continued)*

### **16 Pension scheme**

The company contributes to the private pension schemes of employees. During the period contributions payable amounted to £32,307 (1999: £34,620). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### **17 Ultimate parent company**

The company is a subsidiary undertaking of DiaSorin Srl incorporated in Italy.

The consolidated accounts of this company are available to the public and may be obtained from DiaSorin Srl, Via Crescentino, 13040 Saluggia, Italy.

The ultimate parent company is FIN 2001 SA, incorporated in Luxemburg.