

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005
FOR
DIASORIN LIMITED**

10123920



DIASORIN LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS For The Year Ended 31 December 2005

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7
The following pages do not form part of the statutory financial statements:	
Trading and Profit and Loss Account	12
Trading and Profit and Loss Account Detail	13

DIASORIN LIMITED

COMPANY INFORMATION
For The Year Ended 31 December 2005

DIRECTORS:

C Rosa
C M Even
A Boniolo
L H Johansson

SECRETARY:

S A Barrett

REGISTERED OFFICE:

Salisbury House
54 Queens Road
Reading
Berkshire
RG1 4AZ

REGISTERED NUMBER:

01993990 (England and Wales)

AUDITORS:

HLB Vantis Audit
Chartered Accountants
& Registered Auditors
Ashridge House
Oaklands Park
Wokingham
Berkshire
RG41 2FD

ACCOUNTANTS:

Vantis
Ashridge House
Oaklands Park
Wokingham
RG41 2FD

DIASORIN LIMITED

REPORT OF THE DIRECTORS For The Year Ended 31 December 2005

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of diagnostic kits and reagent to the biomedical industry.

DIRECTORS

The directors during the year under review were:

S Cranmer

C Rosa

C M Even

A Boniolo

L H Johansson

- appointed 31.12.05

The directors holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at 1 January 2005 (or date of appointment if later) or 31 December 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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;
- 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director 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

The auditors, HLB Vantis Audit, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

DIASORIN LIMITED

**REPORT OF THE DIRECTORS
For The Year Ended 31 December 2005**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
L H Johansson - Director

Date: 12/3/06

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
DIASORIN LIMITED**

We have audited the financial statements of DiaSorin Limited for the year ended 31 December 2005 on pages five to eleven. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, 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 members 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 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 described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 if, in our opinion, the Report of the Directors 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 other transactions is not disclosed.

We read the Report of the Directors 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.

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 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

HLB Vantis Audit

HLB Vantis Audit
Chartered Accountants
& Registered Auditors
Ashridge House
Oaklands Park
Wokingham
Berkshire
RG41 2FD

Date:

24th March 2006

DIASORIN LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 31 December 2005

		31.12.05	31.12.04
	Notes	£	£
TURNOVER		2,220,961	1,963,959
Cost of sales		1,195,121	1,182,614
GROSS PROFIT		1,025,840	781,345
Administrative expenses		976,166	884,618
OPERATING PROFIT/(LOSS)	2	49,674	(103,273)
Interest receivable and similar income		1,429	1,248
		51,103	(102,025)
Interest payable and similar charges		37,328	30,954
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		13,775	(132,979)
Tax on profit/(loss) on ordinary activities	3	3,353	1,266
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		10,422	(134,245)
Retained profit brought forward		156,610	290,855
RETAINED PROFIT CARRIED FORWARD		£167,032	£156,610

The notes form part of these financial statements

DIASORIN LIMITED

BALANCE SHEET
31 December 2005

		31.12.05		31.12.04	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		374,985		208,492
CURRENT ASSETS:					
Stocks		169,356		184,074	
Debtors	5	415,587		290,690	
Cash at bank and in hand		77,162		48,718	
		662,105		523,482	
CREDITORS: Amounts falling due within one year	6	860,899		593,637	
NET CURRENT LIABILITIES:			(198,794)		(70,155)
TOTAL ASSETS LESS CURRENT LIABILITIES:			176,191		138,337
CREDITORS: Amounts falling due after more than one year	7		(23,579)		-
PROVISIONS FOR LIABILITIES:	9		14,920		18,773
			<u>£167,532</u>		<u>£157,110</u>
CAPITAL AND RESERVES:					
Called up share capital	10		500		500
Profit and loss account			167,032		156,610
SHAREHOLDERS' FUNDS:			<u>£167,532</u>		<u>£157,110</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:



.....
L. H. Johansson - Director

Approved by the Board on 12/1/06

DIASORIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 December 2005

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 10.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents invoiced amounts (excluding value added tax) derived from the provision of goods and services to customers. Turnover is derived almost entirely within the United Kingdom and the Republic of Ireland.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% to 33 % on cost
Computer equipment	- 25% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

DIASORIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2005**

1. ACCOUNTING POLICIES - continued

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.

Income generated on assets held by the company and leased to customers is recognised evenly over the lease term.

2. OPERATING PROFIT/(LOSS)

The operating profit (2004 - operating loss) is stated after charging:

	31.12.05	31.12.04
	£	£
Depreciation - owned assets	90,958	67,504
Depreciation - assets on hire purchase contracts	12,196	-
Auditors' remuneration	2,200	2,200
Pension costs	36,260	33,338
	<u>50,061</u>	<u>51,030</u>
Directors' emoluments and other benefits etc	<u>50,061</u>	<u>51,030</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.05	31.12.04
	£	£
Current tax:		
Tax under/(over) provided in previous years	(500)	-
Deferred taxation	<u>3,853</u>	<u>1,266</u>
Tax on profit/(loss) on ordinary activities	<u>3,353</u>	<u>1,266</u>

DIASORIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2005

4. TANGIBLE FIXED ASSETS

	Plant and machinery	Computer equipment	Totals
	£	£	£
COST:			
At 1 January 2005	449,038	89,023	538,061
Additions	269,646	-	269,646
At 31 December 2005	718,684	89,023	807,707
DEPRECIATION:			
At 1 January 2005	242,598	86,970	329,568
Charge for year	102,227	927	103,154
At 31 December 2005	344,825	87,897	432,722
NET BOOK VALUE:			
At 31 December 2005	373,859	1,126	374,985
At 31 December 2004	206,439	2,053	208,492

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery
	£
COST:	
Additions	58,540
At 31 December 2005	58,540
DEPRECIATION:	
Charge for year	12,196
At 31 December 2005	12,196
NET BOOK VALUE:	
At 31 December 2005	46,344

**5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.05 £	31.12.04 £
Trade debtors	378,088	239,535
Prepayments & accrued income	37,499	51,155
	415,587	290,690

DIASORIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2005

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.05	31.12.04
	£	£
Hire purchase contracts	19,513	-
Trade creditors	121,455	114,772
Other creditors	-	14,985
Amount owed to group company	527,705	341,787
Other tax and social security	70,168	64,564
Taxation	-	500
Accrued expenses	122,058	57,029
	<u>860,899</u>	<u>593,637</u>

**7. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.12.05	31.12.04
	£	£
Hire purchase contracts	<u>23,579</u>	<u>-</u>

8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	31.12.05	31.12.04
	£	£
Expiring:		
Within one year	52,526	12,230
Between one and five years	120,455	53,663
	<u>172,981</u>	<u>65,893</u>

9. PROVISIONS FOR LIABILITIES

	31.12.05	31.12.04
	£	£
Deferred taxation	<u>(14,920)</u>	<u>(18,773)</u>
	Deferred	
	tax	
	£	
Balance at 1 January 2005	(18,773)	
Movement in provision	<u>3,853</u>	
Balance at 31 December 2005	<u>(14,920)</u>	

DIASORIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2005

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.05	31.12.04
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.05	31.12.04
			£	£
500	Ordinary	£1	<u>500</u>	<u>500</u>

11. PENSION COMMITMENTS

The company contributes to the private pension schemes of employees. During the year contributions payable amounted to £36,260 (2004: £33,338).

12. ULTIMATE PARENT COMPANY

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

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

The Ultimate parent company is FIN 2001 SA, incorporated in Luxembourg. The accounts of this company are not available to the public.