

DIASORIN LIMITED

Report and Financial Statements

31 December 2007

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DIASORIN LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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DIASORIN LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C M Even
L H Johansson
A Senaldi

SECRETARY

S A Barrett

REGISTERED OFFICE

Salisbury House
54 Queens Road
Reading
Berkshire
RG1 4AZ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Reading, United Kingdom

DIASORIN LIMITED

DIRECTORS' REPORT

The directors present their financial statements and the independent auditors' report for the year ended 31 December 2007

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985. Accordingly, the company has taken advantage of the exemption from preparing an Enhanced Business Review applying to small companies

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of the sale of diagnostic kits and reagent to the biomedical industry

DIRECTORS

The directors and company secretary who have held office during the period and to the date of the signing of the financial statements were as detailed on page 1

REVIEW OF DEVELOPMENTS

The company's turnover rose by 24% in 2007 to £3,651,073 (2006 £2,942,274). This follows a 32% rise in 2006

FUTURE PROSPECTS

The company is planning further significant expansion in the coming years. It will both introduce and expand new products as well as putting together the staffing and infra-structure to achieve this growth

RESULTS AND DIVIDENDS

The company's loss for the financial year was £89,628 (2006 profit of £22,914). The directors are unable to recommend payment of a dividend (2006 Nil)

AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP were appointed as auditors during the year. Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By Order of the Board



L H Johansson

Director

14 March 2008

DIASORIN LIMITED

STATEMENT OF 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIASORIN LIMITED

We have audited the financial statements of DiaSorin Limited for the year ended 31 December 2007 which comprise Profit and Loss Account, the Balance Sheet, and the related notes 1 to 16. 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 2007).

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

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

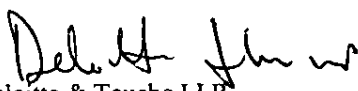
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 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.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Reading, United Kingdom

14 March 2008

DIASORIN LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2007

	Note	2007 £	2006 £
TURNOVER	1	3,651,073	2,942,274
Cost of sales		<u>(2,005,523)</u>	<u>(1,660,996)</u>
Gross profit		1,645,550	1,281,278
Administrative expenses		<u>(1,693,588)</u>	<u>(1,243,260)</u>
OPERATING (LOSS)/PROFIT	2	(48,038)	38,018
Other interest receivable and similar income	3	4,202	2,501
Interest payable and similar charges	4	<u>(30,675)</u>	<u>(17,684)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(74,511)	22,835
Tax on (loss)/profit on ordinary activities	5	<u>(15,117)</u>	<u>79</u>
(LOSS)/PROFIT FOR THE YEAR	13	<u><u>(89,628)</u></u>	<u><u>22,914</u></u>

All amounts are derived from continuing operations

There have been no recognised gains and losses other than the losses for the current and preceding financial period and accordingly, no statement of total recognised gains and losses is shown

DIASORIN LIMITED

BALANCE SHEET 31 December 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	<u>372,078</u>	<u>419,713</u>
CURRENT ASSETS			
Stocks		177,431	253,495
Debtors	7	542,319	466,305
Cash at bank and in hand		<u>73,097</u>	<u>47,576</u>
		792,847	767,376
CREDITORS: amounts falling due within one year	8	<u>(1,064,107)</u>	<u>(992,578)</u>
NET CURRENT LIABILITIES		<u>(271,260)</u>	<u>(225,202)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100,818</u>	<u>194,511</u>
CREDITORS, amounts falling due after more than one year	9	<u>-</u>	<u>(4,065)</u>
NET ASSETS		<u>100,818</u>	<u>190,446</u>
CAPITAL AND RESERVES			
Called up share capital	12	500	500
Profit and loss account	13	<u>100,318</u>	<u>189,946</u>
SHAREHOLDERS' FUNDS	13	<u>100,818</u>	<u>190,446</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 2007)

Signed on behalf of the Board of Directors 14 March 2008



L H Johansson

Director

DIASORIN LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

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

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of VAT and trade discounts. Revenue is recognised as the contractual activity progresses. Advance payments are treated as deferred income.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

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

Residual value is calculated based on prices prevailing at the date of acquisition.

Leasing and hire purchase commitments

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme. They are included as part of staff costs. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DIASORIN LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

1. ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All differences are included in the profit and loss account.

Cash flow statement

The company has taken advantage of the exception from the requirements of FRS 1 to prepare a cash statement because it is a wholly owned subsidiary of DiaSorin SpA which prepares consolidated financial statements which are publicly available.

2 OPERATING (LOSS)/ PROFIT

	2007 £	2006 £
Operating (loss)/profit is stated after charging		
-Depreciation of tangible assets	202,120	156,851
-Auditors' remuneration	15,407	2,500
-Directors' emoluments	-	6,790
-Operating lease – others	90,893	74,785

The directors receive remuneration from other group companies in respect of services to the group. The allocation of these amounts to the company is £nil (2006: £nil).

3. INVESTMENT INCOME

	2007 £	2006 £
Bank interest	4,202	2,501

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Intercompany loan interest	26,807	13,816
Finance lease	3,868	3,868
	30,675	17,684

DIASORIN LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

5 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
UK corporation tax	-	118
Current tax charge	-	118
Deferred tax		
Deferred tax adjustments	15,117	(197)
	<u>15,117</u>	<u>(197)</u>

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 January 2007	825,462	5,379	830,841
Additions	140,979	1,003	141,982
Transfer from stock	24,480	-	24,480
	<u>990,921</u>	<u>6,382</u>	<u>997,303</u>
At 31 December 2007			
Depreciation			
At 1 January 2007	409,849	1,279	411,128
Charge for the year	200,672	1,448	202,120
Transfer from stock	11,977	-	11,977
	<u>622,498</u>	<u>2,727</u>	<u>625,225</u>
At 31 December 2007			
Net book value			
At 31 December 2007	<u>368,423</u>	<u>3,655</u>	<u>372,078</u>
At 31 December 2006	<u>415,613</u>	<u>4,100</u>	<u>419,713</u>

The net book value of tangible fixed assets includes £7,322 (2006 £26,833) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £19,511 (2006 £19,511) for the year.

DIASORIN LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

7. DEBTORS

	2007 £	2006 £
Trade debtors	514,317	426,472
Other debtors	28,002	24,716
Deferred tax asset (see note 10)	-	15,117
	<u>542,319</u>	<u>466,305</u>

8. CREDITORS

Amounts falling due within one year:

	2007 £	2006 £
Bank loans and overdrafts	-	4,762
Net obligations under hire purchase contracts	3,895	19,514
Trade creditors	148,094	174,893
Amount owed to group company	639,040	616,860
Taxation and social security	191,113	143,526
Accruals and deferred income	81,965	33,023
	<u>1,064,107</u>	<u>992,578</u>

The net obligations under hire purchase contracts are secured against the related assets

9 CREDITORS

Amounts falling due after more than one year.

	2007 £	2006 £
Net obligations under hire purchase contracts	-	4,065

10. PROVISIONS FOR LIABILITIES AND CHARGES

The deferred tax asset (included in debtors, note 7) is made up as follows

	2007 £	2006 £
Balance at 1 January 2007	(15,117)	(14,920)
Profit and loss account	15,117	(197)
Balance at 31 December 2007	<u>-</u>	<u>(15,117)</u>
	2007 £	2006 £
Depreciation in excess of capital allowances	-	(15,117)

DIASORIN LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

10. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

The unrecognised deferred tax asset consists of

	Not Provided 2007 £	Not Provided 2006 £
Depreciation in excess of capital allowances	17,277	-
Other timing differences		
Tax losses carried forward	52,967	-
Total undiscounted deferred tax asset	<u>70,244</u>	<u>-</u>

The net deferred tax asset of £70,244 (2006, £nil) has not been recognised in the accounts since the timing of the utilisation of these losses is uncertain. The deferred tax asset would be recognised should sufficient profit be generated in the future against which it may be recovered.

11. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2007 £	2006 £
Contributions payable by the company for the year	<u>21,737</u>	<u>27,125</u>

12. SHARE CAPITAL

	2007 £	2006 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid 500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

13. STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	Called-up share capital £	Profit and loss account £	Total shareholders funds £
Balance at 1 January 2007	500	167,032	167,532
Loss for the year	-	22,914	22,914
Balance at 1 January 2007	500	189,946	190,446
Loss for the year	-	(89,628)	(89,628)
Balance at 31 December 2007	<u>500</u>	<u>100,318</u>	<u>100,818</u>

DIASORIN LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

14. FINANCIAL COMMITMENTS

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the next year

	2007 £	2006 £
Operating leases which expire		
- Within one year	7,398	-
- Between two and five years	68,948	90,893
	<u>76,346</u>	<u>90,893</u>

15. RELATED PARTY TRANSACTIONS

The amounts due to group companies are shown separately in the creditors within one year. The directors have taken advantage of the exemption available in respect of group transactions on the grounds that details of the subsidiaries' results are included and publicly available in the consolidated accounts of the parent entity.

16. ULTIMATE PARENT COMPANY

The company regards DiaSorin SpA as the immediate and ultimate undertaking company and ultimate controlling party. DiaSorin SpA is the parent undertaking of the largest and smallest group of which DiaSorin Limited is a member and for which group accounts are drawn up.

The consolidated accounts of DiaSorin SpA 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.