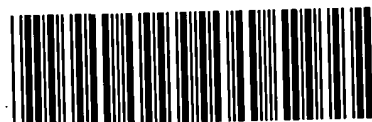


**DiaSorin Limited**

**Annual Report and Financial Statements**

**Financial Year Ended 31 December 2016**

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**CONTENTS**

	<b>Page</b>
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 4
DIRECTORS' RESPONSIBILITIES STATEMENT	5
INDEPENDENT AUDITORS' REPORT	6 - 7
INCOME STATEMENT	8
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 16

## DIRECTORS AND OTHER INFORMATION

### Board of directors

Benoit Traineau  
Steve Swanscott  
Fabio Piazzalunga

### Solicitors

Barrett & Co  
54 Queen's Road  
Reading  
Berkshire  
RG1 4AZ  
England

### Secretary and registered office

SA Barrett  
Salisbury House  
54 Queen's Road  
Reading  
Berkshire  
RG1 4AZ  
England

**Company registration number:** 01993990

### Bankers

Nordea Bank AB  
London Branch  
6<sup>th</sup> Floor  
5 Aldermansbury Square  
London EC2V 7AZ  
England

Deutsche Bank AG  
London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

### Auditors

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

### Principal activity and business review

The principal activity of the company is the provision of sales support and after sales support activities and services. The company is remunerated both on a cost plus and commission basis for its services.

### Results

The results for the financial year and state of affairs of the company are set out in the Income Statement, Statement of Financial Position and Statement of Changes in Equity on pages 8 to 10. The current financial year being reported on is for the twelve month financial year to 31 December 2016.

### Controlling party

The company is a wholly owned subsidiary of DiaSorin S.p.A., a company incorporated in Italy. DiaSorin S.p.A. develops, produces, and distributes immunoreagent kits for clinical diagnostics.

### Business risks and uncertainties

The company operates within the wider DiaSorin S.p.A. group. As such it is subject to the general business and commercial risks experienced within the medical diagnostic industry.

### Future prospects

The directors expect that the company will continue as a service company in the foreseeable future.

### Going concern

The company meets its day-to-day working capital requirements through its cash reserves and from advances from group companies where required. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

### Dividend

There was no dividend proposed or paid during the financial year (2015: €nil).

### Significant events since the financial year end

Details of significant events affecting the company since the financial year end are set out in note 13.

### Directors and secretary

The directors and secretary, who served at any time during the financial year, were as follows:

#### *Directors:*

Benoit Traineau

Steve Swanscott

Marco Minolfo (resigned 12 July 2016)

Fabio Piazzalunga (appointed 12 July 2016)

#### *Secretary:*

S Barrett

### Disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies:


- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make him aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**DIRECTORS' REPORT - continued**

**Auditors**

The auditor, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

**On behalf of the board**

  
Steve Swanscott

27<sup>th</sup> Feb 2017  
Date

## 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 Accounting Standards comprising "FRS 101 Reduced Disclosure Framework" and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 profit or loss of the company and of the state of affairs 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 judgements and estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards including, "FRS 101 Reduced Disclosure Framework" has been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

On behalf of the board

  
Steve Swanscott

27<sup>th</sup> Feb 2017  
Date

## ***Independent auditors' report to the members of DiaSorin Limited***

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, DiaSorin Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then 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.
- 

#### **What we have audited**

The financial statements, included within the Directors' Report (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Income Statement the Statement of Comprehensive Income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

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#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

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### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Mary Cleary (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
28 February 2017



**INCOME STATEMENT**  
Financial Year Ended 31 December 2016

	Notes	2016 £	2015 £
Revenue		1,880,215	1,876,014
Cost of sales		<u>(1,567,813)</u>	<u>(1,446,354)</u>
<b>Gross profit</b>		312,402	429,660
Administrative expenses		<u>(51,641)</u>	<u>(150,647)</u>
<b>Operating profit</b>		260,761	279,013
Interest payable and similar charges	4	<u>(2,547)</u>	<u>(5,998)</u>
<b>Profit on ordinary activities before taxation</b>	2	258,214	273,015
Tax on profit on ordinary activities	5	<u>(57,564)</u>	<u>(55,322)</u>
<b>Profit on ordinary activities after taxation</b>		<u>200,650</u>	<u>217,693</u>

**STATEMENT OF COMPREHENSIVE INCOME**  
Financial Year Ended 31 December 2016

	2016 £	2015 £
Profit for financial year	200,650	217,693
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>	<u>200,650</u>	<u>217,693</u>

**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	6	<u>12,629</u>	<u>18,113</u>
<b>Current assets</b>			
Debtors		1,168,408	991,016
Cash at bank and in hand	7	<u>41,731</u>	<u>39,309</u>
		1,210,139	1,030,325
<b>Creditors</b> (amounts falling due within one year)	8	<u>(248,059)</u>	<u>(274,379)</u>
<b>Net current assets</b>		<u>962,080</u>	<u>755,946</u>
<b>Total assets less current liabilities</b>		<u>974,709</u>	<u>774,059</u>
<b>Net assets</b>		<u>974,709</u>	<u>774,059</u>
<b>Capital and reserves</b>			
Called-up share capital	9	500	500
Profit and loss account		<u>974,209</u>	<u>773,559</u>
<b>Shareholders' funds</b>		<u>974,709</u>	<u>774,059</u>

On behalf of the board

  
Steve Swanscott

27<sup>th</sup> Feb 2017  
Date

**STATEMENT OF CHANGES IN EQUITY**  
**Financial Year Ended 31 December 2016**

	Share capital £	Retained earnings £	Total £
Net equity as at 31 December 2014	500	555,866	556,366
Total comprehensive income	-	217,693	217,693
Net equity as at 31 December 2015	500	773,559	774,059
Total comprehensive income	-	200,650	200,650
<b>Net equity as at 31 December 2016</b>	<b>500</b>	<b>974,209</b>	<b>974,709</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all years presented.

#### (a) Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and UK statute comprising the Companies Act 2006. The company transitioned to FRS 101 with effect from 1 January 2014.

In accordance with paragraphs 7 and 8 of FRS 101, the company has availed of the following exemptions from the requirements of IFRS in the preparation of these financial statements:

1. The requirements of IAS 7 "Statement of Cash Flows".
2. The requirements of IAS 24 to disclose the compensation of key management compensation.
3. The requirements of IAS 24 to disclose related party transactions entered between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
4. The requirements of paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of – Paragraph 79(a) (iv) of IAS 1;
5. The requirements of paragraphs 10(d), 10(f), 39(c) and 134 – 136 of IAS 1 "Presentation of Financial Statements";
6. The requirements of paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
7. The requirements of IFRS 7 "Financial Instruments Disclosures" and IFRS 13 "Fair Value Measurement".

#### (b) Changes in accounting policies and disclosure

*New standards, amendments and IFRIC interpretations*

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2016, have had a material impact on the company.

#### (c) Revenue

Revenue is determined on a cost plus basis as well as commissions on certain sales contracts in accordance with a Service Agreement with DiaSorin I.N. UK Limited. In return the company provides marketing and after sales services to UK and Irish customers on behalf of DiaSorin I.N. UK Limited.

#### (d) Property, plant and equipment

Property, plant and equipment 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:

	Annual Charge
Leasehold improvement	20% on cost
Furniture and fixtures	20% on cost
Computer equipment	20% on cost

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 1 Accounting policies - continued

#### (e) Foreign currencies

All amounts in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity and in the related notes are expressed in Pound Sterling which is the primary economic environment in which the Company operates (its functional currency).

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and revenues, costs and non-monetary assets at the exchange rates ruling at the date of the transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the Income Statement. Monetary assets are money held and amounts to be received in money; all other assets are non-monetary assets.

#### (f) Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the Income Statement 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.

#### (g) Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates 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 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are recognised to the extent that it is probable that they will be recovered.

#### (h) Leases

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

#### (i) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>2 Profit on ordinary activities before taxation</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>

Operating profit is stated after charging:

Depreciation of tangible fixed assets	6,566	8,011
Auditors' remuneration	4,500	8,425
Operating lease – others	97,574	117,132
Foreign exchange loss	803	7,668
Directors' remuneration	<u>109,761</u>	<u>119,275</u>

<b>3 Staff costs</b>	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>

The average monthly number of employees (excluding executive directors) was:

Sales	12	9
Services	<u>5</u>	<u>7</u>
	<u>17</u>	<u>16</u>

<b>2016</b>	<b>2015</b>
<b>£</b>	<b>£</b>

The aggregate remuneration comprised:

Wages and salaries	922,706	822,852
Social security costs	104,875	104,992
Other pension costs (note 12)	<u>84,487</u>	<u>53,029</u>
	<u>1,112,068</u>	<u>980,873</u>

<b>4 Interest payable and similar charges</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>

Bank interest	<u>2,547</u>	<u>5,998</u>
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## NOTES TO THE FINANCIAL STATEMENTS - continued

5 Tax on profit on ordinary activities	2016 £	2015 £
Current tax:		
UK corporation tax charge	55,847	57,567
Deferred tax	1,717	(2,245)
Total tax charge on profit on ordinary activities	<u>57,564</u>	<u>55,322</u>

The differences between total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>258,214</u>	<u>273,015</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	51,643	55,286
Effects of:		
Expenses not deductible	5,921	2,892
Adjustment in respect of prior year	-	(2,856)
Total current tax charge for the year	<u>57,564</u>	<u>55,322</u>

The company earns its profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 20 per cent.

Deferred tax assets (see below) relate to timing differences on tangible fixed assets.

6 Tangible fixed assets	Leasehold improvements £	Furniture and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2016	20,132	29,635	35,074	84,841
Additions	-	-	2,287	2,287
Disposals	-	-	(7,113)	(7,113)
At 31 December 2016	<u>20,132</u>	<u>29,635</u>	<u>30,248</u>	<u>80,015</u>
<b>Depreciation</b>				
At 1 January 2016	18,999	29,310	18,419	66,728
Charge for the year	850	85	5,631	6,566
Disposals	-	-	(5,908)	(5,908)
At 31 December 2016	<u>19,849</u>	<u>29,395</u>	<u>18,142</u>	<u>67,386</u>
<b>Net book value</b>				
At 31 December 2016	<u>283</u>	<u>240</u>	<u>12,106</u>	<u>12,629</u>
At 31 December 2015	<u>1,133</u>	<u>325</u>	<u>16,655</u>	<u>18,113</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

7 Debtors (amounts falling due within one year)	2016 £	2015 £
Other debtors	49,114	32,172
VAT recoverable	33,446	23,041
Deferred tax asset (note 5)	2,909	4,626
Amount owing from group companies	1,082,939	931,177
	<u>1,168,408</u>	<u>991,016</u>

8 Creditors (amounts falling due within one year)	2016 £	2015 £
Amount owed to group companies	11,947	13,677
Social security	37,435	25,721
Accruals	114,167	186,359
Corporation tax	29,813	35,222
Other creditors	54,697	13,400
	<u>248,059</u>	<u>274,379</u>

9 Called up share capital presented as equity	2016 £	2015 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid</b>		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

## 10 Financial commitments

At 31 December 2016, the company was committed to making the following payments under non-cancellable operating leases in the next year:

	2016 £	2015 £
Operating leases which expire:		
Within one year	11,709	14,159
Between two and five years	<u>51,714</u>	<u>62,446</u>

## 11 Controlling party

The directors regard DiaSorin S.p.A. as the immediate and ultimate controlling party and immediate and ultimate parent undertaking. DiaSorin S.p.A. 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 financial statements of DiaSorin S.p.A., a company incorporated in Italy, are available to the public and may be obtained from DiaSorin S.p.A., Via Crescentino, 13040 Saluggia, Italy.



## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **12 Pensions**

The company operates a defined contribution pension scheme for certain employees which is administered by trustees and is financially separate from the company. Company policy is to make a fixed contribution, which is based on a percentage of annual salary. No guarantee is given as to the pension entitlement at the date of retirement. Accordingly, no actuarial valuation has been undertaken.

The pension charge for the year amounted to £84,487 (2015: £53,029). There are no outstanding pension contributions at the year end (2015: £9,605).

### **13 Events after the balance sheet date**

On 10 February 2017, the directors proposed the payment of a dividend from DiaSorin Ltd. to DiaSorin S.p.A. of £200,000.

### **14 Approval of financial statements**

These financial statements were approved by the directors on 27 February 2017.