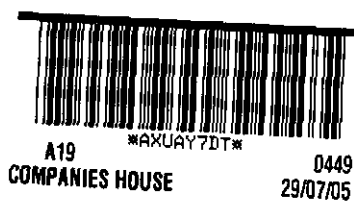


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**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004  
FOR  
DIASORIN LIMITED**



**DIASORIN LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2004**

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**DIASORIN LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

<b>DIRECTORS:</b>	S Cranmer C Rosa C M Even A Boniolo
<b>SECRETARY:</b>	S A Barrett
<b>REGISTERED OFFICE:</b>	Salisbury House 54 Queens Road Reading Berkshire RG1 4AZ
<b>REGISTERED NUMBER:</b>	01993990
<b>AUDITORS:</b>	Audit Assure Chartered Accountants & Registered Auditors Ashridge House Oaklands Park Wokingham Berkshire RG41 2FD
<b>ACCOUNTANTS:</b>	Vantis Ashridge House Oaklands Park Wokingham RG41 2FD

**DIASORIN LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

The directors present their report with the financial statements of the company for the year ended 31 December 2004.

**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

The directors holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 January 2004 or 31 December 2004.

**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 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.

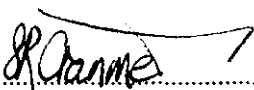
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

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

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:**

  
.....  
- Director

Date: 18 March 2005

**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 2004 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 United Kingdom Auditing Standards.

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 transactions with the company 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.

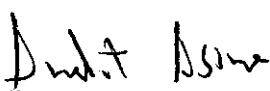
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

  
Date: .....

**DIASORIN LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

		31.12.04	31.12.03
	Notes	£	£
<b>TURNOVER</b>		1,963,959	1,762,696
Cost of sales		1,182,614	976,692
<b>GROSS PROFIT</b>		781,345	786,004
Administrative expenses		884,618	795,820
<b>OPERATING LOSS</b>	2	(103,273)	(9,816)
Interest receivable and similar income		1,248	2,594
		(102,025)	(7,222)
Interest payable and similar charges		30,954	31,535
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(132,979)	(38,757)
Tax on loss on ordinary activities	3	1,266	(1,172)
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(134,245)	(37,585)
Retained profit brought forward		290,855	328,440
<b>RETAINED PROFIT CARRIED FORWARD</b>		£156,610	£290,855

The notes form part of these financial statements


## DIASORIN LIMITED

BALANCE SHEET  
31 DECEMBER 2004

		31.12.04		31.12.03	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	4		208,492		68,739
<b>CURRENT ASSETS:</b>					
Stocks		184,074		125,136	
Debtors	5	290,690		288,475	
Cash at bank and in hand		48,718		51,058	
		523,482		464,669	
<b>CREDITORS: Amounts falling due within one year</b>	6	593,637		262,092	
<b>NET CURRENT (LIABILITIES)/ASSETS:</b>			(70,155)		202,577
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			138,337		271,316
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	8		(18,773)		(20,039)
			<u>£157,110</u>		<u>£291,355</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	9		500		500
Profit and loss account			156,610		290,855
<b>SHAREHOLDERS' FUNDS:</b>			<u>£157,110</u>		<u>£291,355</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 June 2002).

## ON BEHALF OF THE BOARD:

  
.....  
- Director

Approved by the Board on 18 March 2005

## DIASORIN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

#### I. 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 June 2002).

##### **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.

Plant and machinery	- Straight line over 3 and 5 years
Computer equipment	- Straight line over 5 years

##### **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**

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.

##### **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.



**DIASORIN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**2. OPERATING LOSS**

The operating loss is stated after charging:

	31.12.04 £	31.12.03 £
Depreciation - owned assets	67,504	66,574
Auditors' remuneration	2,200	12,000
Pension costs	<u>33,338</u>	<u>30,841</u>
Directors' emoluments and other benefits etc	<u>51,030</u>	<u>52,017</u>

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

Defined benefit schemes	<u>1</u>	<u>1</u>
-------------------------	----------	----------

**3. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the loss on ordinary activities for the year was as follows:

	31.12.04 £	31.12.03 £
Current tax:		
Tax under/(over) provided in previous years	-	(1,172)
Deferred taxation	<u>1,266</u>	<u>-</u>
Tax on loss on ordinary activities	<u>1,266</u>	<u>(1,172)</u>

**4. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Computer equipment £	Totals £
<b>COST:</b>			
At 1 January 2004	275,047	89,023	364,070
Additions	208,691	-	208,691
Disposals	<u>(34,700)</u>	<u>-</u>	<u>(34,700)</u>
At 31 December 2004	<u>449,038</u>	<u>89,023</u>	<u>538,061</u>
<b>DEPRECIATION:</b>			
At 1 January 2004	209,512	85,818	295,330
Charge for year	66,352	1,152	67,504
Eliminated on disposals	<u>(33,265)</u>	<u>-</u>	<u>(33,265)</u>
At 31 December 2004	<u>242,599</u>	<u>86,970</u>	<u>329,569</u>
<b>NET BOOK VALUE:</b>			
At 31 December 2004	<u>206,439</u>	<u>2,053</u>	<u>208,492</u>
At 31 December 2003	<u>65,534</u>	<u>3,205</u>	<u>68,739</u>

**DIASORIN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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

	31.12.04 £	31.12.03 £
Trade debtors	239,535	205,307
Prepayments & accrued income	51,155	38,054
Amount owed by group company	-	45,114
	<u>290,690</u>	<u>288,475</u>

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

	31.12.04 £	31.12.03 £
Trade creditors	114,772	65,584
Other creditors	14,985	-
Amount owed to group company	341,787	86,177
Other tax and social security	64,564	69,470
Taxation	500	500
Accrued expenses	57,029	40,361
	<u>593,637</u>	<u>262,092</u>

**7. OPERATING LEASE COMMITMENTS**

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

	31.12.04 £	31.12.03 £
Expiring:		
Within one year	12,230	4,409
Between one and five years	53,663	69,811
	<u>65,893</u>	<u>74,220</u>

**8. PROVISIONS FOR LIABILITIES AND CHARGES**

	31.12.04 £	31.12.03 £
Deferred taxation	(18,773)	(20,039)
	<u>Deferred tax</u>	<u>£</u>
Balance at 1 January 2004	(20,039)	
Movement in provision	1,266	
Balance at 31 December 2004	<u>(18,773)</u>	

# DIASORIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.04	31.12.03
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.04	31.12.03
			£	£
500	Ordinary	£1	<u>500</u>	<u>500</u>

### 10. PENSION COMMITMENTS

The company contributes to the private pension schemes of employees. During the year contributions payable amounted to £33,338 (2003: £30,841).

### 11. 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.