

Molecular Devices Limited

Registered No. 2807736

DIRECTORS

H Goldstein
J P Iuliano

SECRETARY

D A Croke

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

Barclays Bank PLC
International Branch
68 Knightsbridge
London SW1X 7HT

SOLICITORS

Baker and McKenzie
100 New Bridge Street
London EC4V 6JA

REGISTERED OFFICE

Unit 6, Raleigh Court
Rutherford Way
Crawley
West Sussex RH10 7FY

ERNST & YOUNG



Molecular Devices Limited

DIRECTORS' REPORT

The directors submit their report and audited accounts for the year ended 31 December 1994.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company was to obtain sales leads for the parent company and to perform repairs and servicing on specialist equipment.

RESULTS AND DIVIDENDS

The profit for the period before tax amounted to £91,133 (1993 - £13,708).

The directors do not recommend the payment of a dividend.

FIXED ASSETS

Movements in fixed assets during the year are shown in note 6.

FUTURE DEVELOPMENTS

With effect from 1 January 1995 the company no longer acted as an UK territory sales representative for its American parent. Income is now derived from direct sales to third party customers. The company continues to perform repairs and servicing on specialist equipment.

DIRECTORS AND THEIR INTERESTS

None of the directors during the year held an interest in the shares of the company.

G M Humphries resigned as a director on 29 March 1994 and H Goldstein was appointed as a director on 24 June 1994.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

Secretary

Deborah Roke
19 October 1995

Molecular Devices Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Molecular Devices Limited

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants

Registered Auditor
London

19 October 1995

Molecular Devices Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1994

			<i>9 months to 31 December</i>
	<i>Notes</i>	<i>1994 £</i>	<i>1993 £</i>
TURNOVER	2	422,754	134,440
Cost of sales		56,224	7,435
Gross profit		366,530	127,005
Administrative expenses		275,397	113,297
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	91,133	13,708
Taxation	5	24,197	3,600
RETAINED PROFIT FOR THE PERIOD		66,936	10,108

RECOGNISED GAINS AND LOSSES

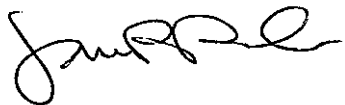
There are no recognised gains or losses other than the profit attributable to shareholders of the company of £66,936 in the year ended 31 December 1994 and the profit attributable to shareholders of the company of £10,108 in the period ended 31 December 1993.

Molecular Devices Limited

BALANCE SHEET

at 31 December 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible assets	6	107,817	65,609
CURRENT ASSETS			
Stocks	7	46,160	28,623
Debtors	8	75,019	32,301
Cash at bank and in hand	9	85,468	2,657
		206,647	63,581
CREDITORS: amounts falling due within one year	10	223,342	107,331
NET CURRENT LIABILITIES		(16,695)	(43,750)
TOTAL ASSETS LESS CURRENT LIABILITIES		91,122	21,859
Provisions for liabilities and charges	11	4,078	1,751
		87,044	20,108
CAPITAL AND RESERVES			
Called up share capital	13	10,000	10,000
Profit and loss account	14	77,044	10,108
		87,044	20,108



)
) Directors

19 October 1995

Molecular Devices Limited

STATEMENT OF CASH FLOWS

for the year ended 31 December 1994

			9 months to 31 December
	Notes	1994 £	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3(b)	148,058	65,650
TAXATION			
Corporation tax paid		(1,843)	—
TAX PAID		(1,843)	—
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(63,404)	(72,993)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(63,404)	(72,993)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		82,811	(7,343)
FINANCING			
Issue of ordinary share capital	13	—	(10,000)
NET CASH INFLOW FROM FINANCING		—	(10,000)
INCREASE IN CASH AND CASH EQUIVALENTS	9	82,811	2,657
		82,811	(7,343)

Molecular Devices Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

The cost of fixed assets is written off by equal annual instalments over their expected useful lives at the following annual rates:

Leasehold improvements	-	20%.
Computer equipment and software	-	33%
Office furniture and equipment	-	20%
Demonstration equipment	-	20%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse

2. TURNOVER

Turnover represents amounts, excluding valued added tax, receivable by the company for services rendered and is all in respect of continuing activities.

	9 months to 31 December	
	1994	1993
	£	£
Sales commission from parent - arising in USA	315,364	132,000
Repairs and servicing - arising in UK	107,390	2,440
	<u>422,754</u>	<u>134,440</u>

Molecular Devices Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

3. OPERATING PROFIT

(a) Operating profit is stated after charging:

	<i>9 months to 31 December</i>	
	<i>1994</i>	<i>1993</i>
	£	£
Depreciation	21,196	7,384
Auditors' remuneration	7,500	3,000
Operating lease rentals	18,450	4,016
Hire of plant and machinery	-	-
	<u> </u>	<u> </u>

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	<i>9 months to 31 December</i>	
	<i>1994</i>	<i>1993</i>
	£	£
Operating profit	91,133	13,708
Depreciation	21,196	7,384
Increase in debtors	(42,718)	(32,301)
Increase in stocks	(17,537)	(28,623)
Increase in creditors	95,984	105,482
	<u> </u>	<u> </u>
	148,058	65,650

4. STAFF COSTS

	<i>9 months to 31 December</i>	
	<i>1994</i>	<i>1993</i>
	£	£
Wages and salaries	99,838	32,191
Social security costs	9,827	2,976
	<u> </u>	<u> </u>
	109,665	35,167

The average number of employees during the year was 3 (1993 - 2).

None of the directors of the company received any emoluments during the year.

Molecular Devices Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

5. TAXATION

	<i>9 months to 31 December</i>	
	<i>1994</i>	<i>1993</i>
	£	£
Based on profit for the year:		
Corporation tax at 25%	21,870	1,849
Deferred taxation	2,327	1,751
	<u>24,197</u>	<u>3,600</u>

6. FIXED ASSETS

	<i>Leasehold improvement</i>	<i>Office furniture and equipment</i>	<i>Laboratory and demonstration equipment</i>	<i>Computer equipment</i>	<i>Computer software</i>	<i>Total</i>
	£	£	£	£	£	£
Cost:						
At 1 January 1994	—	2,535	58,405	11,105	948	72,993
Additions	11,600	8,617	25,432	17,160	595	63,404
At 31 December 1994	<u>11,600</u>	<u>11,152</u>	<u>83,837</u>	<u>28,265</u>	<u>1,543</u>	<u>136,397</u>
Depreciation:						
At 1 January 1994	—	414	4,867	1,919	184	7,384
Charge for the year	773	1,288	12,777	6,009	349	21,196
At 31 December 1994	<u>773</u>	<u>1,702</u>	<u>17,644</u>	<u>7,928</u>	<u>533</u>	<u>28,580</u>
Net book value:						
At 31 December 1994	<u>10,827</u>	<u>9,450</u>	<u>66,193</u>	<u>20,337</u>	<u>1,010</u>	<u>107,817</u>
At 1 January 1994	<u>—</u>	<u>2,121</u>	<u>53,538</u>	<u>9,186</u>	<u>764</u>	<u>65,609</u>

7. STOCKS

	<i>1994</i>	<i>1993</i>
	£	£
Parts	46,160	28,185
Demonstration	—	438
	<u>46,160</u>	<u>28,623</u>

The difference between the amount included in the accounts and the replacement cost is not material.

Molecular Devices Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

8. DEBTORS

	1994	1993
	£	£
Trade debtors	39,752	—
Prepayments	10,167	6,502
Other debtors	25,100	25,799
	<u>75,019</u>	<u>32,301</u>

9. CASH AND CASH EQUIVALENTS

Cash at bank and in hand

	1994	1993
	£	£
At 1 January/1 March	2,657	—
Net cash inflow	82,811	2,657
At 31 December	<u>85,468</u>	<u>2,657</u>

10. CREDITORS: amounts falling due within one year

	1994	1993
	£	£
Trade creditors	4,866	776
Amounts due to ultimate parent undertaking	142,995	84,863
Amount due to fellow subsidiary undertaking	2,232	—
Current corporation tax	21,876	1,849
Other taxes and social security costs	—	2,743
Accruals	51,373	17,100
	<u>223,342</u>	<u>107,331</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts at the full amount is as follows:

	1994	1993
	£	£
Capital allowances in advance of depreciation	<u>4,078</u>	<u>1,751</u>

Molecular Devices Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

12. OPERATING LEASE COMMITMENTS

At 31 December 1994 the company had annual commitments under non-cancellable operating leases for motor vehicles as set out below:

	1994 £	1993 £
Operating leases which expire: within two to five years	<u>25,272</u>	<u>12,048</u>

13. SHARE CAPITAL

	1994 £	Authorised 1993 £	1994 £	Allotted, called up and fully paid 1993 £
£1 ordinary shares	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

Analysis of changes in share capital during the year.

	1994 £	1993 £
At 1 January/1 March	10,000	—
New cash inflow from financing	—	10,000
At 31 December	<u>10,000</u>	<u>10,000</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
On incorporation	—	—	—
Shares issued	10,000	—	10,000
Profit for the year	—	10,108	10,108
At 1 January 1994	10,000	10,108	20,108
Profit for the year	—	66,936	66,936
At 31 December 1994	<u>10,000</u>	<u>77,044</u>	<u>87,044</u>

15. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Molecular Devices Corporation, a company incorporated in the USA.