

Company Registration No. 3044694

Bio-Rad Laboratories Limited

Report and Financial Statements

31 December 2003



Bio-Rad Laboratories Limited

Report and financial statements 2003

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Bio-Rad Laboratories Limited

Report and financial statements 2003

Officers and professional advisers

Directors

D Schwartz
D W Forrester
N Schwartz
C Rew

Secretary

P Burns

Registered Office

Bio-Rad House
Maxted Road
Hemel Hempstead
Hertfordshire
HP2 7DX

Bankers

Lloyds TSB Bank PLC

Solicitors

Baker & McKenzie
London

Nauta Dutilh
Brussels

Paul Linton & Co
Watford

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Bio-Rad Laboratories Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Activities

The principal activity of the company is that of selling chemicals, infra-red spectra of chemical compounds and equipment for medical and research purposes.

The company continues to pursue its principal activities and the directors expect the general level of activity to continue.

Results and dividend

The company's profit for the year after taxation was £2,228,000 (2002: £1,007,000). The directors do not recommend payment of a dividend (2002: £nil).

The audited financial statements for the year ended 31 December 2003 are set out on pages 5 to 14.

Directors and their interests

D Schwartz
D W Forrester
N Schwartz
C Rew

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Auditors

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D W Forrester
Director

6/7/2005

Bio-Rad Laboratories Limited

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- 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 the system of internal control, 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 Bio-Rad Laboratories Limited

We have audited the financial statements of Bio-Rad Laboratories Limited for the year ended 31 December 2003 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. These financial statements have been prepared under 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 in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 if, in our opinion, the directors' report 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 directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

Deloitte & Touche LLP

7 July 2005

Bio-Rad Laboratories Limited

Profit and loss account Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Turnover	2	41,734	35,152
Cost of sales		(27,650)	(22,288)
Gross profit		14,084	12,864
Other operating expenses	3	(12,116)	(11,185)
Operating profit		1,968	1,679
Finance income / (charges) (net)	4	6	(3)
Profit on ordinary activities before taxation	5	1,974	1,676
Tax credit / (charge) on profit on ordinary activities	7	254	(669)
Retained profit for the year	15	2,228	1,007
Profit and loss account brought forward		3,624	2,617
Profit and loss account carried forward		5,852	3,624

All results were derived from continuing operations.

There are no recognised gains or losses in either year other than the profit for that year.

Bio-Rad Laboratories Limited

Balance sheet 31 December 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Tangible assets	8	535	794
Current assets			
Stock	9	1,841	2,031
Debtors - Due within one year	10	9,710	7,537
- Due after more than one year	10	860	890
Cash at bank and in hand		55	237
		12,466	10,695
Creditors: amounts falling due within one year	11	(4,676)	(5,430)
Net current assets		7,790	5,265
Total assets less current liabilities		8,325	6,059
Creditors: amounts falling due after more than one year	12	(2,260)	(2,260)
Provisions for liabilities and charges	13	(113)	(75)
Net assets		5,952	3,724
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		5,852	3,624
Total equity shareholders' funds	15	5,952	3,724

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

6/7/2005.



D W Forrester
Director

The accompanying notes are an integral part of this balance sheet.

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2003

1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted, all of which have been applied consistently throughout the year and the preceding year, with the exception of the accounting policy for deferred taxation as described below, are as follows:

Accounting convention

The financial statements are prepared under the historical cost convention.

Group accounts

Group accounts are not prepared as the company is exempt from the obligation to prepare group accounts under Section 228(1) of the Companies Act 1985.

A cash flow statement has not been presented as the company has taken advantage of the exemption available to companies within Financial Reporting Standard 1 (Revised) whereby a subsidiary undertaking, 90% of whose rights are controlled within the group, need not produce cash flow statements if the consolidated accounts of its parent undertaking are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at original cost net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis at rates calculated to write off the costs of assets, less estimated residual value, over their expected useful lives as follows:

Leasehold improvements	Over the life of the lease
Fixtures, fittings, equipment and motor vehicles	10%-15%

Residual values are calculated at the prices prevailing at the date of acquisition.

Stock

Stock consists of goods held for resale and is valued at the lower of cost and net realisable value. Cost comprises purchase price from suppliers determined on a first-in, first-out basis plus freight and duty charges. Net realisable value is based on estimated normal selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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 on a non-discounted basis.

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2003

1. Accounting policies (continued)

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Turnover is wholly attributable to the company's principal activities. Turnover is recognised on an accruals basis.

Foreign currency

Transactions in foreign currency 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 exchange differences are included in the profit and loss account.

Pension costs

The company participates in a defined contribution pension scheme. The amount charged to the profit and loss account represents the amount of contributions payable by the company to the pension scheme in respect of the period. The assets are held separately from those of the company in an independently administered fund.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Related party transactions

The company has taken advantage of the exemption available in Financial Reporting Standard 8, whereby a subsidiary undertaking, 90% of whose voting rights are controlled within the group, need not disclose transactions with entities which are part of the same group.

2. Turnover

The turnover and profit on ordinary activities before taxation to one activity, the sale of chemicals and equipment for medical and research purposes. All turnover was generated in the United Kingdom. The analysis of turnover by destination is given below:

	2003 £'000	2002 £'000
United Kingdom	19,157	16,224
Europe	18,126	17,032
Middle East	2,611	1,337
Africa	1,353	338
Other	487	221
	<u>41,734</u>	<u>35,152</u>

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2003

3. Other operating expenses (net)

	2003 £'000	2002 £'000
Distribution costs	10,373	10,184
Administrative expenses	1,289	1,001
Bad debt write-off	454	-
	<u>12,116</u>	<u>11,185</u>

4. Finance income / (charges) (net)

	2003 £'000	2002 £'000
Investment income		
Bank interest income	<u>6</u>	<u>5</u>
Interest payable and similar charges		
Other loans	<u>-</u>	<u>8</u>
Finance income / (charges) (net)		
Investment income	6	5
Interest payable and similar charges	-	(8)
	<u>6</u>	<u>(3)</u>

5. Profit on ordinary activities before taxation

Profit on ordinary activities before finance charges is stated after charging:

	2003 £'000	2002 £'000
Depreciation and amounts written off owned tangible fixed assets	466	430
Operating lease rentals		
- plant and machinery	350	327
Exchange losses	<u>3</u>	<u>276</u>

All audit fees are borne by the ultimate parent company. Amounts payable to Deloitte & Touche LLP by the company in respect of non-audit services were £53,650 (2002: £16,325 payable to Arthur Andersen).

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2003

6. Information regarding directors and employees

	2003 No.	2002 No.
Average number of persons employed (including executive directors)		
Administration	13	15
Sales and distribution	84	79
	<u>97</u>	<u>94</u>
	£'000	£'000
Staff costs during the year (including executive directors)		
Wages and salaries	2,980	2,761
Social security costs	320	288
Pension costs (see note 16)	110	107
	<u>3,410</u>	<u>3,156</u>
	£'000	£'000
Directors' remuneration		
Emoluments	298	304
Company contributions to money purchase pension schemes	10	10
	<u>308</u>	<u>314</u>
	No.	No.
Number of directors who are members of money purchase pension schemes	<u>2</u>	<u>2</u>

7. Tax on profit on ordinary activities

The tax (credit) / charge comprises:

	2003 £'000	2002 £'000
Current year tax charge	445	579
Current year deferred tax charge / (credit) (see note 10)	30	(52)
Adjustments in respect of prior years - current taxation	(729)	142
	<u>(254)</u>	<u>669</u>

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2003

7. Tax on profit on ordinary activities (continued)

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

	2003 £'000	2002 £'000
Profit on ordinary activities before tax	1,974	1,676
Tax at 30% thereon (2002: 30%)	592	503
Expenses not deductible for tax purposes	161	17
Other short term timing differences	(30)	59
Group relief	(278)	-
Current tax charge for year	445	579

8. Fixed assets

	Leasehold Improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 January 2003	136	1,965	2,101
Additions	-	208	208
Disposals	-	(19)	(19)
At 31 December 2003	136	2,154	2,290
Accumulated depreciation			
At 1 January 2003	42	1,265	1,307
Charge for the year	24	442	466
Disposals	-	(18)	(18)
At 31 December 2003	66	1,689	1,755
Net book value			
At 31 December 2003	70	465	535
At 31 December 2002	94	700	794

9. Stock

	2003 £'000	2002 £'000
Finished goods and goods for resale	1,841	2,031

The directors consider there to be no material difference between the balance sheet value of stock and its replacement cost.

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2003

10. Debtors

	2003 £'000	2002 £'000
Amounts falling due within one year:		
Trade debtors	6,771	6,490
Amounts owed by other group undertakings	1,996	710
VAT recoverable	2	11
UK corporation tax	519	-
Prepayments and accrued income	422	326
	<u>9,710</u>	<u>7,537</u>
Amounts falling due after more than one year:		
Deferred tax	260	290
Amounts owed by group undertakings	600	600
	<u>860</u>	<u>890</u>
Total	<u>10,570</u>	<u>8,427</u>

Deferred taxation assets have been recognised in full and relate to timing differences in fixed assets and current assets and liabilities.

The movements on the deferred tax asset comprise:

	2003 £'000	2002 £'000
Beginning of year	290	238
(Charged) / credited to profit and loss account	(30)	52
End of year	<u>260</u>	<u>290</u>

11. Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	188	219
Overdraft	-	116
Amounts owed to other group undertakings	2,844	3,532
UK corporation tax	-	319
Other taxes and social security	460	104
Other creditors	374	367
Accruals and deferred income	810	773
	<u>4,676</u>	<u>5,430</u>

Bio-Rad Laboratories Limited

Notes to the accounts Year ended 31 December 2003

12. Creditors: amounts falling due after more than one year

	2003 £'000	2002 £'000
Amounts owed to other group undertakings	2,260	2,260

13. Provision for liabilities and charges

	2003 £'000	2002 £'000
Warranty provision:		
At start of year	75	226
Utilised in year	(329)	(415)
Increase in provision in the year	367	264
At end of year	113	75

14. Called up share capital

	2003 £'000	2002 £'000
Authorised, allotted, called up and fully paid: 100,000 ordinary shares of £1 each	100	100

15. Reconciliation of movements in equity shareholders' funds

	2003 £'000	2002 £'000
Profit on ordinary activities after taxation	2,228	1,007
Opening equity shareholders' funds as previously stated	3,724	2,717
Closing equity shareholders' funds	5,952	3,724

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2003

16. Guarantees and financial commitments

Capital commitments

There were no outstanding capital commitments at either year end.

Operating lease commitments

Future annual commitments under non-cancellable operating leases are as follows:

	2003 £'000	2002 £'000
	Motor vehicles and machinery	Motor vehicles and machinery
Expiry date		
- within 1 year	60	29
- within 2-5 years	206	206
	<hr/>	<hr/>
	266	220
	<hr/>	<hr/>

Contingent liabilities

The company has made a Duty Deferment Guarantee to HM Customs and Excise of £250,000 (2002: £500,000).

Pension arrangements

The company participates in a defined contribution pension scheme. The pension charge for the year was £110,026 (2002 – £106,773). At the end of the year the accrued pension contributions were £nil (2002- £nil).

17. Ultimate controlling party

The company is a subsidiary undertaking of Bio-Metrics (UK) Limited, registered in England and Wales.

The ultimate parent company and largest group in which the results of the company are consolidated is that headed by Bio-Rad Laboratories Inc., incorporated in the United States of America. The consolidated accounts of this group are available to the public and may be obtained from 1000 Alfred Nobel Drive, Hercules, California 94547, USA.

The smallest group in which the results of the company are consolidated is that headed by Bio-Metrics (UK) Limited. The consolidated financial statements of this group are available to the public and may be obtained from Bio-Rad House, Maxted Road, Hemel Hempstead, Hertfordshire, HP2 7DX.

The ultimate controlling party of the group is D. Schwartz.