

Company Registration No. 3044694

Bio-Rad Laboratories Limited

Report and Financial Statements

31 December 2004



Bio-Rad Laboratories Limited

Report and financial statements 2004

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Bio-Rad Laboratories Limited

Report and financial statements 2004

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
City Office
11-15 Monument Street
London
EC3V 9JA

Solicitors

Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA

Nauta Dutilh
Terhulpesteenweg 177/6
1170 Brussel
Belgium

Paul Linton & Co
17 King Street
Watford
Herts
WD1 8BT

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 2004.

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 loss for the year after taxation was £38,000 (2003: £2,228,000 profit). The directors do not recommend payment of a dividend (2003: £nil).

The audited financial statements for the year ended 31 December 2004 are set out on pages 6 to 16.

Subsequent event

On 9 December 2005 there was a major explosion at the Buncefield Oil Depot, which is in close proximity to the offices and warehouse of the company which suffered significant damage as a result. There was little disruption to trading due to contingency plans put into place, and the loss of stock was minimal.

The offices and warehouse require extensive repair work, and as yet it is not practicable to make an estimate of the extent of the cost of the repairs.

The directors are confident any damage and losses incurred as a direct result of the explosion are adequately covered by the company's insurance policies, and the insurers are working closely with them to facilitate and finance the move to new temporary premises and the subsequent return to Maxted House upon its full repair and refit.

Directors and their interests

The directors who served throughout the year were as follows:

D Schwartz
D W Forrester
N Schwartz
C Rew

None of the directors had any beneficial interest in the company during the year which requires disclosure under Schedule 7 of the Companies Act 1985.

Bio-Rad Laboratories Limited

Directors' report

Auditors

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.

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



D W Forrester
Director

D W Forrester 2006

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; 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 which 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 the system of internal control, 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 Bio-Rad Laboratories Limited

We have audited the financial statements of Bio-Rad Laboratories Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

27 March 2006

Bio-Rad Laboratories Limited

Profit and loss account

Year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Turnover	1,2	45,341	41,734
Cost of sales		(33,774)	(27,650)
Gross profit		11,567	14,084
Other operating expenses	3	(10,789)	(12,116)
Exceptional onerous lease charge	13	(1,064)	-
Operating (loss) / profit		(286)	1,968
Interest receivable and similar income	4	47	6
(Loss) / Profit on ordinary activities before taxation	5	(239)	1,974
Tax on (loss) / profit on ordinary activities	7	201	254
Retained (loss) / profit for the financial year	15	(38)	2,228
Retained profit brought forward		5,852	3,624
Retained profit carried forward		5,814	5,852

All results were derived from continuing operations.

There are no recognised gains or losses in either year other than as stated above. Accordingly no statement of total recognised gains and losses is presented.

Bio-Rad Laboratories Limited

Balance sheet

31 December 2004

	Note	2004 £'000	2003 £'000
Fixed assets			
Tangible assets	8	557	535
Current assets			
Stock	9	2,150	1,841
Debtors - due within one year	10	9,708	9,970
- due after more than one year	10	1,600	600
Cash at bank and in hand		-	55
		13,458	12,466
Creditors: amounts falling due within one year	11	(4,711)	(4,676)
Net current assets		8,747	7,790
Total assets less current liabilities		9,304	8,325
Creditors: amounts falling due after more than one year	12	(2,260)	(2,260)
Provisions for liabilities and charges	13	(1,130)	(113)
Net assets		5,914	5,952
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		5,814	5,852
Total equity shareholders' funds	15	5,914	5,952

These financial statements were approved by the Board of Directors on 22nd March 2006.

Signed on behalf of the Board of Directors



D W Forrester
Director

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2004

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, all of which have been applied consistently throughout the year and the preceding year, are as follows:

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statements

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 and equipment (including motor vehicles)	10%-15%

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

Stocks

Stocks consist of goods held for resale and are 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 2004

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.

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 (loss) / profit on ordinary activities before taxation related 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:

	2004 £'000	2003 £'000
United Kingdom	22,349	19,157
Europe	17,753	18,126
Middle East	3,391	2,611
Africa	1,404	1,353
Other	444	487
	<u>45,341</u>	<u>41,734</u>

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2004

3. Other operating expenses (net)

	2004 £'000	2003 £'000
Distribution costs	9,439	10,373
Administrative expenses	1,034	1,289
Bad debt write-off	316	454
	<u>10,789</u>	<u>12,116</u>

4. Interest receivable and similar income

	2004 £'000	2003 £'000
Investment income		
Bank interest income	8	6
Other interest income	39	-
	<u>47</u>	<u>6</u>

5. (Loss) / profit on ordinary activities before taxation

Stated after charging:

	2004 £'000	2003 £'000
Depreciation and amounts written off owned tangible fixed assets	418	466
Operating lease rentals		
- plant and machinery	328	350
Exchange losses	176	3
Transfer to provision for liabilities and charges	1,064	-
	<u>1,886</u>	<u>819</u>

All audit fees for the current and preceding year are borne by the ultimate parent company. Amounts payable to Deloitte & Touche LLP by the company in respect of non-audit services were £49,447 (2003: £53,650).

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2004

6. Information regarding directors and employees

	2004 No.	2003 No.
Average number of persons employed (including executive directors)		
Administration	19	13
Sales and distribution	86	84
	<u>105</u>	<u>97</u>
	£'000	£'000
Staff costs during the year (including executive directors)		
Wages and salaries	3,527	2,980
Social security costs	380	320
Pension costs (see Note 16)	128	110
	<u>4,035</u>	<u>3,410</u>
	£'000	£'000
Directors' remuneration		
Emoluments	332	298
Company contributions to money purchase pension schemes	11	10
	<u>343</u>	<u>308</u>
	No.	No.
Number of directors who are members of money purchase pension schemes	<u>2</u>	<u>2</u>

7. Tax on (loss) / profit on ordinary activities

	2004 £'000	2003 £'000
Current year tax charge	105	445
Current year deferred tax credit (see Note 10)	(332)	30
Adjustments in respect of prior years - current taxation	26	(729)
	<u>(201)</u>	<u>(254)</u>

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2004

7. Tax on (loss) / 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 (loss) / profit before tax are as follows:

	2004 £'000	2003 £'000
(Loss) / profit on ordinary activities before tax	(239)	1,974
Tax at 30% thereon (2003: 30%)	(72)	592
Expenses not deductible for tax purposes	115	161
Other short term timing differences	331	(30)
Group relief	(269)	(278)
Current tax charge for year	105	445

8. Fixed assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 January 2004	136	2,154	2,290
Additions	-	431	431
Disposals / adjustments	-	16	16
At 31 December 2004	136	2,601	2,737
Accumulated depreciation			
At 1 January 2004	66	1,689	1,755
Charge for the year	20	398	418
Disposals / adjustments	-	7	7
At 31 December 2004	86	2,094	2,180
Net book value			
At 31 December 2004	50	507	557
At 31 December 2003	70	465	535

9. Stock

	2004 £'000	2003 £'000
Finished goods and goods for resale	2,150	1,841

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 2004

10. Debtors

	2004 £'000	2003 (Restated) £'000
Amounts falling due within one year:		
Trade debtors	7,040	6,771
Amounts owed by other group undertakings	1,137	1,996
VAT recoverable	-	2
UK corporation tax	593	519
Prepayments and accrued income	346	422
Deferred tax	592	260
	<u>9,708</u>	<u>9,970</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>1,600</u>	<u>600</u>
	<u>11,308</u>	<u>10,570</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:

	£'000	£'000
Beginning of year	260	290
Credited / (charged) to profit and loss account	332	(30)
End of year	<u>592</u>	<u>260</u>

11. Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	175	188
Overdraft	52	-
Amounts owed to other group undertakings	2,809	2,844
Other taxes and social security	576	460
Other creditors	185	374
Accruals and deferred income	914	810
	<u>4,711</u>	<u>4,676</u>

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2004

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

	2004 £'000	2003 £'000
Amounts owed to other group undertakings	2,260	2,260

13. Provisions for liabilities and charges

	2004 £'000	2003 £'000
Provision for warranties	76	113
Provision for excessive cost of remaining lease of office building	1,054	-
	1,130	113

Warranty provision

The movement on the warranty provision during the period was as follows:

	£'000	£'000
Beginning of year	113	75
Utilisation of provision	(186)	(329)
Provided during the year	149	367
End of year	76	113

Provision for excessive cost of remaining lease of office building

The movement on the provision for future rental costs relating to unoccupied factory space is as follows:

	£'000	£'000
Beginning of year	-	-
Provided during the year	1,064	-
Utilised during the year	(10)	-
End of year	1,054	-

14. Called up share capital

	2004 £'000	2003 £'000
Authorised, allotted, called up and fully paid: 100,000 ordinary shares of £1 each	100	100

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2004

15. Reconciliation of movements in equity shareholders' funds

	2004 £'000	2003 £'000
(Loss) / profit on ordinary activities after taxation	(38)	2,228
Opening equity shareholders' funds	5,952	3,724
Closing equity shareholders' funds	<u>5,914</u>	<u>5,952</u>

16. Guarantees and financial commitments

Capital commitments

There were no outstanding capital commitments at either year end.

Operating lease commitments

On the liquidation of fellow-subsiary Bio-Rad Microscience Limited, that company's existing long-term leases of certain buildings transferred to Bio-Rad Laboratories Limited. The annual rent on these leases is £631,000.

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

	2004		2003	
	Plant and machinery £'000	Property £'000	Plant and machinery £'000	Property £'000
Expiry date:				
- within 1 year	37	-	60	-
- within 2-5 years	<u>237</u>	<u>631</u>	<u>206</u>	<u>-</u>

Contingent liabilities

The company has made a Duty Deferment Guarantee to HM Revenue and Customs of £250,000 (2003: £250,000).

Pension arrangements

The company participates in a defined contribution pension scheme. The pension charge for the year was £127,846 (2003 – £110,026). At the end of the year the accrued pension contributions were £nil (2003- £nil).

17. Subsequent event

On 9 December 2005 there was a major explosion at the Buncefield Oil Depot, which is in close proximity to the offices and warehouse of the company which suffered significant damage as a result. There was little disruption to trading due to contingency plans put into place, and the loss of stock was minimal.

The offices and warehouse require extensive repair work, and as yet it is not practicable to make an estimate of the extent of the cost of the repairs.

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2004

18. 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.