

**Company Registration No. 3044694**

**Bio-Rad Laboratories Limited**

**Report and Financial Statements**

**31 December 2005**



# **Bio-Rad Laboratories Limited**

## **Report and financial statements 2005**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the accounts</b>	<b>9</b>

# **Bio-Rad Laboratories Limited**

## **Report and financial statements 2005**

### **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  
Terhulpsessesteenweg 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 2005.

### **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 £1,230,000 (2004: £38,000 loss). The directors do not recommend payment of a dividend (2004: £nil).

The audited financial statements for the year ended 31 December 2005 are set out on pages 7 to 17.

### **Directors and their interests**

The directors who served throughout the year and subsequently 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.

### **Financial risk management**

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, credit risk, currency risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, with many of these due from other group companies who are able to repay these if required.


## **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



C. Rew  
Director

7 March 2007

## **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 2005 which comprise the profit and loss account, 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, 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 and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the *Companies Act 1985*.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

12 March 2007

## Bio-Rad Laboratories Limited

### Profit and loss account

Year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Turnover	1,2	45,022	45,341
Cost of sales		(34,594)	(33,774)
Gross profit		10,428	11,567
Other operating expenses	3	(8,945)	(10,789)
Exceptional onerous lease charge	13	-	(1,064)
Operating profit / (loss)		1,483	(286)
Interest receivable and similar income	4	66	47
Profit / (loss) on ordinary activities before taxation	5	1,549	(239)
Tax on profit / (loss) on ordinary activities	7	(319)	201
Retained profit / (loss) for the financial year	15	1,230	(38)
Retained profit brought forward		5,814	5,852
Retained profit carried forward		7,044	5,814

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.

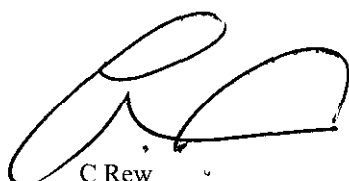
# Bio-Rad Laboratories Limited

## Balance sheet 31 December 2005

	Note	2005 £'000	2004 £'000
<b>Fixed assets</b>			
Tangible assets	8	641	557
<b>Current assets</b>			
Stock	9	3,560	2,150
Debtors - due within one year	10	8,880	9,708
- due after more than one year	10	1,600	1,600
Cash at bank and in hand		1,024	-
		15,064	13,458
<b>Creditors: amounts falling due within one year</b>	11	(5,708)	(4,711)
<b>Net current assets</b>		9,356	8,747
<b>Total assets less current liabilities</b>		9,997	9,304
<b>Creditors: amounts falling due after more than one year</b>	12	(2,260)	(2,260)
Provisions for liabilities and charges	13	(593)	(1,130)
<b>Net assets</b>		7,144	5,914
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account		7,044	5,814
<b>Total shareholders' funds</b>	15	7,144	5,914

These financial statements were approved by the Board of Directors on 7 March 2007.

Signed on behalf of the Board of Directors



C Rew  
Director

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2005

### 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 2005

### 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 profit / (loss) 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:

	2005 £'000	2004 £'000
United Kingdom	22,298	22,349
Europe	17,945	17,753
Middle East	1,814	3,391
Africa	1,137	1,404
Other	1,828	444
	<u>45,022</u>	<u>45,341</u>

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2005

### 3. Other operating expenses

	2005 £'000	2004 £'000
Distribution costs	7,826	9,439
Administrative expenses	1,119	1,034
Bad debt write-off	-	316
	<u>8,945</u>	<u>10,789</u>

### 4. Interest receivable and similar income

	2005 £'000	2004 £'000
Bank interest income	8	8
Other interest income	18	39
Interest from other group undertakings	40	-
	<u>66</u>	<u>47</u>

### 5. Profit / (loss) on ordinary activities before taxation

Stated after charging:

	2005 £'000	2004 £'000
Depreciation and amounts written off owned tangible fixed assets	327	418
Operating lease rentals		
- plant and machinery	324	328
Exchange (gains) / losses	(126)	176
Transfer to provision for liabilities and charges	-	1,064
	<u>-</u>	<u>1,064</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 £20,000 (2004: £49,447).

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2005

### 6. Information regarding directors and employees

	2005 No.	2004 No.
<b>Average number of persons employed (including executive directors)</b>		
Administration	24	19
Sales and distribution	82	86
	<u>106</u>	<u>105</u>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs during the year (including executive directors)</b>		
Wages and salaries	3,456	3,527
Social security costs	402	380
Pension costs ( <i>see Note 16</i> )	140	128
	<u>3,998</u>	<u>4,035</u>
	<b>£'000</b>	<b>£'000</b>
<b>Directors' remuneration</b>		
Emoluments	343	332
Company contributions to money purchase pension schemes	12	11
	<u>355</u>	<u>343</u>
	<b>No.</b>	<b>No.</b>
Number of directors who are members of money purchase pension schemes	2	2
	<b>£'000</b>	<b>£'000</b>
Emoluments of highest paid director	<u>227</u>	<u>219</u>

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

	2005 £'000	2004 £'000
Current year tax charge	260	105
Current year deferred tax charge / (credit) ( <i>see Note 10</i> )	59	(332)
Adjustments in respect of prior years - current taxation	-	26
	<u>319</u>	<u>(201)</u>

# Bio-Rad Laboratories Limited

## Notes to the accounts

### Year ended 31 December 2005

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

	2005 £'000	2004 £'000
Profit / (loss) on ordinary activities before tax	1,549	(239)
Tax at 30% thereon (2004: 30%)	465	(72)
Expenses not deductible for tax purposes	19	115
Other short term timing differences	(224)	331
Group relief	-	(269)
Current tax charge for year	260	105

#### 8. Fixed assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2005	136	2,601	2,737
Additions	218	275	493
Disposals / adjustments	(136)	(894)	(1,030)
At 31 December 2005	218	1,982	2,200
<b>Accumulated depreciation</b>			
At 1 January 2005	86	2,094	2,180
Charge for the year	26	301	327
Disposals / adjustments	(94)	(854)	(948)
At 31 December 2005	18	1,541	1,559
<b>Net book value</b>			
At 31 December 2005	200	441	641
At 31 December 2004	50	507	557

#### 9. Stock

	2005 £'000	2004 £'000
Finished goods and goods for resale	3,560	2,150

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 2005

### 10. Debtors

	2005 £'000	2004 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	6,105	7,040
Amounts owed by other group undertakings	1,218	1,137
UK corporation tax	305	593
Prepayments and accrued income	719	346
Deferred tax	533	592
	<u>8,880</u>	<u>9,708</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>1,600</u>	<u>1,600</u>
	<u>10,480</u>	<u>11,308</u>

All receivables and payables under one year from group undertakings are interest-free with the exception of any part which remains outstanding for over 90 days, which did not occur in either year. Receivables over one year include a loan of £1 million to a fellow-subsiidiary which bears interest at 4% per annum; the remaining £600k is an interest-free loan to a dormant fellow-subsiidiary.

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	592	260
(Charged) / credited to profit and loss account	(59)	332
End of year	<u>533</u>	<u>592</u>

### 11. Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Trade creditors	613	175
Overdraft	-	52
Amounts owed to other group undertakings	3,479	2,809
Other taxes and social security	235	576
Other creditors	694	185
Accruals and deferred income	687	914
	<u>5,708</u>	<u>4,711</u>

# Bio-Rad Laboratories Limited

## Notes to the accounts

### Year ended 31 December 2005

All receivables and payables under one year from group undertakings are interest-free with the exception of any part which remains outstanding for over 90 days, which did not occur in either year.

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

	2005 £'000	2004 £'000
Amounts owed to other group undertakings	2,260	2,260

The above amount is an interest-free loan payable to a dormant fellow-subsiidiary.

#### 13. Provisions for liabilities and charges

	2005 £'000	2004 £'000
Provision for warranties	153	76
Provision for excessive cost of remaining lease of office building	440	1,054
	593	1,130

#### Warranty provision

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

	£'000	£'000
Beginning of year	76	113
Utilisation of provision	(141)	(186)
Provided during the year	218	149
End of year	153	76

# Bio-Rad Laboratories Limited

## Notes to the accounts

### Year ended 31 December 2005

#### *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	1,054	-
Provided during the year	-	1,064
Utilised during the year	(614)	(10)
End of year	440	1,054

As explained in Note 16 below, the ultimate parent company was able to negotiate an early termination of the onerous lease in June 2005, but significant costs were incurred by Bio-Rad Laboratories Ltd in relation to the lease and are still continuing to a lesser extent since that date.

#### 14. Called up share capital

	2005 £'000	2004 £'000
Authorised, allotted, called up and fully paid: 100,000 ordinary shares of £1 each	100	100

#### 15. Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Profit / (loss) on ordinary activities after taxation	1,230	(38)
Opening shareholders' funds	5,914	5,952
Closing shareholders' funds	7,144	5,914

#### 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-subsiidiary Bio-Rad Microscience Limited on 23 December 2004, that company's existing long-term leases of certain buildings transferred to Bio-Rad Laboratories Limited. The annual rent on these leases was £631,000. Subsequently a deal was negotiated with the lessor whereby in consideration for an early termination payment made by the ultimate parent company the lease was broken leaving the company free to vacate the premises and move to more suitable accommodation nearby.

# Bio-Rad Laboratories Limited

## Notes to the accounts

### Year ended 31 December 2005

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

	2005		2004	
	Plant and machinery £'000	Property £'000	Plant and machinery £'000	Property £'000
Expiry date:				
- within 1 year	33	-	37	-
- within 2-5 years	269	-	237	631
- over 5 years	-	260	-	-

#### Contingent liabilities

The company has made a Duty Deferment Guarantee to HM Revenue and Customs of £250,000 (2004: £250,000).

#### Pension arrangements

The company participates in a defined contribution pension scheme. The pension charge for the year was £139,656 (2004 – £127,846). At the end of the year the accrued pension contributions were £nil (2004-£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.