

Company Registration No. 3044694

Bio-Rad Laboratories Limited

Report and Financial Statements

31 December 2008

FRIDAY



LSBBZHN2

LD5

19/02/2010

11

COMPANIES HOUSE

Bio-Rad Laboratories Limited

Report and financial statements 2008

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

201

Bio-Rad Laboratories Limited

Report and financial statements 2008

Officers and professional advisers

Directors

D Schwartz
D W Forrester
N Schwartz

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 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 2008

Business review and principal activities

The company is a wholly owned subsidiary of Bio-Metrics (UK) Limited, registered in England and Wales, which is in turn a wholly owned subsidiary of Bio-Rad Laboratories, Inc, an entity incorporated in the United States of America

The principal activities of the company are sales of chemicals, infra-red spectra of chemical compounds and equipment for medical and research purposes. It sells directly to medical establishments in the UK, and indirectly in the UK and worldwide through its fellow-subsiidiaries and through its one branch in Israel. The directors are not aware of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 7, the company's sales have increased by 12% over 2007 but cost of sales has increased by only 4%, which had the effect of increasing gross profit by 31% over the prior year. Operating expenses increased by 26%, largely owing to increased intercompany commissions payable, but because this was a lower increment than that of gross profit the overall increase on 2007 at pre-tax profit level was 63%.

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end is broadly consistent with the previous year in terms of net assets apart from the investment in the DiaMed distributorship (see note 8) and movements in balances with fellow subsidiaries. Net assets as at 31 December 2008 were £12,932,000 (£10,299,000).

The directors do not recommend payment of a dividend (2007: £nil).

The audited financial statements for the year ended 31 December 2008 are set out on pages 7 to 19.

Directors

The directors who served throughout the year and subsequently were as follows:

D. Schwartz
D. W. Forrester
N. Schwartz

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies per note 1 to the financial statements.

Bio-Rad Laboratories Limited

Directors' report (continued)

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 them if required.

Principal risks and uncertainties

The recession in 2009 is showing pressure on NHS budgets, in particular with regard to capital expenditure on instruments. BioRad is focusing on providing flexible solutions to retain its competitive advantage.

Much of the company's business is transacted with the NHS either directly or indirectly, where significant long term relationships have been built, and overall indications are that the market for the company's products will continue into the foreseeable future.

Environment

The company's activities are considered by the directors to have no environmental impact.

Employees

Details of the number of employees and related costs can be found in note 6 to the financial statements on page 12.

Auditor disclosure

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234 ZA of the Companies Act 1985.

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



N. Schwartz
Director

Feb 18, 2010

Bio-Rad Laboratories Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that 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 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 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 within it.

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.

**Independent auditors' report to the members of
Bio-Rad Laboratories Limited (continued)**

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 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

14th February 2010

Bio-Rad Laboratories Limited

Profit and loss account Year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Turnover	1,2	52,896	47,426
Cost of sales		(34,913)	(33,654)
Gross profit		17,983	13,772
Other operating expenses	3	(15,207)	(12,076)
Operating profit		2,776	1,696
Interest receivable and similar income (net)	4	79	56
Profit on ordinary activities before taxation	5	2,855	1,752
Tax on profit on ordinary activities	7	(311)	(75)
Retained profit for the financial year	16	2,544	1,677

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 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Fixed asset investment	8	12,060	-
Tangible assets	9	696	841
		<u>12,756</u>	<u>841</u>
Current assets			
Stock	10	3,377	3,587
Debtors - due within one year	11	16,979	12,795
- due after more than one year	11	8,388	4,810
Cash at bank and in hand		2,692	1,271
		<u>31,436</u>	<u>22,463</u>
Creditors: amounts falling due within one year	12	<u>(28,886)</u>	<u>(10,645)</u>
Net current assets		<u>2,550</u>	<u>11,818</u>
Total assets less current liabilities		<u>15,306</u>	<u>12,659</u>
Creditors: amounts falling due after more than one year	13	<u>(2,260)</u>	<u>(2,260)</u>
Provisions	14	<u>(114)</u>	<u>(100)</u>
Net assets		<u>12,932</u>	<u>10,299</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	12,832	10,199
Total shareholders' funds	17	<u>12,932</u>	<u>10,299</u>

These financial statements were approved and authorised for issue by the Board of Directors on Feb 16, 2010

Signed on behalf of the Board of Directors



N Schwartz
Director

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

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, with the exception of the policy for share-based payments, 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 except for share-based payments where a valuation model is used

Going concern

The company's business activity is described in the directors' report, which also describes its financial position and its exposure to financial risks. The company is financed by share capital and a loan from a fellow subsidiary undertaking and has no third party debt. The loan continues for one year, with automatic annual renewals, but may be terminated by either the borrower or lender by giving 30 days written notice. The loan is guaranteed by Bio-Rad Laboratories, Inc., the ultimate parent company of Bio-Rad Laboratories Ltd, so that Bio-Rad Laboratories, Inc. will guarantee any and all obligations of the borrower under the loan agreement.

Bio-Rad Laboratories Limited has considerable financial resources and as a consequence the directors believe that the company is well placed to manage its business successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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.

Basis of consolidation

The directors have not prepared consolidated financial statements as permitted by section 228A of Companies Act 1985, as the results of the group are consolidated in the publicly available financial statements of Bio-Rad Laboratories, Inc., a company incorporated in the USA.

Investments

Fixed asset investments are stated at cost, less provision for impairment.

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	10%-33 33%

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.

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

1. Accounting policies (continued)

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

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. Revenue is recognised upon provision of goods and services to customers

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

Share-based payments

The company has applied the requirements of FRS 20 Share-based Payments. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

Share-based payments (continued)

The company's US parent, Bio-Rad Laboratories, Inc, issued equity-settled share-based payments (share options and restricted stock units) to certain employees under its 2003 STOCK OPTION PLAN and its 2007 INCENTIVE AWARD PLAN. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2. Turnover

The turnover and 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.

	2008 £'000	2007 £'000
United Kingdom	25,314	24,285
Europe	25,511	23,070
Middle East	1,988	7
Africa	83	60
Other	-	4
	<u>52,896</u>	<u>47,426</u>

3. Other operating expenses

	2008 £'000	2007 £'000
Distribution costs	13,549	10,629
Administrative expenses	1,658	1,447
	<u>15,207</u>	<u>12,076</u>

4. Interest receivable and similar income (net)

	2008 £'000	2007 £'000
Interest receivable and similar income:		
Bank interest income	28	24
Other interest income	84	1
Interest receivable from other group undertakings	7	31
Interest payable and similar charges:		
Interest payable to other group undertakings	(40)	-
	<u>79</u>	<u>56</u>

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

5 Profit on ordinary activities before taxation

Stated after charging / (crediting)

	2008 £'000	2007 £'000
Depreciation and amounts written off owned tangible fixed assets	391	441
Operating lease rentals		
- plant and machinery	353	351
- property	300	300
Exchange (gains) / losses	(833)	126
Auditors' remuneration		
- other services	22	91

The audit fees of £71,000 (2007 £70,000) were borne by the ultimate parent company

6. Information regarding directors and employees

	2008 No.	2007 No.
Average number of persons employed (including executive directors)		
Administration	31	28
Sales and distribution	87	87
	118	115
	£'000	£'000
Staff costs during the year (including executive directors)		
Wages and salaries	4,610	4,521
Social security costs	510	483
Pension costs (<i>see note 18</i>)	243	226
	5,363	5,230
	£'000	£'000
Directors' remuneration		
Emoluments	309	414
Company contributions to money purchase pension schemes	16	22
	325	436
	No.	No.
Number of directors who are members of money purchase pension schemes	1	2
	£'000	£'000
Emoluments of highest paid director	309	281

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

7. Tax on profit on ordinary activities

	2008 £'000	2007 £'000
Current year tax charge	182	15
Current year deferred tax charge (<i>see note 11</i>)	91	173
Adjustments in respect of prior years - current taxation	38	(113)
	<u>311</u>	<u>75</u>

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

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	2,855	1,752
Tax at 28.5% thereon (2007 30%)	814	526
Expenses not deductible for tax purposes	15	40
Other short term timing differences	(71)	(77)
Group relief	(576)	(474)
Current tax charge for year	<u>182</u>	<u>15</u>

8. Fixed asset investment

Company	2008 £'000	2007 £'000
DiaMed (G B) Limited	<u>12,060</u>	<u>-</u>

In December 2008 the company acquired 100% of the share capital of the Scotland-based company DiaMed (G B) Limited, registered in the United Kingdom, which acts as a distributorship for the products of the Swiss group DiaMed AG acquired in 2007 by Bio-Rad Laboratories, Inc. The purchase cost of £12,060k was funded by a long-term loan of £15 million from DiaMed AG (*see note 13*)

No revaluation nor provision for depreciation or diminution in value has been applied to the purchase price of this investment

At the end of 2008 the capital and reserves of DiaMed (G B) Limited amounted to approximately £4.8 million. The profit for the period ended 31 December 2008 was £438,000. These figures are however unaudited as the first audited financial statements will be made up to 31 December 2009.

Bio-Rad Laboratories Limited

Notes to the accounts Year ended 31 December 2008

9. Tangible fixed assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 January 2008	287	2,706	2,993
Additions	52	224	276
Disposals	-	(212)	(212)
At 31 December 2008	339	2,718	3,057
Accumulated depreciation			
At 1 January 2008	86	2,066	2,152
Charge for the year	55	336	391
Disposals	-	(182)	(182)
At 31 December 2008	141	2,220	2,361
Net book value			
At 31 December 2008	198	498	696
At 31 December 2007	201	640	841

10. Stock

	2008 £'000	2007 £'000
Finished goods and goods for resale	3,377	3,587

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 2008

11. Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Trade debtors	8,430	7,610
Amounts owed by other group undertakings	6,388	2,309
UK corporation tax	581	1,022
Prepayments and accrued income	1,271	1,454
Deferred tax	309	400
	<u>16,979</u>	<u>12,795</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>8,388</u>	<u>4,810</u>
	<u>25,367</u>	<u>17,605</u>

All receivables and payables falling due within 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 £nil (2007 £245k) to a fellow-subsiary bearing interest at 4% per annum, the remaining amount comprises interest-free loans to fellow-subsiaries.

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	400	573
Charged to profit and loss account		
Current year movement	(91)	(139)
Prior year adjustment	-	(34)
	<u>309</u>	<u>400</u>
End of year		

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

12. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	277	335
Overdraft	-	311
Amounts owed to other group undertakings	25,175	6,485
Other taxes and social security	442	336
Other creditors	563	1,342
Accruals and deferred income	2,429	1,836
	<u>28,886</u>	<u>10,645</u>

The above amount owed to other group undertakings for 2008 includes a loan of £15 million from DiaMed AG to finance the acquisition of the DiaMed investment, plus accrued interest at 3% per annum totalling £29k. The loan continues for one year, with automatic annual renewals, but may be terminated by either the borrower or lender by giving 30 days written notice. The loan is guaranteed by Bio-Rad Laboratories, Inc., the ultimate parent company of Bio-Rad Laboratories Ltd, so that Bio-Rad Laboratories, Inc. will guarantee any and all obligations of the borrower under the loan agreement.

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

	2008 £'000	2007 £'000
Amounts owed to other group undertakings	<u>2,260</u>	<u>2,260</u>

Amounts owed to other group undertakings falling due after more than one year relate to an interest-free loan payable to a dormant fellow-subsidary with a period of settlement after five years.

14. Provisions for liabilities

	2008 £'000	2007 £'000
Provision for warranties	<u>114</u>	<u>100</u>

Warranty provision

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

	£'000	£'000
Beginning of year	100	125
Utilisation of provision	(192)	(186)
Provided during the year	<u>206</u>	<u>161</u>
End of year	<u>114</u>	<u>100</u>

Warranties are for a period of one year

Bio-Rad Laboratories Limited

Notes to the accounts Year ended 31 December 2008

15. Called up share capital

	2008 £'000	2007 £'000
Authorised, allotted, called up and fully paid: 100,000 ordinary shares of £1 each	100	100

16. Profit and loss account

	£'000
At 1 January 2008	10,199
Profit for the financial year	2,544
Additional capital contribution (share-based payments)	89
At 31 December 2008	12,832

17. Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Profit on ordinary activities after taxation	2,544	1,677
Additional capital contribution (share-based payments)	89	53
Opening shareholders' funds	10,299	8,569
Closing shareholders' funds	12,932	10,299

18. 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

	2008		2007	
	Plant and machinery £'000	Property £'000	Plant and machinery £'000	Property £'000
Expiry date				
- within 1 year	49	-	47	-
- within 2-5 years	488	975	239	1275
- over 5 years	-	0	-	-

Contingent liabilities

The company has made a Duty Deferment Guarantee to HM Revenue and Customs of £60,000 (2007 £501,814)

Pension arrangements

The company participates in a defined contribution pension scheme. The pension charge for the year was £243,123 (2007 – £225,980). At the end of the year the accrued pension contributions were £nil (2007 – £nil).

gal

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

19. Share-based payments

The company participates in a equity-settled share option scheme administered by the ultimate parent undertaking. Options are exercisable at a price equal to the average quoted market price of the company shares on the date of grant. The vesting period is five years. If the options remain unexercisable after a period of ten years from the grant date the options expire. Options are forfeited if the employee leaves the company before the options vest.

The 2007 Incentive Award Plan was approved in April 2007. The plan authorises the grant to employees of stock options, restricted stock awards, stock appreciation rights and other types of equity awards. Generally stock awards issued under this plan vest in increments of 20% per year over a five-year period on the yearly anniversary date of the grant. Only restricted stock units ("RSU's") were granted to company's employees during the year under this plan.

The share-based payments charge for the year was £89k (2007 £53k).

Details of the options outstanding during the year are as follows

	2008		2007	
	Number of options	Weighted average exercise price (\$)	Number of options	Weighted average exercise price (\$)
Outstanding at the beginning of the period	15,294	51 7302	24,377	51 8702
Granted during the period	-	-	-	-
Forfeited during the period	(355)	58 6987	(3,066)	60 2156
Exercised during the period	(4,653)	51 1214	(6,017)	47 7736
Outstanding at the end of the period	10,286	51 7652	15,294	51 7302
Exercisable at the end of the period	3,550	36 5439	3,936	35 1770

Fair value

The fair value of share options is estimated using the Black-Scholes option pricing model, which takes into account assumptions such as dividend yield, risk-free interest rate, expected stock price volatility and the expected life of the options.

The weighted average fair value of share options granted was \$27.69 and \$19.66 for the years ended 31 December, 2006 and 2005 respectively. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model, utilising the following weighted average assumptions:

	2006	2005
Dividend yield	-	-
Expected volatility	35.57%	36.81%
Risk-free interest rate	4.43%	3.408%
Expected life	6.5 years	4.25 years

The dividend yield assumption is excluded from the calculation, as it is the present intention to retain all earnings. The expected volatility is based on a combination of the historical stock price and implied volatility.

Bio-Rad Laboratories Limited

Notes to the accounts

Year ended 31 December 2008

19. Share-based payments (continued)

The selection of implied volatility data to estimate expected volatility is based upon the availability of actively traded options on the stock. The risk-free interest rate is based upon the US Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the options.

Share options are 100% of fair market value on the date of grant. The share options outstanding during the year were granted as follows:

2005

On 9 February 2005 options in Bio-Rad Laboratories, Inc. were granted with an exercisable price of \$57.49. The options become exercisable with respect to 20% of the shares on the first, second, third, fourth and fifth anniversaries of the date of grant. The share options expire ten years from the date of grant and are subject to earlier termination under certain conditions.

2006

On 3 April 2006 options in Bio-Rad Laboratories, Inc. were granted with an exercisable price of \$62.47. The options become exercisable with respect to 20% of the shares on the first, second, third, fourth and fifth anniversaries of the date of grant. The share options expire ten years from the date of grant and are subject to earlier termination under certain conditions.

Details of the RSU's outstanding during the year are as follows:

	2008		2007	
	Number of units	Weighted average purchase price (\$)	Number of units	Weighted average purchase price (\$)
Outstanding at the beginning of the period	2,850	-	-	-
Granted during the period	4,220	-	3,850	-
Forfeited during the period	(85)	-	(1,000)	-
Released during the period	(553)	-	-	-
Outstanding at the end of the period	6,432	-	2,850	-
Exercisable at the end of the period	-	-	-	-

20. 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 and smallest 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 ultimate controlling party of the group is D Schwartz.

Because the company is a wholly-owned subsidiary of Bio-Rad Laboratories, Inc. as stated above, it is exempt (S 228A Companies Act 85) from producing consolidated accounts following its acquisition of DiaMed (G B) Limited.