Registered No: 4651692

Aquacheck Limited

Report and Financial Statements

31 March 2008

Registered No: 4651692

Directors
G B Battersby
D G Richardson

Secretary
M Chow

Bankers
HSBC Bank Plc
54 Clarence Street
Kingston-upon-Thames
Surrey
KT1 0NJ

The Royal Bank of Scotland
40 The Rock
Bury
Lancashire
BL9 0NX

Bank of Scotland
600 Gorgie Road
Edinburgh
EH11 3XP

Registered Office
Queens Road
Teddington
Middlesex
TW11 0LY

Directors' report

The directors present their report and financial statements for the year ended 31 March 2008.

Results and dividends

The company was dormant within the meaning of section 249AA of the Companies Act 1985 throughout the accounting period ending at the date of this balance sheet.

No members have required the company to obtain an audit of the accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records which comply with section 221; and
- Preparing accounts which give a true and fair view of the state of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 226, and otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Principal activities, business review and future developments

On 31 March 2007, the operations of the company were sold to LGC Limited.

A full review of the Group's business and future developments is disclosed in the accounts of the parent undertaking, LGC Group Holdings Limited.

Directors and their interests

The directors during the year were as follows:

G B Battersby
D G Richardson (appointed 3 December 2007)
R D Worswick (resigned 3 December 2007)

The directors did not have any beneficial interest in the company. The directors' interests in the company's ultimate parent undertaking, LGC Group Holdings Limited, are disclosed in that company's financial statements.

During the year Key Person Insurance was maintained in respect of Mr Battersby.

By order of the board

M Chow
Secretary
17 September 2008

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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Profit and Loss account
for the year ended 31 March 2008

	Notes	2008 £000	2007 £000
Turnover	2	-	1,043
Raw materials and consumables		-	(230)
Staff costs	5	-	(288)
Depreciation and amortisation		-	(66)
Other external charges		-	(105)
Profit on ordinary activities before interest and tax	3	-	354
Interest receivable	6	-	7
Interest payable and similar charges	7	-	(12)
Profit on disposal of operations		-	887
Profit on ordinary activities before taxation		-	1,236
Taxation	8	-	(12)
Profit for the period	11	-	1,224

The results above relate to discontinuing activities.

Statement of total recognised gains and losses

There are no recognised gains or losses other than those shown in the profit and loss account.

Balance Sheet
at 31 March 2008

	Notes	2008 £000	2007 £000
Current assets			
Debtors	9	**1,539**	1,539
Net current assets		**1,539**	1,539
Net assets		**1,539**	1,539
Capital and reserves			
Called up share capital	10	**150**	150
Profit and loss account	11	**1,389**	1,389
Shareholders' funds - equity	11	**1,539**	1,539

The company was dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the accounting period ending at the date of this balance sheet.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- ensuring the company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 226, and otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

D G Richardson
Director

G B Battersby
Director

17 September 2008

Balance Sheet
at 31 March 2008

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Statement of cash flows

In accordance with FRS 1 (Revised), the company is exempt from the requirement to prepare a statement of cash flows as it is a wholly owned subsidiary of LGC Group Holdings Limited which presents publicly available consolidated financial statements that incorporate the company.

Tangible fixed assets

Tangible fixed assets are recorded at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the original cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold property	-	period of lease
Scientific equipment	-	4 years
Computers	-	4 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Stock and work in progress

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Research and development

General research and development expenditure is written off as incurred.

Balance Sheet
at 31 March 2008

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent, at the balance sheet date , that there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred tax that would arise on remittance of retained earnings of overseas subsidiaries and associates, only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reversed, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account, except where hedge accounting is applied. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Financial instruments

The company uses forward exchange contracts to manage the financial risks associated with the company's underlying business activities and the financing of these activities. The company's policy is to not undertake trading activity in financial instruments.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds.

Leasing commitments

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the useful lives of the relevant assets by equal annual instalments.

Balance Sheet
at 31 March 2008

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced in respect of the principal activities of the company as described in the directors' report. All turnover was generated in the UK.

Turnover by destination is analysed as follows:	***2008***	*2007*
	£000	*£000*
UK	-	511
Europe	-	465
Rest of the world	-	67
	-	1,043

3. Operating profit

This is stated after charging:		***2008***	*2007*
		£000	*£000*
Auditors' remuneration	- audit services	-	5
Depreciation of owned fixed assets		-	66
Operating lease rentals	- land and buildings	-	12
	- plant and machinery	-	2

4. Directors' emoluments

Certain directors of the company are also directors of the parent undertaking and fellow subsidiary undertakings. Directors received remuneration in respect of their services to the group as shown in the financial statements of LGC Group Holdings Limited. It is not possible to identify the amounts relating to services to the company. In the prior year, a number of the directors were employed directly by the company, director's remuneration during the year totalled £nil (2007 - £28,523).

Balance Sheet
at 31 March 2008

5. Staff costs

	2008	2007
	£000	£000
Wages and salaries	-	264
Social security costs	-	24
	-	288

The average monthly number of employees during the year was as follows:

	2008	2007
	No.	No.
Direct scientific staff	-	6
Administration and management	-	9
Total	-	15

6. Interest receivable

	2008	2007
	£000	£000
Bank interest receivable	-	7
	-	7

7. Interest payable and similar charges

	2008	2007
	£000	£000
Bank loans and overdrafts	-	1
Interest on finance lease obligations	-	11
	-	12

8. Taxation

(a) Analysis of charge in year:	2008	2007
	£000	£000
Current tax		
UK corporation tax on the profit for the year	-	12
Total tax charge for year	-	12

Balance Sheet
at 31 March 2008

8. Taxation (continued)

(b) Factors affecting current tax charge for the year:	Notes	2008 £000	2007 £000
Profit on ordinary activities before taxation		-	1,236
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)		-	371
Effects of:			
Expenses not deductible for tax purposes		-	3
Depreciation greater than/(less than) capital allowances		-	7
Non taxable income		-	(267)
Group relief received for no payment		-	(102)
Current tax for the year	8(a)	-	12

9. Debtors

	2008 £000	2007 £000
Amounts owed by group undertakings	**1,539**	1,539
	1,539	1,539

10. Share capital

	Authorised	
	2008 £000	2007 £000
Ordinary shares of £1 each	**150**	150

	Allotted, called up and fully paid			
	2008 No.	2007 No.	2008 £000	2007 £000
Ordinary shares of £1 each	**150,000**	150,000	**150**	150

Balance Sheet
at 31 March 2008

11. Reconciliation of shareholders' funds to movements on reserves

	Share capital £000	*Profit and loss account £000*	*Total £000*
At 1 April 2006	150	165	315
Profit for the period	-	1,224	1,224
At 1 April 2007	150	1,389	1,539
Profit for the year	-	-	-
At 31 March 2008	**150**	**1,389**	**1,539**

12. Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with other members of the LGC Group Holdings Limited group.

13. Parent undertaking and controlling party

The immediate parent undertaking is Quality Management Limited.

The ultimate controlling party of the company is LGV 3 Private Equity Fund Limited Partnership, an English Limited Partnership which is made up of a number of investors. None of the investors has a controlling interest in the partnership.

The ultimate parent undertaking is LGC Group Holdings Limited, which is the parent of the smallest and largest group to consolidate these financial statements. Copies of LGC Group Holdings Limited consolidated financial statements can be obtained from the Companies House web site on http://www.companieshouse.co.uk.

14. Contingent liabilities

The company and other subsidiaries of LGC Group Holdings Limited have provided guarantees and granted security to support the syndicated bank borrowing arrangements of the LGC group. These arrangements provide term loan and guarantee facilities which are repayable by instalments up to 31 March 2013. At 31 March 2008, total facilities amounted to the sterling equivalent of £49.3m, of which £42.5m was drawn down.