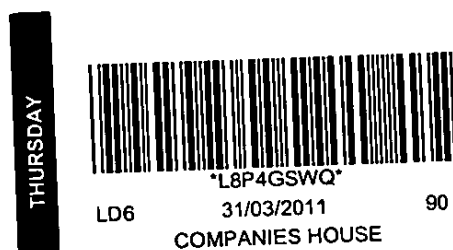


Financial statements Bioline Reagents Limited

For the Year Ended 30 September 2010



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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 September 2010

Principal activities

The principal activity of the company during the year was the development and sale of reagents for molecular biology

Directors

The directors who served the company during the year were as follows

Mr M J Calzavara
Miss K Hirani
Mr A Parker

Directors' responsibilities

The directors are responsible for preparing the Directors' 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

Grant Thornton UK LLP were appointed as auditors on 10 September 2010 to fill a casual vacancy in accordance with Section 485(3) of the Companies Act 2006. Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

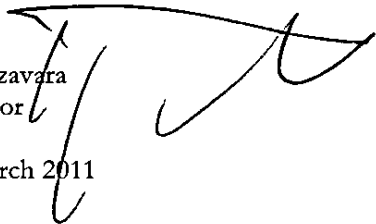
Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD

M Calzavara
Director

30 March 2011

A large, stylized handwritten signature in black ink, likely belonging to M Calzavara, is written over the printed name and date.



Independent auditor's report to the members of Bioline Reagents Limited

We have audited the financial statements of Bioline Reagents Limited for the year ended 30 September 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. Due to the matter described in the Basis for qualified opinion on the profit and loss account paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the profit and loss account.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for qualified opinion on the profit and loss account

With respect to prior year stock having a carrying amount of £102,650, the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 30 September 2009, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. Since opening stock enters into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported on the profit and loss account.

Qualified opinion on profit and loss account

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the profit and loss account:

- give a true and fair view of its profit for the year ended 30 September 2010,
- have been properly prepared in accordance with United Kingdom Generally Accepted and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of Bioline Reagents Limited (continued)

Opinion on the balance sheet

In our opinion the balance sheet

- give a true and fair view of the state of the company's affairs as at 30 September 2010,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- return adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made

Other matters

In the prior year the company was exempt from an audit under the Companies Act 2006. During the year ended 30 September 2010, the company became a wholly owned subsidiary of Meridian Bioscience, Inc. As a consequence, the financial statements for the year ended 30 September 2010 were required to be audited for the first time



Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

31 March 2011

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Research and development

Research and development expenditure is written off in the year in which it is incurred

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

License and Issuance Fees	- 5 years
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Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery	- 4 years
Motor Vehicles	- 4 years

Stocks

Stocks are calculated at average selling prices and reduced by appropriate margins to the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

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 at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

Profit and loss account

	Note	2010 £	2009 £
Turnover		917,328	942,404
Cost of sales		492,706	645,266
Gross profit		424,622	297,138
Other operating charges	1	252,755	264,815
Operating profit	2	171,867	32,323
Interest receivable		2	—
Interest payable and similar charges		—	(91)
Profit on ordinary activities before taxation		171,869	32,232
Tax on profit on ordinary activities	4	51,057	4,100
Profit for the financial year	14	120,812	28,132

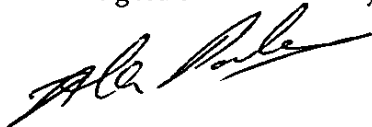
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Intangible assets	6	363,866	33,708
Tangible assets	7	8,703	13,054
		<u>372,569</u>	<u>46,762</u>
Current assets			
Stocks		275,004	102,650
Debtors	8	162,541	141,263
Cash at bank		148,303	75,956
		<u>585,848</u>	<u>319,869</u>
Creditors' amounts falling due within one year	9	<u>527,810</u>	<u>152,072</u>
Net current assets		<u>58,038</u>	<u>167,797</u>
Total assets less current liabilities		<u>430,607</u>	<u>214,559</u>
Creditors' amounts falling due after more than one year	10	94,886	—
Provisions for liabilities			
Deferred taxation	11	2,350	—
		<u>333,371</u>	<u>214,559</u>
Capital and reserves			
Called-up equity share capital	13	100	100
Profit and loss account	14	333,271	214,459
Shareholders' funds		<u>333,371</u>	<u>214,559</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 30 March 2011, and are signed on their behalf by



A Parker
Director

Company Registration Number 04838884

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating charges

	2010	2009
	£	£
Administrative expenses	<u>252,755</u>	<u>264,815</u>

2 Operating profit

Operating profit is stated after charging

	2010	2009
	£	£
Auditor's fees	<u>3,000</u>	<u>–</u>

3 Directors

Remuneration in respect of directors was as follows

	2010	2009
	£	£
Remuneration	<u>62,500</u>	<u>18,384</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2010	2009
	No	No
Money purchase schemes	<u>1</u>	<u>–</u>

4 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 21%)	48,707	4,100
Total current tax	<u>48,707</u>	<u>4,100</u>
Deferred tax		
Origination and reversal of timing differences (note 11)		
Capital allowances	2,350	-
Tax on profit on ordinary activities	<u>51,057</u>	<u>4,100</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 21%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>171,869</u>	<u>32,232</u>
Profit on ordinary activities by rate of tax	48,123	4,100
Tax chargeable at lower rates	(87)	-
Movement in deferred tax	671	-
Total current tax (note 4(a))	<u>48,707</u>	<u>4,100</u>

5 Dividends

Dividends on shares classed as equity

	2010 £	2009 £
Paid during the year		
Dividends on equity shares	<u>2,000</u>	<u>-</u>

6 Intangible fixed assets

	License and Issuance Fees £
Cost	
At 1 October 2009	56,180
Additions	353,326
At 30 September 2010	<u>409,506</u>
Amortisation	
At 1 October 2009	22,472
Charge for the year	23,168
At 30 September 2010	<u>45,640</u>
Net book value	
At 30 September 2010	<u>363,866</u>
At 30 September 2009	<u>33,708</u>

7 Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Total £
Cost			
At 1 October 2009	17,405	3,654	21,059
Disposals	—	(3,654)	(3,654)
At 30 September 2010	<u>17,405</u>	<u>—</u>	<u>17,405</u>
Depreciation			
At 1 October 2009	4,351	3,654	8,005
Charge for the year	4,351	—	4,351
On disposals	—	(3,654)	(3,654)
At 30 September 2010	<u>8,702</u>	<u>—</u>	<u>8,702</u>
Net book value			
At 30 September 2010	<u>8,703</u>	<u>—</u>	<u>8,703</u>
At 30 September 2009	<u>13,054</u>	<u>—</u>	<u>13,054</u>

8 Debtors

	2010	2009
	£	£
Trade debtors	57,510	135,895
Amounts owed by group undertakings	100,973	—
Other debtors	4,058	5,368
	<u>162,541</u>	<u>141,263</u>

9 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	4,278	18,307
Amounts owed to group undertakings	263,289	—
Corporation tax	18,707	—
Other taxation	11,415	5,026
Other creditors	230,121	128,739
	<u>527,810</u>	<u>152,072</u>

10 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Other creditors	<u>94,886</u>	<u>—</u>

11 Deferred taxation

The movement in the deferred taxation provision during the year was

	2010	2009
	£	£
Profit and loss account movement arising during the year	2,350	—
Provision carried forward	<u>2,350</u>	<u>—</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2010	2009
	£	£
Accelerated capital allowances	<u>2,350</u>	<u>—</u>

12 Related party transactions

During the year, the company sold a vehicle for £1,580 to Mr M Calzavara, a director of the company. Nothing was outstanding at the date of the balance sheet.

During the year, the company paid £16,000 to Barringham Limited, a company controlled by Mr M Calzavara, a director of the company, for the lease of premises. £4,000 was included as prepayment at the date of the balance sheet.

No other transactions with related parties were undertaken such as are required to be disclosed under FRSSE.

13 Share capital

Allotted, called up and fully paid

	2010		2009	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14 Profit and loss account

	2010	2009
	£	£
Balance brought forward	214,459	186,327
Profit for the financial year	120,812	28,132
Equity dividends	(2,000)	—
Balance carried forward	<u>333,271</u>	<u>214,459</u>

15 Contingencies

The directors have confirmed that there were no contingent liabilities which should be disclosed at 30 September 2010 or 30 September 2009.

16 Capital commitments

The directors have confirmed that there were no capital commitments at 30 September 2010 or 30 September 2009.

17 Ultimate parent undertaking

The ultimate parent undertaking and controlling related party is Meridian Bioscience Inc, a company incorporated in the United States of America and quoted on the NASDAQ, which is also the parent undertaking of the largest and smallest group which consolidates the balance sheet and the results of the company.