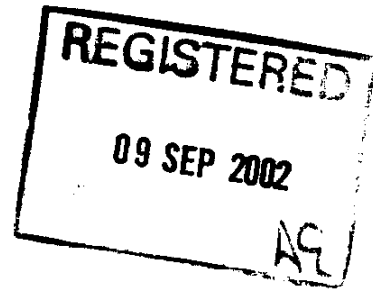


RANDOX LABORATORIES LIMITED

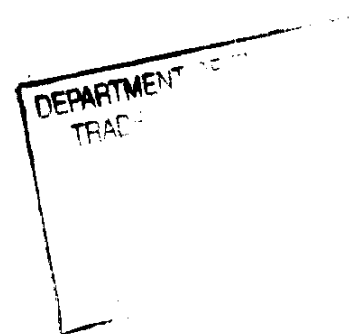
Company No: NI-15738



FINANCIAL STATEMENTS

- for the year ended -

31ST DECEMBER 2001



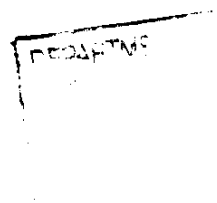
**T MURPHY & CO
CHARTERED ACCOUNTANTS
43 Lockview Road
BELFAST, BT9 5FJ**

RANDEX LABORATORIES LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

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| 5 | Balance sheet |
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RANDEX LABORATORIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company continues to develop, manufacture and market biotechnology products, with special emphasis on enzymes and enzyme-related products.

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Profit for the year after taxation was	714,530	1,384,772
Dividends paid	287,600	230,000
Leaving amounts to be transferred to reserves	426,930	1,154,772
Retained profits now amount to	13,824,643	13,397,713

Results continue to be pleasing. The directors expect that profitability will continue to be maintained in the future.

DIVIDENDS

The directors have paid an interim dividend amounting to £287,600, and they do not recommend payment of a final dividend.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

		<u>Number of shares</u>	
<u>Class of shares</u>		<u>2001</u>	<u>2000</u>
Dr. S.P. Fitzgerald	Ordinary shares of £1 each	88,200	88,200
Mr. R.J. Fitzgerald	Ordinary shares of £1 each	900	900
Mrs. R.J. Fitzgerald	Ordinary shares of £1 each	900	900
Mr. C.M. Fitzgerald	Ordinary shares of £1 each	-	-

RANDEX LABORATORIES LIMITED

REPORT OF THE DIRECTORS (Continued)

DIRECTORS' RESPONSIBILITIES

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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

AUDITORS

T Murphy & Co acted as auditors for the year and now offer themselves for re-appointment in accordance with Article 392 of the Companies (Northern Ireland) Order 1986.

By Order of the Board

Date: 9 August 2002

Secretary

T. G. Murphy B.Sc.(Econ.), F.C.A.
R. P. Kelly B.Sc., F.C.A., M.A.B.R.P., M.A.E.

43 Lockview Road, Belfast BT9 5FJ
Tel: 028 90 381755
Fax: 028 90 381744
E-Mail: terry@tmurphy-co.fsnet.co.uk

AUDITORS' REPORT TO THE SHAREHOLDERS OF RANDOX LABORATORIES LTD

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we have considered the recoverability of amounts owed by group undertakings which amount to £4,427,610. The recoverability of these amounts is dependent on the future profitability and solvency of the subsidiary companies involved. The directors are confident that these balances will be recoverable in full. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.


T MURPHY & CO
REGISTERED AUDITORS

Date: 12 August 2002

43 Lockview Road
BELFAST
BT9 5FJ

RANDOX LABORATORIES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2001**

	Notes	2001 £	2000 £
TURNOVER	2	21,761,728	19,479,633
Cost of sales		(15,015,968)	(12,615,542)
GROSS PROFIT		6,745,760	6,864,091
Administrative expenses		(6,675,211)	(5,985,105)
		70,549	878,986
Other operating income		1,795,247	1,044,353
OPERATING PROFIT	3	1,865,796	1,923,339
Interest receivable		81,802	1,545
Interest payable and similar charges	4	(963,824)	(1,172,416)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		983,774	752,468
Tax on profit on ordinary activities	7	(269,244)	632,304
PROFIT FOR THE FINANCIAL YEAR		714,530	1,384,772
Dividends	8	(287,600)	(230,000)
RETAINED PROFIT FOR THE YEAR	20	426,930	1,154,772

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 17 form part of these financial statements.

RANDOX LABORATORIES LIMITED**BALANCE SHEET AT 31ST DECEMBER 2001**

	Notes	2001 £	2000 £
FIXED ASSETS			
Intangible assets	9	6,792,024	4,965,418
Tangible assets	10	8,915,529	6,473,374
Investments	11	239,450	170,950
		15,947,003	11,609,742
CURRENT ASSETS			
Stocks	12	7,719,284	7,776,857
Debtors	13	10,584,824	9,596,635
Investments	14	77,000	313,049
		18,381,108	17,686,541
CREDITORS: Amounts falling due within one year	15	(7,984,060)	(9,088,302)
NET CURRENT ASSETS		10,397,048	8,598,239
TOTAL ASSETS LESS CURRENT LIABILITIES		26,344,051	20,207,981
CREDITORS: Amounts falling due after more than one year	16	(8,909,839)	(3,350,476)
PROVISIONS FOR LIABILITIES AND CHARGES	18	(1,592,102)	(1,335,198)
ACCRUALS AND DEFERRED INCOME			
Deferred government grants		(1,927,467)	(1,974,594)
NET ASSETS		13,914,643	13,547,713
CAPITAL AND RESERVES			
Called up share capital	19	90,000	150,000
Profit and loss account	20	13,824,643	13,397,713
SHAREHOLDERS FUNDS	21	13,914,643	13,547,713

The financial statements were approved by the board on 9 August 2002 and signed on its behalf by:


Dr. S.P. FITZGERALD

Director

The notes on pages 7 to 17 form part of these financial statements.

RANDEX LABORATORIES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2001**

	Notes	2001 £	2000 £
CASH FLOW FROM OPERATING ACTIVITIES	22	7,388,027	3,370,478
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23	(645,973)	(479,531)
TAXATION		(12,340)	100,906
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23	(11,085,731)	(6,147,437)
EQUITY DIVIDENDS PAID		(87,600)	(230,000)
Cash outflow before use of liquid resources and financing		(4,443,617)	(3,385,584)
DECREASE IN CASH IN THE YEAR		(4,443,617)	(3,385,584)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT 24

Net debt at 1 January 2001	(8,388,843)	(5,003,259)
Decrease in cash in the year	(4,443,617)	(3,385,584)
Net debt at 31 December 2001	(12,832,460)	(8,388,843)

The notes on pages 7 to 17 form part of these financial statements.

RANDEX LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 RESEARCH AND DEVELOPMENT

Expenditure on research and development relating to diagnostic products produced by the company is written off over three years on a straight line basis.

1.4 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Building Renovations	5% Straight line
Laboratory Equipment	20% Reducing balance
Fixures & Fittings	20% Reducing balance
Motor vehicles	25% Reducing balance

1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.6 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.7 GOVERNMENT GRANTS

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

Grants of a revenue nature are credited to income in the period to which they relate.

RANDOX LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

1.8 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.9 PENSIONS

Pension contributions are charged to the profit and loss account as incurred. These contributions are invested separately from the company's assets.

1.10 INVESTMENTS

Investments are stated at cost, unless there has been a permanent diminution in value in which case they are written down to their realisable values.

2. TURNOVER

In accordance with Schedule 4 Section 55 (5) of the Companies (Northern Ireland) Order 1986 segment and market information has been omitted. The Directors believe that to disclose such information would be seriously prejudicial to the interest of the company.

3. OPERATING PROFIT

	2001	2000
	£	£
The operating profit is stated after charging:		
Depreciation	1,488,893	914,280
Auditors' remuneration	12,000	12,000
Operating lease rentals:		
Plant and machinery	7,738	7,856

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RANDEX LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
On bank loans and overdrafts	725,442	478,738
Loss on disposal of investments	236,049	691,340
Hire purchase interest	2,333	2,338
	<hr/>	<hr/>
	963,824	1,172,416

5. DIRECTORS AND EMPLOYEES

	2001	2000
	£	£
Staff costs:		
Wages and salaries	5,442,695	4,648,546
Other pension costs	113,285	123,820
	<hr/>	<hr/>
	5,555,980	4,772,366

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

	2001	2000
Administration	31	38
Production	294	273
Distribution	47	36
	<hr/>	<hr/>
	372	347

Directors' emoluments:

	£	£
Remuneration for management services	234,000	223,559
	<hr/>	<hr/>

The division of directors' emoluments is as follows:

	£	£
Chairman	54,000	63,333
Highest paid director	112,000	92,226
	<hr/>	<hr/>

RANDEX LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

6. PENSION COSTS

The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £54,690 (2000 £123,820). All contributions were paid in the year.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
The taxation charge comprises:		
Corporation tax	12,340	-
Transfer to/(from) deferred taxation	256,904	(531,398)
	269,244	(531,398)
Overprovision of Corporation tax in prior years	-	(100,906)
	<u>269,244</u>	<u>(632,304)</u>

8. DIVIDENDS

	2001	2000
	£	£
Equity interests		
Ordinary:-		
Interim dividend paid	287,600	230,000
	<u>287,600</u>	<u>230,000</u>

RANDOX LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

9. INTANGIBLE ASSETS

	Development Costs £
<u>Cost</u>	
At 1 January 2001	35,190,426
Additions	7,920,337
At 31 December 2001	43,110,763
<u>Amortisation</u>	
At 1 January 2001	30,225,008
Charge for year	6,093,731
At 31 December 2001	36,318,739
<u>Net book value at 31 December 2001</u>	6,792,024
<u>Net book value at 31 December 2000</u>	4,965,418

RANDOX LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

10. TANGIBLE ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<u>Cost</u>					
At 1 January 2001	4,238,630	3,757,891	1,444,988	430,702	9,872,211
Additions	529,325	3,107,448	324,104	54,613	4,015,490
Disposals	(73,105)	-	-	(35,187)	(108,292)
At 31 December 2001	4,694,850	6,865,339	1,769,092	450,128	13,779,409
<u>Depreciation</u>					
At 1 January 2001	769,065	1,713,179	660,918	255,675	3,398,837
Charge for year	175,184	1,035,234	221,065	57,410	1,488,893
On disposals	-	-	-	(23,850)	(23,850)
At 31 December 2001	944,249	2,748,413	881,983	289,235	4,863,880
<u>Net book value at 31 December 2001</u>	3,750,601	4,116,926	887,109	160,893	8,915,529
<u>Net book value at 31 December 2000</u>	3,469,565	2,044,712	784,070	175,027	6,473,374

11. INVESTMENTS

<u>Cost</u>	Beginning of year £	Additions £	End of year £
Shares:			
Group undertakings	170,950	68,500	239,450
	170,950	68,500	239,450
<u>Net book value</u>	170,950		239,450

RANDOX LABORATORIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001****12. STOCKS**

	2001	2000
	£	£
Raw materials and consumables	2,273,112	2,157,952
Finished goods and goods for resale	5,446,172	5,618,905
	<u>7,719,284</u>	<u>7,776,857</u>

13. DEBTORS

	2001	2000
	£	£
Trade debtors	4,996,977	3,652,003
Amounts owed by group undertakings	4,427,611	4,758,716
Other debtors	1,112,930	1,116,664
Prepayments and accrued income	47,306	69,252
	<u>10,584,824</u>	<u>9,596,635</u>

14. INVESTMENTS - CURRENT ASSETS

	2001	2000
	£	£
Listed Investments	<u>77,000</u>	<u>313,049</u>

	2001		2000	
	Cost	Market value	Cost	Market value
	£	£	£	£
Listed	<u>77,000</u>	<u>77,000</u>	<u>313,049</u>	<u>208,465</u>

RANDOX LABORATORIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001****15. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	2001	2000
	£	£
Bank loans and overdrafts	3,930,885	5,057,634
Trade creditors	3,511,103	3,483,315
Other taxes and social security costs	398,439	359,876
Net obligations under finance lease and hire purchase contracts	25,043	32,962
Directors' current accounts	3,902	3,460
Accruals and deferred income	114,688	151,055
	<u>7,984,060</u>	<u>9,088,302</u>

**16. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	2001	2000
	£	£
Loans	8,901,575	3,331,209
Net obligations under finance leases and hire purchase contracts	8,264	19,267
	<u>8,909,839</u>	<u>3,350,476</u>

17. BORROWINGS

Bank of Ireland hold a fixed and floating charge over the company's assets and undertakings.

RANDOX LABORATORIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001****18. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax is calculated at 30% analysed over the following timing differences:

	Fully Provided	
	2001	2000
	£	£
On the excess of capital allowances over depreciation	1,592,102	1,335,198
	<u>1,592,102</u>	<u>1,335,198</u>

Movements on the provision for deferred taxation are:

	£
At 1 January 2001	1,335,198
Transferred from profit and loss account	256,904
At 31 December 2001	<u>1,592,102</u>

19. SHARE CAPITAL

	2001	2000
	£	£
<u>Authorised</u>		
Equity interests:		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Non-equity interests:		
60,000 Preference shares of £1 each	<u>60,000</u>	<u>60,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
90,000 Ordinary Shares of £1 each	<u>90,000</u>	<u>90,000</u>
	90,000	90,000
Non-equity interests:		
60,000 Redeemable Preference shares of £1 each	-	60,000
	<u>90,000</u>	<u>150,000</u>

RANDEX LABORATORIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001****20. PROFIT AND LOSS ACCOUNT**

	2001	2000
	£	£
Retained profits at 1 January 2001	13,397,713	12,242,941
Retained profit for the year	426,930	1,154,772
Retained profits at 31 December 2001	13,824,643	13,397,713

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	714,530	1,384,772
Dividends	(287,600)	(230,000)
	426,930	1,154,772
Shareholders' funds at 1 January 2001	13,487,713	12,392,941
Shareholders' funds at 31 December 2001	13,914,643	13,547,713
Represented by:-		
Equity interests	13,914,643	13,487,713
Non-equity interests	-	60,000
	13,914,643	13,547,713

22. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2001	2000
	£	£
Operating profit	1,865,796	1,923,339
Depreciation	1,488,893	914,280
Amortisation of Capital Grants	(881,645)	(1,040,135)
Research & Development Amortisation	6,093,731	5,148,620
Profit on disposal of fixed assets	(59,635)	-
Increase/(decrease) in stocks	57,573	(3,003,263)
Increase in debtors	(1,184,288)	(1,624,928)
Increase in creditors	7,602	1,052,565
Cash flow from operating activities	7,388,027	3,370,478

RANDEX LABORATORIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001****23. ANALYSIS OF CASH FLOWS FOR
HEADINGS NETTED IN THE
CASH FLOW STATEMENT**

	2001	2000
	£	£
Returns on investments and servicing of finance		
Interest received	81,802	1,545
Interest paid	(725,442)	(478,738)
Interest element on hire purchase contracts	(2,333)	(2,338)
Net cash outflow from returns on investments and servicing of finance	(645,973)	(479,531)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(7,920,337)	(4,535,396)
Purchase of tangible fixed assets	(4,015,490)	(1,961,813)
Purchase of other investments	(68,500)	(1,027,691)
Receipts from sale of tangible assets	144,077	-
Receipts from sale of other investments	-	675,216
Capital Grants Received	834,519	702,247
Share capital redeemed	(60,000)	-
Net cash outflow from capital expenditure and financial investment	(11,085,731)	(6,147,437)

24. ANALYSIS OF NET DEBT

	Beginning of year	2001 Cash flow	Other movements	End of year
	£	£	£	£
Bank overdrafts	(5,057,634)	1,126,749	-	(3,930,885)
Debt due after one year	(3,331,209)	(5,570,366)	-	(8,901,575)
	(8,388,843)	(4,443,617)	-	(12,832,460)