

**Company Registration No. 02815000**

**BIOTEC LABORATORIES LIMITED**

**Report and Financial Statements**

**31 December 2010**

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# **BIOTEC LABORATORIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2010**

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# **BIOTEC LABORATORIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2010**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

B E Clarke  
S D Lowther  
G D Mullis

#### **SECRETARY**

S D Lowther

#### **REGISTERED OFFICE**

184 Cambridge Science Park  
Cambridge  
CB4 0GA

#### **BANKERS**

HSBC plc  
66 Hamilton Road  
Felixstowe  
Suffolk  
IP11 7AJ

#### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cambridge

# **BIOTEC LABORATORIES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

### **PRINCIPAL ACTIVITY**

The principal activity of the company continued to be the development, manufacture and sale of clinical diagnostics kits and blood grouping products

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year

### **BUSINESS REVIEW AND FUTURE PROSPECTS**

The directors are satisfied with the results for the year and do not currently anticipate any changes to the Company's activities in the foreseeable future

### **RESULTS**

As shown in the company's profit and loss account on page 7, the company's turnover amounted to £1,713,447 (2009 - £1,941,462), whilst the company incurred a loss before tax of £323,789 (2009 - loss of £176,626) for the year

As shown in the company's balance sheet on page 8, net liabilities amounted to £368,464 (2009 - net assets of £44,675)

### **GOING CONCERN**

The company is reliant on the financial support of its parent company Lab21 Limited. The company has received an undertaking from Lab 21 Limited that it will continue to provide financial support to the company for a period of not less than 12 months from the date of approval of these financial statements

The directors are aware that the financial statements of Lab21 Limited contained the following disclosure in respect of a material uncertainty in relation to going concern

The directors have prepared cash flow forecasts for a period exceeding 12 months from the date of approval of these financial statements. These forecasts show that, in order to fund the working capital requirements of the group and to continue the expansion of product offerings and international activities, the directors will be required to raise further funding in the period under review

Discussions are at an advanced stage with new investors and lenders to complete a funding round in the fourth quarter of 2011. However, given the requirement to raise additional funding and the fact that the funding round has not completed, the directors recognise that there exists a material uncertainty over the company's ability to continue as a going concern

The directors are confident that sufficient funding will be secured in the short term as discussions with existing and potential new investors indicate that there is strong support for the growth potential in the business, supported by the recent signature of multi-year distribution contracts which could significantly increase product sales in 2012 and beyond. Such funding could not only secure the working capital requirements of the group but also provide the necessary capital to continue its buy and build strategy. The directors have therefore concluded that it is appropriate for the financial statements to be prepared on a going concern basis. The financial statements do not include any adjustments that would result if negotiations for future funding were not concluded successfully

# **BIOTEC LABORATORIES LIMITED**

## **DIRECTORS' REPORT**

Having considered the above and made appropriate enquiries the directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements

### **DIVIDENDS**

The directors do not recommend the payment of a dividend (2009 - £nil)

### **DIRECTORS**

The directors who held office during the year, and subsequently, were as follows

B E Clarke  
M E Kennedy (resigned 3 August 2010)  
S D Lowther (appointed 4 August 2010)  
G D Mullis

### **DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

### **AUDITOR**

In the case of each of the persons who are directors of the company at the date when this report is approved

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

This confirmation is given and should be interpreted in accordance with the provisions of s418A of the Companies Act 2006

Deloitte LLP were appointed as auditor during the year and has expressed its willingness to continue in office as auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on its behalf



S D Lowther

Director

Date 30 September 2011

# **BIOTEC LABORATORIES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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). 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, 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 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOTEC LABORATORIES LIMITED**

We have audited the financial statements of Biotec Laboratories Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on the financial support of its parent. This fact together with the other matters disclosed in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast doubt on the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

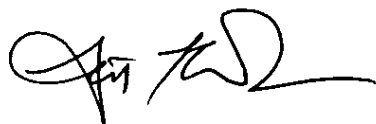
## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOTEC LABORATORIES LIMITED (continued)**

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns 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, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

As the company was exempt from audit under section 477 Companies Act 2006 in the prior period we have not audited the corresponding accounts for that period



**Stuart Henderson (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cambridge, United Kingdom

*30 September 2011*



# BIOTEC LABORATORIES LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended ended 31 December 2010

	Note	2010 £	2009 Unaudited Restated £
<b>Turnover</b>	3	1,713,448	1,941,462
Cost of sales		(1,073,572)	(1,142,871)
Gross profit		<u>639,876</u>	<u>798,591</u>
Administrative			
Restructuring costs		(53,749)	-
Dilapidations costs		-	(90,000)
Other		(909,916)	(900,415)
		<u>(963,665)</u>	<u>(990,415)</u>
<b>Operating loss</b>		<u>(323,789)</u>	<u>(191,824)</u>
Finance charges, net	4	-	15,198
<b>Loss on ordinary activities before taxation</b>	5	<u>(323,789)</u>	<u>(176,626)</u>
Tax on loss on ordinary activities	7	-	-
<b>Loss on ordinary activities after taxation, being loss for the financial year</b>	16	<u><u>(323,789)</u></u>	<u><u>(176,626)</u></u>

All activities derive from continuing operations

# BIOTEC LABORATORIES LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 December 2010

	Note	2010 £	2009 Unaudited Restated £
Loss for the financial year		<u>(323,789)</u>	<u>(176,626)</u>
Total recognised gains and losses relating to the year		<u>(323,789)</u>	<u>(176,626)</u>
Prior year adjustment (as explained in note 2)	2	<u>(90,000)</u>	
Total recognised gains and losses recognised since last financial statements		<u>(413,789)</u>	

# BIOTEC LABORATORIES LIMITED

## BALANCE SHEET 31 December 2010

	Note	2010 £	2009 Unaudited Restated £
<b>FIXED ASSETS</b>			
Intangible assets	8	-	36,939
Tangible assets	9	-	21,140
		<u>-</u>	<u>58,079</u>
<b>CURRENT ASSETS</b>			
Stocks	10	203,670	95,620
Debtors	11	606,877	403,028
Cash at bank and in hand		44,339	73,056
		<u>854,886</u>	<u>571,704</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(1,133,350)</u>	<u>(584,458)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(278,464)</u>	<u>(12,754)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(278,464)</u>	<u>45,325</u>
<b>PROVISIONS FOR LIABILITIES</b>	13	<u>(90,000)</u>	<u>(90,000)</u>
<b>NET LIABILITIES</b>		<u><u>(368,464)</u></u>	<u><u>(44,675)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	249,648	249,648
Share premium account		2,978,316	2,978,316
Other reserves		760	760
Profit and loss account	16	<u>(3,597,188)</u>	<u>(3,273,399)</u>
<b>SHAREHOLDERS' DEFICIT</b>	17	<u><u>(368,464)</u></u>	<u><u>(44,675)</u></u>

The financial statements of Biotec Laboratories Limited, registered number 02815000, were approved by the Board of Directors and authorised for issue on 30 September 2011

They were signed on its behalf by

*G D Mullis*

G D Mullis  
Director

# **BIOTEC LABORATORIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2010**

### **1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **Basis of accounting**

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

#### **Going concern**

The company is reliant on the financial support of its parent company Lab21 Limited. The company has received an undertaking from Lab 21 Limited that it will continue to provide financial support to the company for a period of not less than 12 months from the date of approval of these financial statements.

The directors are aware that the financial statements of Lab21 Limited contained the following disclosure in respect of a material uncertainty in relation to going concern:

The directors have prepared cash flow forecasts for a period exceeding 12 months from the date of approval of these financial statements. These forecasts show that, in order to fund the working capital requirements of the group and to continue the expansion of product offerings and international activities, the directors will be required to raise further funding in the period under review.

Discussions are at an advanced stage with new investors and lenders to complete a funding round in the fourth quarter of 2011. However, given the requirement to raise additional funding and the fact that the funding round has not completed, the directors recognise that there exists a material uncertainty over the company's ability to continue as a going concern.

The directors are confident that sufficient funding will be secured in the short term as discussions with existing and potential new investors indicate that there is strong support for the growth potential in the business, supported by the recent signature of multi-year distribution contracts which could significantly increase product sales in 2012 and beyond. Such funding could not only secure the working capital requirements of the group but also provide the necessary capital to continue its buy and build strategy. The directors have therefore concluded that it is appropriate for the financial statements to be prepared on a going concern basis. The financial statements do not include any adjustments that would result if negotiations for future funding were not concluded successfully.

Having considered the above and made appropriate enquiries, the directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

#### **Cash flow statement**

Under FRS 1 (revised 1996) 'Cash flow statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

#### **Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Revenue is recognised on delivery of product.

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 1. ACCOUNTING POLICIES (continued)

#### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on the cost of tangible fixed assets to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. The annual depreciation rates used are:

Leasehold improvements	Period of lease
Fixtures and fittings	33% straight line
Office equipment	33% straight line
Laboratory equipment	33% straight line

Depreciation is charged from the beginning of the month following the month of acquisition.

#### Intangible assets - Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated on a 20% reducing balance basis.

#### Stocks

Work in progress and finished goods are stated at the lower of cost and net realisable value. Cost includes an appropriate percentage of overheads.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided for at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 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 financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### Finance costs

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 2 RESTATEMENT OF COMPARATIVES

During the course of the year, the following adjustment was identified

#### *Dilapidations provision*

In the preceding year, the directors reviewed the terms of the lease agreement in respect of the premises and determined that a provision for dilapidations should be recorded, the directors estimated the amount of this obligation to be £90,000. However, this adjustment was not recorded in the company's financial statements.

In order to correct this error, the directors have restated the prior year comparatives. The impact of the restatement is set out below.

<b>Profit and loss account for the year ended 31 December 2009</b>	<b>Administrative expenses £</b>
As previously reported	900,415
Dilapidations expense omitted	90,000
As restated	<u>990,415</u>

<b>Balance sheet</b>	<b>Provision for liabilities £</b>	<b>Profit and loss account reserve £</b>
As previously reported at 31 December 2009	-	(3,183,399)
Administrative expenses	(90,000)	(90,000)
At 31 December 2009 as restated	<u>(90,000)</u>	<u>(3,273,399)</u>

### 3. TURNOVER

The directors consider more detailed revenue disclosure to be seriously prejudicial to the commercial success of the company. Consequentially, detail of revenue components is not disclosed in these accounts.

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2010

### 4. FINANCE CHARGES, NET

	2010 £	2009 Unaudited £
<b>Finance charges, net</b>		
Interest payable and similar charges	-	325
Less investment income	-	(15,523)
	<u>-</u>	<u>(15,198)</u>
<b>Interest receivable and similar income</b>		
Other interest receivable and similar income	-	(15,523)
	<u>-</u>	<u>(15,523)</u>
<b>Interest payable and similar charges</b>		
Finance leases and hire purchase contracts	-	325
	<u>-</u>	<u>325</u>

### 5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging

	2010 £	2009 Unaudited £
Depreciation of owned fixed assets	21,140	6,318
Amortisation of intangible fixed assets	36,939	9,699
Net foreign exchange losses	9,967	20,034
Operating lease rentals		
other	-	24,759
	<u>-</u>	<u>24,759</u>

#### Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts, for an amount of £6,000 (2009 - £nil), were borne by Lab 21 Limited, the parent company. There were no non-audit fees in either the current or preceding year.

### 6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company did not have any employees in the current year or preceding year.

The directors received no emoluments for their services to the company (2009 - £nil).

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2010

### 7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2010 £	2009 Unaudited £
a) Analysis of credit for the year		
Total current tax credit	-	-

#### b) Factors affecting tax credit for the year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK Corporation tax to the loss before tax is as follows

	2010 £	2009 Unaudited Restated £
Loss on ordinary activities before tax	(323,789)	(176,626)
Tax credit on loss at standard UK corporation tax rate of 28% (2009 - 28%)	(90,661)	(49,455)
Effects of:		
Expenses not deductible for tax purposes	-	9
Capital allowances less than depreciation	16,262	5,094
Tax losses not recognised	74,399	44,352
	-	-

#### c) Factors affecting tax charge for future years

In June 2010, the UK Government announced that the standard rate of UK corporation tax will reduce from 28% to 27% effective 1 April 2011. This tax change became substantively enacted in July 2010. In March 2011, the UK Government announced a further reduction in the standard rate of UK corporation tax to 26% effective 1 April 2011 and to 25% effective 1 April 2012. These further rate reductions became substantively enacted in March 2011 and July 2011, respectively.

The UK Government also proposed changes to further reduce the standard rate of the UK corporation tax by 1% per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.



# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 8 INTANGIBLE FIXED ASSETS

	Intellectual property £
<b>Cost</b>	
At 1 January 2010	317,727
Disposals	(308,579)
	<hr/>
At 31 December 2010	9,148
<b>Amortisation</b>	
At 1 January 2010	280,788
Charge for the year	36,939
Disposals	(308,579)
	<hr/>
At 31 December 2010	9,148
<b>Net book value</b>	
At 31 December 2010	-
	<hr/>
At 31 December 2009	36,939
	<hr/>

### 9. TANGIBLE FIXED ASSETS

	Short leasehold improve- ments £	Laboratory equipment £	Office equipment and fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2010	43,165	95,937	10,573	149,675
Disposals	(43,165)	(29,519)	(10,573)	(83,257)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	-	66,418	-	66,418
<b>Depreciation</b>				
At 1 January 2010	39,689	78,273	10,573	128,535
Charge for the year	3,476	17,664	-	21,140
Disposals	(43,165)	(29,519)	(10,573)	(83,257)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	-	66,418	-	66,418
<b>Net book value</b>				
At 31 December 2010	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	3,476	17,664	-	21,140
	<hr/>	<hr/>	<hr/>	<hr/>

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2010

### 10. STOCKS

	2010 £	2009 Unaudited £
Raw materials	30,129	25,943
Work in progress	34,188	13,911
Finished goods	139,353	55,766
	<u>203,670</u>	<u>95,620</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

### 11. DEBTORS

	2010 £	2009 Unaudited £
<b>Amounts falling due within one year:</b>		
Trade debtors	156,723	343,899
Other debtors	5,691	5,082
Corporation tax	-	-
Prepayments and accrued income	3,052	21,796
Amounts owed from group undertakings	441,411	32,251
	<u>606,877</u>	<u>403,028</u>

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 Unaudited £
Trade creditors	357,713	171,404
Other taxation and social security	-	8,654
Other creditors	3,578	-
Accruals and deferred income	70,133	57,586
Amounts owed to group undertakings	701,926	346,814
	<u>1,133,350</u>	<u>584,458</u>

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 13. PROVISION FOR LIABILITIES

	Dilapida- tions £
At 1 January 2010 (as previously stated)	-
Prior year adjustment	90,000
	<u>90,000</u>
At 1 January 2010 (as restated) and at 31 December 2010	<u>90,000</u>

The dilapidations provision relates to obligations to make good dilapidations existing at 31 December 2010  
The related cash outflows are expected to be incurred in the next financial year

### 14. DEFERRED TAX

The amounts of deferred tax assets not provided are as follows

	Not provided 2009 2010 £	Unaudited 2009 £
Decelerated capital allowances	(6,751)	9,260
Other short term timing differences	-	-
Tax losses	(756,692)	(710,318)
	<u>(763,443)</u>	<u>(701,058)</u>

The tax losses are recoverable against future trading profits from the same trades

In accordance with FRS 19 'Deferred tax' no deferred tax asset has been recognised in respect of these losses as there is insufficient persuasive and reliable evidence that they will be utilised, other than to the extent of offsetting the deferred tax liability in respect of other timing differences

### 15. CALLED UP SHARE CAPITAL

	2010 £	2009 Unaudited £
<b>Allotted, called up and fully paid</b>		
2,496,481 ordinary shares of £0.10 each	<u>249,648</u>	<u>249,648</u>

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2010

### 16. PROFIT AND LOSS ACCOUNT

	£
At 1 January 2010 (as previously stated)	(3,183,399)
Prior year adjustment	<u>(90,000)</u>
At 1 January 2010 (as restated – note 2)	(3,273,399)
Retained loss for the year	<u>(323,789)</u>
At 31 December 2010	<u><u>(3,597,188)</u></u>

### 17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 Unaudited £
Opening shareholders' funds as previously stated	45,325	131,951
Prior year adjustment (note 2)	<u>(90,000)</u>	<u>-</u>
<b>Opening shareholders' funds as restated</b>	<u>(44,675)</u>	<u>131,951</u>
Loss for the financial year		
As previously stated	(323,789)	(86,626)
Prior year adjustment	<u>-</u>	<u>(90,000)</u>
<b>Loss for the financial year as restated</b>	<u>(323,789)</u>	<u>(176,626)</u>
Net reduction in shareholders' funds	<u>(323,789)</u>	<u>(176,626)</u>
<b>Closing shareholders' deficit</b>	<u><u>(368,464)</u></u>	<u><u>(44,675)</u></u>

# BIOTEC LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

### 18 FINANCIAL COMMITMENTS

#### Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	Unaudited £	£	Unaudited £
Operating leases which expire within one year	-	31,711	-	-

#### Capital commitments

The company had no capital commitments contracted for but not provided at the year end (2009 £nil)

### 19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available to wholly owned subsidiaries under FRS 8 'Related party disclosures' not to disclose transactions with other group companies (or investees of the group qualifying as related parties)

### 20. ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Lab 21 Limited, a company incorporated in England & Wales

The largest and smallest group in which the results of the company are consolidated is that headed by Lab 21 Limited. The consolidated accounts of Lab 21 Limited are available to the public and may be obtained from 184 Cambridge Science Park, Cambridge, CB4 0GA

### 21. CONTROLLING PARTY

Collectively, Merlin General Partner III Limited and Merlin Bioscience General Partner III GmbH owned 55% of the issued share capital of Lab 21 Limited at the year end and, as a result, together, were considered to be the controlling party