

REGISTERED NUMBER 02828514 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
SDI EUROPE LIMITED

THURSDAY



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SDI EUROPE LIMITED (REGISTERED NUMBER 02828514)

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FOR THE YEAR ENDED 31 DECEMBER 2010**

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SDI EUROPE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS

K Bratton
C R LeGood

SECRETARY

P F C Sabine

REGISTERED OFFICE

Gladstone House,
77-79 High Street
Egham
Surrey
TW20 9HY

REGISTERED NUMBER

02828514 (England and Wales)

AUDITORS

Wilkins Kennedy
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

SDI EUROPE LIMITED (REGISTERED NUMBER 02828514)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of environmental testing kits

DIRECTORS

K Bratton has held office during the whole of the period from 1 January 2010 to the date of this report

Other changes in directors holding office are as follows

C R LeGood - appointed 10 May 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

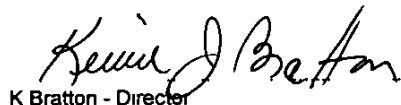
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD



K Bratton - Director

Date December 1, 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SDI EUROPE LIMITED**

We have audited the financial statements of SDI Europe Limited for the year ended 31 December 2010 on pages four to ten. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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.

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 profit 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 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

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 Report of the Directors.



Robin Haslem (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

Date 01.12.2011

SDI EUROPE LIMITED (REGISTERED NUMBER 02828514)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
TURNOVER		778,720	1,251,308
Cost of sales		<u>357,495</u>	<u>640,933</u>
GROSS PROFIT		421,225	610,375
Administrative expenses		<u>363,181</u>	<u>527,303</u>
OPERATING PROFIT	3	58,044	83,072
Interest receivable and similar income		<u>46</u>	<u>125</u>
		58,090	83,197
Interest payable and similar charges	4	<u>9,352</u>	<u>2,676</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		48,738	80,521
Tax on profit on ordinary activities	5	<u>9,937</u>	<u>26</u>
PROFIT FOR THE FINANCIAL YEAR		<u>38,801</u>	<u>80,495</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

SDI EUROPE LIMITED (REGISTERED NUMBER 02828514)

BALANCE SHEET
31 DECEMBER 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	7,954	2,397
CURRENT ASSETS			
Stocks	7	35,797	31,883
Debtors	8	305,125	270,726
Cash at bank		220,875	235,830
		<u>561,797</u>	<u>538,439</u>
CREDITORS			
Amounts falling due within one year	9	224,415	234,301
NET CURRENT ASSETS		<u>337,382</u>	<u>304,138</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>345,336</u>	<u>306,535</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account	11	345,334	306,533
SHAREHOLDERS' FUNDS	16	<u>345,336</u>	<u>306,535</u>

The financial statements were approved by the Board of Directors on its behalf by

DECEMBER 1, 2011 and were signed on


K Bratton - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1 ACCOUNTING POLICIES**Basis of preparing the financial statements**

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern

Accounting convention

The financial statements have been prepared under the historical cost convention

Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 20% on cost
Computer equipment	- 33 33% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred tax

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets (including equity investments) they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2 STAFF COSTS

	2010	2009
	£	£
Wages and salaries	138,107	125,971
Social security costs	15,783	13,954
Other pension costs	4,196	9,513
	<u>158,086</u>	<u>149,438</u>

SDI EUROPE LIMITED (REGISTERED NUMBER 02828514)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

2 STAFF COSTS - continued

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

	2010	2009
Sales and administration	<u>3</u>	<u>2</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2010	2009
	£	£
Other operating leases	23,400	23,921
Depreciation - owned assets	983	1,249
Auditors' remuneration	6,000	5,500
Auditors' remuneration for non audit work	14,619	19,654
Foreign exchange differences	<u>8,307</u>	<u>15,932</u>
Directors' remuneration	<u>61,877</u>	<u>48,460</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Bank interest	-	2,676
Other interest	<u>9,352</u>	<u>-</u>
	<u>9,352</u>	<u>2,676</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2010	2009
	£	£
Current tax		
UK corporation tax	426	26
Deferred tax	<u>9,511</u>	<u>-</u>
Tax on profit on ordinary activities	<u>9,937</u>	<u>26</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2010	25,814	25,348	26,712	77,874
Additions	-	-	6,540	6,540
At 31 December 2010	25,814	25,348	33,252	84,414
DEPRECIATION				
At 1 January 2010	25,349	23,505	26,623	75,477
Charge for year	220	555	208	983
At 31 December 2010	25,569	24,060	26,831	76,460
NET BOOK VALUE				
At 31 December 2010	245	1,288	6,421	7,954
At 31 December 2009	465	1,843	89	2,397

7 STOCKS

	2010 £	2009 £
Finished goods	35,797	31,883

8 DEBTORS

	2010 £	2009 £
Amounts falling due within one year		
Trade debtors	191,243	149,127
Amounts owed by group undertakings	10,393	-
VAT	76,297	113,033
Prepayments and accrued income	3,042	8,566
	280,975	270,726
Amounts falling due after more than one year		
Deferred tax asset	24,150	-
Aggregate amounts	305,125	270,726

The deferred tax asset is valued at £848,227 (2009 £892,480) based on an expected tax rate of 28% and is dependent upon recovery of the tax losses brought forward. An amount of £24,150 (2009 nil) is recognised as a deferred tax asset in these accounts.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

9 CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	7,580	11,160
Amounts owed to group undertakings	164,265	171,719
Corporation tax	10	26
Social security and other taxes	6,083	2,109
Other creditors	-	4,808
Amounts owed to parent undertaking	-	26,696
Accruals and deferred income	46,477	17,783
	<u>224,415</u>	<u>234,301</u>

10 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
		£1		
2	Ordinary shares		<u>2</u>	<u>2</u>

11 RESERVES

	Profit and loss account £
At 1 January 2010	306,533
Profit for the year	<u>38,801</u>
At 31 December 2010	<u>345,334</u>

12 PENSION COMMITMENTS

There were no pension payments outstanding at the year end

13 ULTIMATE PARENT COMPANY

The company is a subsidiary of Strategic Diagnostics Inc , a company incorporated in USA. The largest group in which the results of the company are consolidated is that headed by Strategic Diagnostics Inc. The consolidated accounts of this group are available to the public and may be obtained from SEC, Filing Desk, Stop 1-4, 450 Fifth Street NW, Washington DC 20549, USA.

14 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end

15 RELATED PARTY DISCLOSURES

Transactions with Group companies are not disclosed in these financial statements by virtue of the exemption available for Groups under Financial Reporting Standard 8, Related Party Transactions.

SDI EUROPE LIMITED (REGISTERED NUMBER 02828514)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Profit for the financial year	38,801	80,495
Net addition to shareholders' funds	38,801	80,495
Opening shareholders' funds	306,535	226,040
Closing shareholders' funds	345,336	306,535