

Company Registration No. 2921536 (England and Wales)

MERCIA DIAGNOSTICS LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2005



MERCIA DIAGNOSTICS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | D Deery C Rackham |
| Secretary | P Turner |
| Company number | 2921536 |
| Registered office | 1 Admiralty Way Camberley Surrey GU15 3DT |
| Auditors | Wise & Co 50 West Street Farnham Surrey GU9 7DX |
| Business address | 1 Admiralty Way Camberley Surrey GU15 3DT |

MERCIA DIAGNOSTICS LIMITED

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MERCIA DIAGNOSTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

Principal activities

The company is dormant and has not traded during the year.

Directors

The following directors have held office since 1 January 2005:

D Deery
C Rackham

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

| | Ordinary shares of £1 each | |
|-----------|----------------------------|----------------|
| | 31 December 2005 | 1 January 2005 |
| D Deery | - | - |
| C Rackham | - | - |

The directors' beneficial interests in the share capital in the parent company, Microgen Bioproducts Ltd, are shown in that company's financial statements.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution appointing Wise and Co. as auditors of the company will be put to the Annual General Meeting.

MERCIA DIAGNOSTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of
the board



P Turner
Company Secretary
Dated 15 April 2006

MERCIA DIAGNOSTICS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF MERCIA DIAGNOSTICS LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, (effective March 2000) under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wise & Co

Wise & Co.

Registered Auditors and
Chartered Accountants

Dated 15 April 2006

50 West Street
Farnham
Surrey
GU9 7DX

MERCIA DIAGNOSTICS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

| | Notes | 2005 £ | £ | 2004 £ | £ |
|---|-------|-----------------|---|-----------------|---|
| Current assets | | | | | |
| Debtors | 2 | 3 | | 3 | |
| Creditors: amounts falling due within one year | 3 | - | | - | |
| | | <u>3</u> | | <u>3</u> | |
| Total assets less current liabilities | | | 3 | | 3 |
| | | <u><u>3</u></u> | | <u><u>3</u></u> | |
| Capital and reserves | | | | | |
| Called up share capital | 4 | 3 | | 3 | |
| | | <u>3</u> | | <u>3</u> | |
| Shareholders' funds | | | 3 | | 3 |
| | | <u><u>3</u></u> | | <u><u>3</u></u> | |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 15 April 2006 and signed on its behalf by:



D Deery
Director

MERCIA DIAGNOSTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemption from the requirement to produce a cashflow statement on the grounds that it is a small company.

2 Debtors

| | 2005 £ | 2004 £ |
|---|-----------|-----------|
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 3 | 3 |
| Other debtors | - | - |
| | <u>3</u> | <u>3</u> |

3 Creditors: amounts falling due within one year

| | 2005 £ | 2004 £ |
|------------------------------|-----------|-----------|
| Taxation and social security | - | - |
| Other creditors | - | - |
| | <u>-</u> | <u>-</u> |

4 Share capital

| | 2005 £ | 2004 £ |
|--------------------------------|------------|------------|
| Authorised | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted and called up | | |
| 3 Ordinary shares of £1 each | <u>3</u> | <u>3</u> |

5 Control

The ultimate parent company is Microgen Bioproducts Limited, a company registered in England and Wales.

The ultimate controlling party is D J Deery, a director.

6 Related party transactions

Included in debtors is a balance of £3 (2004 - £3) owed to the company by its parent company, Microgen Bioproducts Limited. Included in other creditors is a balance of £nil (2004 - £nil) owed to the parent company. The net movement on these balances reflects net monies paid to the company by Microgen Bioproducts Limited.