

Digene UK (Holdings) Limited

Report and Financial Statements

30 June 2008



Digene UK (Holdings) Limited

Registered No: 4288392

Directors

Miss S M Keese
Mr R Sackers
Mr A Backheuer
Mr P Schatz
Mr P Von Hugo
Mr B Uder
Mr P Sefton

Secretary

Mr David Hall (Appointed 1 December 2008)

Auditor

Grant Thornton UK LLP
The Explorer Building
Fleming Way
Crawley
West Sussex
RH10 9GT

Bankers

Lloyds TSB Bank Plc
39 Threadneedle Street
London
EC2 8AU

Registered office

Qiagen House
Fleming Way
Crawley
West Sussex
RH10 9NQ

Directors' report

The directors present their report and financial statements for the year ended 30 June 2008.

Results and dividends

The loss for the year, after taxation, amounted to £12,353,389 (2007 – Loss £522,624). The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company is that of a holding company.

The business has performed to the directors' expectations.

Directors

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

Dr D J Inman	(Resigned 17 September 2007)
Mr R Lilley	(Resigned 21 September 2007)
Mr E Jones	(Resigned 26 September 2007)

Miss S M Keese	
Mr R Sackers	(Appointed 3 September 2007)
Mr A Backheuer	(Appointed 3 September 2007)
Mr P Schatz	(Appointed 3 September 2007)
Mr P Von Hugo	(Appointed 3 September 2007)
Mr B Uder	(Appointed 3 September 2007)
Mr P Sefton	(Appointed 1 January 2009)

Developments in the year

On 30 July 2007 Digene's ultimate holding company Digene Corporation Inc was purchased by QIAGEN N.V. QIAGEN's sample and assay technology breadth and unique sales strengths allow further growth and rapid global roll-out, particularly in Asia. For QIAGEN, Digene's business is a natural fit into QIAGEN's strategy, providing leadership in one of the most important assays in Molecular Diagnostics.

Statement of directors' responsibilities

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 that 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 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.

Directors' report

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Appointment of auditor

Grant Thornton UK LLP were appointed on the 26 January 2009 to fill a casual vacancy in accordance with section 485(3) of the Companies Act 2006.

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed as an ordinary resolution of the members of the Company in accordance with section 485(4) of the Companies Act 2006.

On behalf of the board



Director
28 April 2009

Report of the independent auditor to the members of Digene UK (Holdings) Limited

We have audited the financial statements of Digene UK (Holdings) Limited for the year ended 30 June 2008 which comprise the profit and loss account, the balance sheet and notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Report of the independent auditor to the members of Digene UK (Holdings) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
GATWICK

30 April 2009

Profit and loss account

for the year ended 30 June 2008

	Notes	2008 £	2007 £
Turnover		—	—
Administrative expenses		7,902	5,325
Operating loss	3	(7,902)	(5,325)
Impairment of investment		(11,694,105)	—
Interest receivable		238	595
Interest payable and similar charges	5	(651,620)	(517,894)
Loss on ordinary activities before taxation		(12,353,389)	(522,624)
Tax on loss on ordinary activities	6	—	—
Loss retained for the financial year	10	(12,353,389)	(522,624)

All of the activities of the company are classed as discontinued in the year.

There are no recognised gains and losses other than the loss for the year.

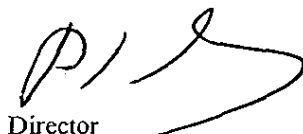
Balance sheet

at 30 June 2008

	Notes	2008 £	2007 £
Fixed assets			
Investments	7	-	11,694,105
Current assets			
Cash at bank		3,442	8,923
Creditors: amounts falling due within one year	8	(13,135,477)	(12,481,674)
Net current liabilities		(13,132,035)	(12,472,751)
Total assets less current liabilities		(13,132,035)	(778,646)
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	(13,132,037)	(778,648)
Shareholders' funds	10	(13,132,035)	(778,646)

These financial statements have been prepared in accordance with the special provisions of Part VII Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (Effective January 2007).

The financial statements were approved by the Board of Directors on 28 April 2009.


Director

Notes to the financial statements

at 30 June 2008

1. Fundamental accounting concept

Going concern

The parent undertaking has indicated its willingness to support the company so as to enable it to meet its liabilities as and when they fall due.

It is the intention of the directors to effect a transfer of the remaining assets and liabilities to the other group undertakings, after which time the company will become dormant. All the assets and liabilities are expected to be realised at their carrying values. The cost associated with the transfer of the business will be born by QIAGEN NV.

2. Accounting policies

Basis of preparation

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

Consolidated financial statements

Under the provision of Section 248 of the Companies Act 1985 the company is exempt from preparing consolidated financial statements and has not done so, therefore the financial statements show information about the company as an individual entity.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

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:

- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- 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 on an undiscounted basis 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

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes to the financial statements

at 30 June 2008

2. Accounting policies (continued)

Fixed asset investments

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in the circumstances indicate the carrying value may not be recoverable.

3. Operating loss

This is stated after charging

	2008 £	2007 £
Auditors' remuneration - audit services	<u>1,500</u>	<u>6,614</u>

4. Staff costs

No salaries or wages have been paid to employees, including the directors, during the year.

5. Interest payable and similar charges

	2008 £	2007 £
Interest payable to group undertakings	<u>651,620</u>	<u>517,894</u>

6. Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2008 £	2007 £
<i>Current tax:</i>		
UK corporation tax	-	-
Total current tax (note 6(b))	<u>-</u>	<u>-</u>

(b) Factors affecting current tax

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2007 - 30%). The differences are reconciled below:

	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(12,353,389)</u>	<u>(522,624)</u>
Loss on ordinary activities multiplied by the standard rate of tax in the UK of 29.5% (2007: 30%)	(3,644,250)	(156,787)
Tax losses carried forward	-	156,787
Impairment of investment - not deductible (note 7)	3,449,761	-
Other timing differences	<u>194,489</u>	<u>-</u>
Total current tax (note 6(a))	<u>-</u>	<u>-</u>

Notes to the financial statements

at 30 June 2008

6. Taxation (continued)

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows:

	2008 £	2007 £
Tax losses available	6,594	4,406
Other short term timing differences	436,467	248,379
	<u>443,061</u>	<u>252,785</u>

The deferred tax asset has not been recognised due to the uncertainty surrounding availability of future taxable profits to enable the future reversal of timing differences

7. Investments

	<i>Shares in group companies £</i>
At 30 June 2007	11,694,105
Impairment	(11,694,105)
At 30 June 2008	<u>-</u>

The company owns 100% of the issued share capital of the companies listed below:

	2008 £	2007 £
Aggregate capital and reserves		
Digene Deutschland GmbH	830,919	913,935
Digene Italia srl	1,014,328	814,008
Digene France SAS	1,495,388	1,338,072
Digene Diagnostics, S.L.	(1,261,341)	(1,262,594)
Digene (UK) Limited	(9,524,760)	(8,982,133)
Profit/(loss) for the year		
Digene Deutschland GmbH	(83,016)	640,471
Digene Italia srl	200,320	(194,489)
Digene France SAS	157,316	(691,730)
Digene Diagnostics, S.L.	1,253	(280,123)
Digene (UK) Limited	(542,627)	(849,054)

During the year the above companies ceased to trade and transferred their business and some of their assets to the relevant Qiagen company within the Qiagen NV group.

The countries of incorporation of the above companies are as follows:

	<i>Country of incorporation</i>
Digene Deutschland GmbH	Germany
Digene Italia srl	Italy
Digene France SAS	France
Digene Diagnostics, S.L.	Spain
Digene (UK) Limited	Great Britain

All of the companies detailed above are involved in the sale and marketing of gene-based medical testing kits.

Notes to the financial statements

at 30 June 2008.

8. Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to parent undertaking	13,123,873	12,472,252
Accruals and deferred income	11,604	9,422
	<u>13,135,477</u>	<u>12,481,674</u>

9. Share capital

	2008 £	Authorised 2007 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

	Allotted, called up and fully paid	
	2008	2007
	No.	No.
	£	£
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

10. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 July 2006	2	(256,024)	(256,022)
Loss for the year	—	(522,624)	(522,624)
At 30 June 2007	<u>2</u>	<u>(778,648)</u>	<u>(778,646)</u>
Loss for the year	—	(12,353,389)	(12,353,389)
At 30 June 2008	<u>2</u>	<u>(13,132,037)</u>	<u>(13,132,035)</u>

11. Related party transactions

The company has taken advantage of the exemptions laid out in Financial Reporting Standard No 8 and hence has not presented and disclosed details of the transactions with other companies belonging to the group headed by QIAGEN NV.

12. Ultimate parent undertaking

The immediate parent undertaking is Digene Corporation Inc.

The company's ultimate holding company and controlling party is QIAGEN NV incorporated in the Netherlands. This is the smallest and largest group in which Digene (UK) Limited is consolidated. The consolidated financial statements of the group are available to the public from its principle place of business, Spoorstraat 50, 5911 KJ Venlo, The Netherlands.