

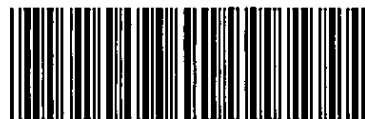
# Trinity Biotech (UK Sales) Limited

Directors' report and  
financial statements

For the year ended 31 December 2007

*Registered number: 4524238*

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# Trinity Biotech (UK Sales) Limited

## Directors' report and financial statements

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# Trinity Biotech (UK Sales) Limited

## Directors and other information

<b>Directors</b>	Kevin Tansley (Irish) Mervyn Nicholas Ronan O'Caoimh (Irish)
<b>Secretary</b>	Simon Barrett
<b>Bankers</b>	Allied Irish Bank (GB) 51 Belmont Road Uxbridge Middlesex UB8 1RZ England
<b>Solicitors</b>	Barrett & Co Solicitors 54 Queens Road Reading RG1 4A2 England
<b>Auditors</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephens Green Dublin 2 Ireland
<b>Registered Office</b>	54 Queens Road Reading RG1 4AZ England
<b>Registered Number</b>	4524238

# Trinity Biotech (UK Sales) Limited

## Directors' report

*for the year ended 31 December 2007*

The directors present their report and the financial statements for the year ended 31 December 2007.

### Principal activity, business and future developments

The company is a wholly owned subsidiary of Trinity Biotech plc, a company incorporated in Ireland which develops, manufactures and markets diagnostic test kits used for the clinical laboratory and point-of-care segments of the diagnostic market. The company is a direct sales operation, selling products sourced from other Group companies. In 2007, the company purchased the business of Sterilab Services (UK).

The company will continue to explore new opportunities for the sale of the Group's products.

### Results for the financial year

The results of the company are set out on page 8 of the financial statements and in the related notes. The directors do not recommend payment of a dividend.

### Risks of the business

Our business is influenced by a number of risks and the more significant of these are described below. Not all of the risks that are identified are under the direct control of Trinity Biotech but in most cases we have built systems and controls to monitor and, where possible, mitigate the potential damage that could result.

- The diagnostics industry is heavily regulated and non-compliance with applicable regulations could reduce revenues and profitability
- The company operates in a highly competitive market that is characterised by technological advances, sales price pressures and changing customer needs. If we do not respond effectively we may lose market share and the business may suffer
- Trinity Biotech has historically grown organically and through acquisition. There can be no guarantees that recent or future acquisitions can be successfully assimilated or that projected revenues or synergies in operating costs can be achieved.
- The company prepares its financial statements in US Dollars but all of its revenues and a significant proportion of its expenses are denominated in Sterling. Fluctuations in currency exchange rates may adversely affect our profitability and assets

### Directors

On 13 August 2008 Kevin Tansley was appointed as director of the company and on 3 October 2008 Brendan Farrell resigned as director of the company. On 16 December 2008 Ronan O'Caoimh was appointed as director of the company.

# Trinity Biotech (UK Sales) Limited

## Directors' report *(continued)*

### Events after the balance sheet date

There have been no significant post balance sheet events affecting the financial position of the company which could require adjustment or additional disclosure to the financial statements.

### Political and charitable contributions

The company made no political contributions or charitable donations during the year.

### Going concern

The company's financial statements have been prepared on the going concern basis because the directors are satisfied that the company's ultimate parent company, Trinity Biotech plc, has indicated that it will provide financial support to enable the company to meet its liabilities as they fall due, to allow it to continue in existence for the foreseeable future.

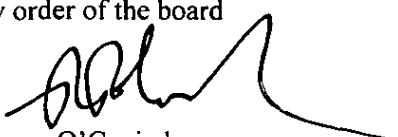
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

In accordance with Section 384 of the Companies Act 1985, KPMG have signified their willingness to continue in office and the directors will place a resolution before the annual general meeting to re-appoint them as auditors for the ensuing year.

By order of the board

  
Ronan O'Caoimh  
Director

6 March 2009

# Trinity Biotech (UK Sales) Limited

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 judgements 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; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Ronan O'Caoimh  
*Director*



**KPMG**  
**Chartered Accountants**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

## **Independent auditor's report to the members of Trinity Biotech (UK Sales) Limited**

We have audited the company's financial statements of Trinity Biotech (UK Sales) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 auditors' 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 the financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 5.

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 if, in our opinion, the Directors' Report is not 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 transactions with the company 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). 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.



Independent auditor's report to the members of Trinity Biotech (UK Sales) Limited *(continued)*

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Chartered Accountants  
Registered Auditor  
Dublin*

13 March 2009



# Trinity Biotech (UK Sales) Limited

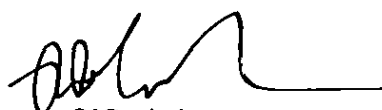
## Profit and loss account

for the year ended 31 December 2007

	Note	2007 US\$	2006 US\$
<b>Turnover</b>			
Continuing operations	3	10,778,988	7,292,598
Acquisitions	3	155,114	-
		<u>10,934,102</u>	<u>7,292,598</u>
Cost of sales		(8,492,752)	(5,915,989)
<b>Gross profit</b>		<u>2,441,350</u>	<u>1,376,609</u>
Administrative expenses		(2,595,459)	(1,284,089)
<b>Profit/(loss) before interest and taxation</b>			
Continuing operations	5	(182,990)	92,520
Acquisitions	5	28,881	-
		<u>(154,109)</u>	<u>92,520</u>
Interest payable	6	(14,218)	(8,717)
Interest receivable	7	36,437	34,882
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>(131,890)</u>	<u>118,685</u>
Taxation on ordinary activities	8	28,398	(49,935)
<b>Profit/(loss) for the financial year</b>	18	<u>(103,492)</u>	<u>68,750</u>

There are no recognised gains or losses in either year other than the profit/(loss) attributable to shareholders of the company.

These financial statements were approved by the board of directors on 6 March 2009 and were signed on its behalf by:

  
 Ronan O'Caoimh  
 Director

# Trinity Biotech (UK Sales) Limited

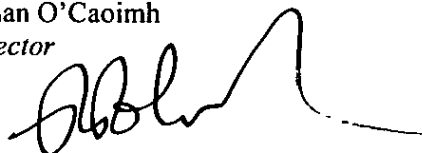
## Balance sheet

as at 31 December 2007

	Note	2007 US\$	2006 US\$
<b>Fixed assets</b>			
Tangible assets	9	950,075	1,558,531
Intangible assets: Intellectual property	10	739,732	119,083
Goodwill	11	876,670	-
		<hr/>	<hr/>
		2,566,477	1,677,614
<b>Current assets</b>			
Debtors	12	1,625,460	2,359,787
Stocks	14	2,165,148	1,679,186
Cash at bank and in hand		326,152	143,028
		<hr/>	<hr/>
		4,116,760	4,182,001
<b>Creditors: amounts falling due within one year</b>	15	(6,677,543)	(5,846,317)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(2,560,783)	(1,664,316)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		5,694	13,298
<b>Creditors: amounts falling due after more than one year</b>	16	(190,080)	(94,192)
		<hr/>	<hr/>
<b>Net liabilities</b>		(184,386)	(80,894)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	17	2	2
Profit and loss account	19	(184,388)	(80,896)
		<hr/>	<hr/>
<b>Shareholders' deficit - equity</b>	18	(184,386)	(80,894)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 6 March 2009 and were signed on its behalf by:

Ronan O'Caoimh  
Director



# Trinity Biotech (UK Sales) Limited

## Notes

*forming part of the financial statements*

### 1. **Going concern**

The company's financial statements have been prepared on the going concern basis because the directors are satisfied that the company's ultimate parent company, Trinity Biotech plc, has indicated that it will provide financial support to enable the company to meet its liabilities as they fall due, to allow it to continue in existence for the foreseeable future.

### 2. **Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### (a) ***Basis of preparation***

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

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

#### (b) ***Sales and revenue recognition***

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from products is generally recorded at the date of delivery to the customer. Service revenue is recognised in proportion to the stage of completion of the transaction at the balance sheet date. No revenue is recognised if there is uncertainty regarding recovery of the consideration due at the outset of the transaction or the possible return of goods.

The company leases instruments under operating leases as part of its business, such transactions typically involve commitments by the customer to pay a fee per test run on the instruments, and revenue is recognised on the basis of customer usage of the instruments. The corresponding asset is depreciated over the life of the agreement.

#### (c) ***Foreign currencies***

The functional currency of the company is the United States Dollar (US\$).

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

# Trinity Biotech (UK Sales) Limited

## Notes (continued)

### 2. Accounting policies (continued)

#### (d) *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write-off the cost less the residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	5 years
Office equipment	5 years
Plant and equipment	5 to 10 years

The carrying value of tangible assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment is assessed by comparing the carrying value of an asset with its recoverable amount (being the higher of net realisable value and value in use). Net realisable value is defined as the amount at which an asset could be disposed of net of any direct selling costs. Value in use is defined as the present value of the future cash flows obtainable through continued use of an asset including those anticipated to be realised on its eventual disposal.

#### (e) *Intangible assets*

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the future economic benefits attributable to the asset will flow to the company and that its cost can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the profit and loss account on a straight line basis over the estimated useful lives of intangible assets.

The estimated useful lives of all intangible assets is 10 years.

#### (f) *Stocks*

Stocks are stated at the lower of cost and net realisable value on a first-in first-out basis. Cost includes all expenditure which has been incurred in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and costs expected to be incurred in marketing, distribution and selling.

#### (g) *Leases*

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the company. All other leases are classified as operating leases.

Assets acquired under finance leases are capitalised in the balance sheet at the lower of cost and present value of minimum lease payments and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of lease obligations are charged to income on an actuarial basis over the period of the lease.

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

# Trinity Biotech (UK Sales) Limited

## Notes (continued)

### 2. Accounting policies (continued)

#### (h) *Deferred taxation*

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, or a right to pay less, taxation in the future have occurred at the balance sheet date.

Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

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 taxation rates that are expected to apply in the periods in which the timing differences reverse, based on taxation rates and legislation which are enacted or substantively enacted at the balance sheet date.

#### (i) *Cash flow statement*

Financial Reporting Standard Number 1 (Revised), "Cash Flow Statements", exempts subsidiary undertakings from the requirements to prepare a cash flow statement where 90% or more of the voting rights are controlled by a group that prepares publicly available consolidated financial statements in which the subsidiary undertaking's results are included. The company has availed of this exemption.

#### (j) *Pension costs*

The company provides arrangements to the majority of employees through a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### 3. Turnover

Turnover, all of which arises from continuing operations, represents amounts invoiced by the company in respect of goods, services and commissions, excluding value added tax and discounts. The distribution of sales by customers' geographical market was as follows:

	2007 US\$	2006 US\$
United Kingdom	10,909,714	7,291,092
Rest of Europe	24,388	1,506
	<hr/>	<hr/>
	10,934,102	7,292,598
	<hr/>	<hr/>

# Trinity Biotech (UK Sales) Limited

## Notes (continued)

### 4. Employees

The average number of persons employed by the company during 2007 was 18 (2006: 10). All employees are included in the sales and marketing function.

The aggregate payroll costs of these persons were as follows:

	2007 US\$	2006 US\$
Salaries and benefits	1,191,011	699,698
Social welfare costs	124,464	70,931
Pension costs	72,889	27,528
	<u>1,388,364</u>	<u>798,157</u>

### 5. Profit on ordinary activities before taxation

	2007 US\$	2006 US\$
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The profit/(loss) on ordinary activities before taxation, is stated after charging:

Directors' remuneration	195,921	154,354
Depreciation	753,147	531,893
Amortisation of intangible assets: intellectual property	35,385	14,885
Goodwill amortisation	28,280	-
Operating lease rentals (motor vehicles)	42,459	34,677
Operating lease rentals (land & buildings)	181,673	178,187
	<u></u>	<u></u>

Auditors' remuneration is borne by another group company.

### 6. Interest payable

	2007 US\$	2006 US\$
Interest payable on finance leases	14,218	8,717
	<u></u>	<u></u>

### 7. Interest receivable

	2007 US\$	2006 US\$
Interest receivable from Group undertakings	36,437	34,882
	<u></u>	<u></u>

# Trinity Biotech (UK Sales) Limited

## Notes (continued)

### 8. Taxation on ordinary activities

The current tax credit for the year differs from the amount computed by applying the standard rate of corporation tax in the United Kingdom (30%) to the profit on ordinary activities before taxation. The sources and tax affects of the differences are explained below:

	2007 US\$	2006 US\$
<i>Current tax</i>		
Profit/(loss) on ordinary activities before tax	(131,890)	118,685
Profit/(loss) on ordinary activities multiplied by standard rate of tax in the United Kingdom of 30%	(39,567)	35,606
Effect of:		
Capital allowances in excess of depreciation	131,925	(136,748)
Disallowable expenses	21,427	17,187
Other	-	13,669
Losses carried forward/(utilised)	(113,785)	80,905
Current tax charge for the year	-	10,619
<i>Deferred tax</i>		
Movement in deferred tax asset (see note 13)	(28,398)	39,316
Taxation charge/(credit) on ordinary activities	(28,398)	49,935

# Trinity Biotech (UK Sales) Limited

Notes (continued)

## 9. Tangible fixed assets

	Motor vehicles US\$	Office Equipment US\$	Plant & equipment US\$	Total US\$
<i>Cost</i>				
At 1 January 2007	239,923	187,677	1,677,685	2,105,285
Additions	91,001	36,295	47,221	174,517
Disposals	-	-	(46,423)	(46,423)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2007</b>	<b>330,924</b>	<b>223,972</b>	<b>1,678,483</b>	<b>2,233,379</b>
<i>Accumulated Depreciation</i>				
At 1 January 2007	(41,965)	(5,147)	(499,642)	(546,754)
Depreciation charge	(61,491)	(26,435)	(665,221)	(753,147)
On disposals	-	-	16,597	16,597
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2007</b>	<b>(103,456)</b>	<b>(31,582)</b>	<b>(1,148,266)</b>	<b>(1,283,304)</b>
<i>Net book value</i>				
<b>At 31 December 2007</b>	<b>227,468</b>	<b>192,390</b>	<b>530,217</b>	<b>950,075</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2007	197,958	182,530	1,178,043	1,558,531
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the above analysis are motor vehicles acquired under finance leases with a net book value of US \$227,468 (2006: \$197,958) after accumulated depreciation of US\$103,456 (2006: \$41,965).



# Trinity Biotech (UK Sales) Limited

## Notes (continued)

### 10. Intangible fixed assets: intellectual property

	US\$
<i>Cost</i>	
At beginning of year	148,853
Additions (see note 22)	656,034
	<hr/>
<b>At 31 December 2007</b>	<b>804,887</b>
<i>Accumulated Depreciation</i>	
Beginning of year	(29,770)
Charged in year	(35,385)
	<hr/>
<b>At end of year</b>	<b>(65,155)</b>
<i>Net book value</i>	
<b>At 31 December 2007</b>	<b>739,732</b>
	<hr/> <hr/>
At 1 January 2007	119,083
	<hr/> <hr/>

Intangible assets comprise of acquired customer lists.

### 11. Intangible fixed assets: goodwill

	Purchased goodwill US\$
<i>Cost</i>	
At beginning of year	-
Acquired during year (see note 22)	904,950
	<hr/>
<b>At 31 December 2007</b>	<b>904,950</b>
<i>Amortisation</i>	
Beginning of year	-
Charged in year	(28,280)
	<hr/>
<b>At end of year</b>	<b>876,670</b>
<i>Net book value</i>	
<b>At 31 December 2007</b>	<b>876,670</b>
	<hr/> <hr/>
At 1 January 2007	-
	<hr/> <hr/>

# Trinity Biotech (UK Sales) Limited

## Notes (continued)

<b>12. Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>US\$</b>	<b>US\$</b>
<i>Amounts falling within one year</i>		
Trade debtors	<b>1,530,661</b>	2,237,411
Prepayments	<b>94,799</b>	65,847
Amounts owing by group undertakings	-	34,882
	<b>1,625,460</b>	2,338,140
<i>Amounts falling after more than one year</i>		
Deferred tax asset (see note 13)	-	21,647
	<b>1,625,460</b>	2,359,787
<b>13. Deferred tax</b>	<b>2007</b>	<b>2006</b>
	<b>US\$</b>	<b>US\$</b>
<i>Movement in deferred tax asset /(liability)</i>		
At beginning of year	<b>21,647</b>	60,963
Charge to goodwill (see note 22)	<b>(183,690)</b>	-
Credit/(charge) to profit and loss account (see note 8)	<b>28,398</b>	(39,316)
At end of year	<b>(133,645)</b>	21,647

The deferred tax liability at 31 December 2007 is due mainly to deferred tax recognised on fair value asset uplifts in connection with the business combination (see note 22). The deferred tax asset decreased during 2007 due to the utilisation of net operating losses available for offset against future profits. At December 31, 2007 there were net operating loss carry forwards of approximately US\$209,000 (2006: US\$580,000) which can be carried forward indefinitely.

<b>14. Stocks</b>	<b>2007</b>	<b>2006</b>
	<b>US\$</b>	<b>US\$</b>
Finished goods	<b>2,165,148</b>	1,679,186

# Trinity Biotech (UK Sales) Limited

## Notes (continued)

### 15. Creditors: amounts falling due within one year

	2007 US\$	2006 US\$
Trade creditors	135,903	177,941
Amounts due to group undertakings	5,519,949	4,852,408
Accruals and other creditors	487,576	615,653
Amounts payable under finance leases	103,013	86,256
VAT payable	431,102	114,059
	<u>6,677,543</u>	<u>5,846,317</u>

### 16. Creditors: amounts falling due after more than one year

	2007 US\$	2006 US\$
Amounts payable under finance leases	56,435	94,192
Deferred tax (see note 13)	133,645	-
	<u>190,080</u>	<u>94,192</u>

### 17. Called up share capital

	2007 US\$	2006 US\$
<i>Authorised</i>		
1,000 ordinary shares of STG £1 each	1,547	1,547
<i>Allotted, called up and fully paid</i>		
1 ordinary share of STG £1	2	2

### 18. Reconciliation of movement in shareholders' deficit

	2007 US\$	2006 US\$
Opening balance	(80,894)	(149,644)
Profit/(loss) for the financial year	(103,492)	68,750
	<u>(184,386)</u>	<u>(80,894)</u>

# Trinity Biotech (UK Sales) Limited

## Notes *(continued)*

### 19. Profit and loss account

	2007 US\$	2006 US\$
Profit and loss account at beginning of year	(80,896)	(149,646)
Profit/(loss) for financial year	(103,492)	68,750
	<hr/>	<hr/>
<b>Profit and loss account at end of year</b>	<b>(184,388)</b>	<b>(80,896)</b>
	<hr/>	<hr/>

### 20. Operating lease commitments

At 31 December 2007, the company had annual commitments under non-cancellable operating leases (for motor vehicles and buildings) as set out below:

	2007 US\$	2006 US\$
Operating leases which expire:		
In one year	8,774	11,676
In two to five years	181,673	211,175
	<hr/>	<hr/>
	190,447	222,851
	<hr/>	<hr/>

### 21. Amounts due under finance leases and hire purchase contracts

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	2007 US\$	2006 US\$
In one year	111,178	95,746
In two to five years	62,925	98,779
	<hr/>	<hr/>
	174,103	194,525
	<hr/>	<hr/>
Less future finance charges	(10,718)	(14,077)
	<hr/>	<hr/>
	163,385	180,448
	<hr/>	<hr/>

# Trinity Biotech (UK Sales) Limited

## Notes (continued)

### 22. Business Combinations

In October 2007, the company acquired certain components relating to the distribution business of Sterilab Services UK, a distributor of Infectious Diseases products, for a total of US\$1,488,602, consisting of cash consideration of US\$1,479,895 and acquisition expenses of US\$8,707.

Goodwill capitalised during 2007 in respect of the Sterilab acquisition amounted to US\$904,950.

	Book values US\$	Fair value adjustments US\$	Fair value US\$
Property, plant & equipment	23,339	-	23,339
Inventories	98,817	(10,848)	87,969
Intangible assets	-	656,034	656,034
Deferred tax liability	-	(183,690)	(183,690)
Net assets acquired	<u>122,156</u>	<u>461,496</u>	<u>583,652</u>
Goodwill arising on acquisition (note 11)			<u>904,950</u>
<b>Total acquired</b>			<u><b>1,488,602</b></u>
<b>Satisfied by:</b>			
Cash payments			1,479,895
Costs associated with the acquisition			8,707
			<u><b>1,488,602</b></u>

### 23. Pension scheme

The company operates a defined contribution pension scheme in which the majority of employees participate. The assets of this scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the scheme and amounted to US\$72,889 (2006: US\$27,528). The unpaid contributions outstanding at the year end amounted to US\$36,269 (2006: US\$nil).

# Trinity Biotech (UK Sales) Limited

## Notes *(continued)*

### **24. Controlling parties and related party transactions**

In common with other companies which are members of a group of companies, the financial statements reflect the effect of such membership. The company has availed of the exemption provided in Financial Reporting Standard Number 8, "Related Party Disclosures", for subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

The company's immediate parent undertaking and controlling party is Trinity Biotech Manufacturing Limited, a company incorporated in the Republic of Ireland. The smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member and the ultimate parent undertaking and controlling party is Trinity Biotech plc, a company incorporated in the Republic of Ireland. The consolidated financial statements of Trinity Biotech plc are available from the company secretary at Trinity Biotech plc, IDA Business Park, Bray, Co. Wicklow, Ireland.

### **25. Commitments and contingencies**

In June 2003, the company's parent Trinity Biotech plc. entered into a bank loan agreement. The assets of Trinity Biotech (UK Sales) Limited are used as security for this bank loan agreement.

### **26. Events after the balance sheet date**

There have been no significant post balance sheet events affecting the financial position of the company which could require adjustment or additional disclosure to the financial statements.

### **27. Approval of financial statements**

The financial statements were approved by the board of directors on 6 March 2009.