

The Binding Site Corporation Limited
Annual report and financial statements
for the period ended 30 September 2009

Registered number 06979672

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The Binding Site Corporation Limited

Annual report and financial statements for the period ended 30 September 2009

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The Binding Site Corporation Limited

Directors and advisors for the period ended 30 September 2009

The Board of Directors

A R Bradwell
T J Sykes

Registered office

Building A
Warstock Road
Kings Heath
Birmingham
West Midlands
B14 4RT

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

National Westminster Bank plc
1 St Phillips Place
Birmingham
B3 2PP

Solicitors

Martineau Johnson
1 Colmore Square
Birmingham
B4 6AA

The Binding Site Corporation Limited

Directors' report for the period ended 30 September 2009

The directors have pleasure in presenting their annual report and audited consolidated financial statements of the company and group for the period ended 30 September 2009

Incorporation

The company was incorporated on 4 August 2009

Principal activities, trading review and future developments

On 31 August 2009 the company acquired the majority of the issued share capital of The Binding Site Group Limited

The principal activity of the company and group is the manufacture and supply of medical diagnostic products

The group sales derive from two main areas. The first is Freelite which is a unique diagnostic test used to measure ratios of free lightchain protein in serum which is associated with such diseases as myeloma cancer. The company has introduced the testing regime to the market and exceptional growth was achieved in this area. The other main area was the supply of autoimmune diagnostic tests, an example of which is rheumatoid arthritis, under a supply agreement to Instrument Laboratories (UK) Ltd. Further details on this supply agreement are held in the annual report of The Binding Site Group Limited. This supply agreement is expected to come to an end in the financial year ending 30 September 2010.

In terms of financial performance the group achieved a ratio of gross profit to sales of 78%. Around 40% of the company's sales are in US dollars whereas most of the cost of production is in pounds sterling. The company made a considerable investment in overhead and support areas to continue to stimulate demand for Freelite.

Further areas of expansion included increased numbers of Freelite technical directors employed, investment in research and development and investment in production processes to support future expansion.

During 2009/10, the group expects to benefit from the continued weakening of Sterling against the US Dollar which will enhance profitability. In addition the company will continue to expand its core business activities through strong trading supported by continued selective investment. Growth is expected to be continued to be driven by the take-up of the Freelite product. It is also expected that the investment in research and development will result in the introduction of a unique complementary product, Hevylite, during the year. During the year the group will open having further subsidiaries in the Czech Republic, Belgium and Italy to increase growth rates.

Key Performance Indicators

The group uses performance monitors across all subsidiaries, and in aggregate, in order to understand the development and performance of the business. These include a range of product performance measures and supply indicators as well as a range of financial measures.

In view of the short period for which the company has traded, together with the uncharacteristic nature of that period, it is held that such measurement of the company would be of limited usefulness.

Research and development

The group continues to invest in research and development, progressing major long term projects as well as introducing new product developments during the period.

The Binding Site Corporation Limited

Directors' report for the period ended 30 September 2009 (continued)

Results and dividends

The consolidated trading results for the period (which only includes 30 days of the full year trading of the acquired group) and the group's financial position at the end of the period are shown in the attached financial statements. The directors have not recommended a dividend.

Directors

The directors who served the company during the period and at the date of this report, were as follows:

R J Finding	(appointed 4 August 2009, resigned 21 August 2009)
A R Bradwell	(appointed 21 August 2009)
T J Sykes	(appointed 21 August 2009)
J P Southern	(appointed 21 June 2010)

Directors' indemnities

The Company maintains liability insurance for its directors and officers. Following shareholder approval the Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate measures put in place to monitor and mitigate them. The key business risks affecting the group are set out below:

a) Competition

The group operates in a competitive market particularly concerning price and quality. This results not only in downward pressure on our margins in certain areas, but also in the risk that we will not meet our customers/consumers expectations. We undertake weekly and monthly reviews to constantly monitor quality standards and to ensure they are being met.

b) Employees

The group's performance depends on its managers and staff. The resignation of key individuals and any inability to recruit people with the right experience and skills from the local community could adversely affect the group's results. To mitigate these issues the group operates a training programme for all employees and has implemented a number of reward schemes linked to the company's results and individual performance that are designed to retain key individuals.

c) Supply chain

Given the group's dependence on certain specialized raw materials, our purchasing section continually monitors supplier performance and actively seeks to ensure alternative supplies are available where possible.

d) Environment

The environmental impact of the group's activities is monitored as part of its routine activities and the group actively manages to ensure it meets its environmental commitments.

The Binding Site Corporation Limited

Directors' report for the period ended 30 September 2009 (continued)

Financial risk management

The group's operations expose it to a variety of financial risks that include exchange risk, credit risk, liquidity risk and interest rate risk. The group uses external derivative financial instruments to manage these risks as appropriate.

The group has implemented policies that require appropriate assessment of credit limits for potential customers before sales are made.

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets are bank balances at variable interest rates and cash balances.

Payment of creditors

The group's policy is to agree payment terms with individual suppliers and abide by such terms. Creditors' days for the group as at 30 September 2009 were 27 days. The company itself has no external trade creditors.

Employees

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

In order to recognize the contribution made by employees in the company, it supports them in ways such as the operation of an on-site nursery facility and the payment of discretionary bonuses.

The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining its performance. Employees have access to the company intranet which gives company performance information as well as regular meetings with their managers.

The Binding Site Corporation Limited

Directors' report for the period ended 30 September 2009 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 directors' report and financial statements for each financial year. Under that law the directors have elected to prepare the company's 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 its profit or loss 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,
- 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.

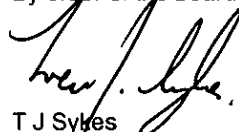
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, the following applies

- (a) so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware, and
- (b) he 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 group's auditors are aware of that information.

By order of the board



T J Sykes
Director

26 July 2010

Independent auditors' report to the members of The Binding Site Corporation Limited

We have audited the group and parent company financial statements ('the financial statements') of The Binding Site Corporation Limited for the period ended 30 September 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Cash Flow Statement, and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 group and parent 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 group's and parent company's affairs as at 30 September 2009 and of the group's profit and cash flows for the period 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

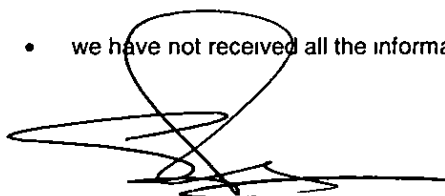
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of The Binding Site Corporation 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Stephen Rowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
26 July 2010

The Binding Site Corporation Limited

Consolidated profit and loss account for the period ended 30 September 2009

		Period 4 August to 30 September 2009
	Note	£'000
Turnover	2	3,816
Cost of sales		(914)
Gross profit		2,902
Administrative expenses		(2,570)
Other operating income	3	8
Operating profit	4	340
Interest receivable and similar income	7	23
Interest payable and similar charges	8	(18)
Profit on ordinary activities before taxation		345
Taxation credit on profit on ordinary activities	9	35
Profit on ordinary activities after taxation		380
Minority interests	22	(2)
Profit for the period attributable to members of parent company	25	378

All of the above results relate to acquired activities

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historic cost equivalents

The above results relate to the company since its incorporation on 4 August 2009 together with the results of The Binding Site Group Limited and its subsidiaries from the date of its acquisition on 31 August 2009 (30 days)

The Binding Site Corporation Limited

Consolidated statement of total recognised gains and losses for the period ended 30 September 2009

	Period 4 August to 30 September 2009
	£'000
Profit for the period attributable to the members of the parent company	378
Exchange rate translation difference	349
Total recognised gains for the period	727

The Binding Site Corporation Limited

Consolidated balance sheet as at 30 September 2009

	Note	2009 £'000
Fixed assets		
Intangible assets	12	29,587
Tangible assets	13	3,788
		33,375
Current assets		
Stock	15	5,038
Debtors	16	8,371
Cash at bank		12,375
		25,784
Creditors amounts falling due within one year	17	(4,517)
Net current assets		21,267
Total assets less current liabilities and net assets excluding pension liability		54,642
Pension liability	20	(251)
Net assets including pension liability		54,391
Capital and reserves		
Called up share capital	23	-
Merger reserve	24	52,899
Profit and loss account	24	727
Total The Binding Site Corporation Limited shareholders' funds	25	53,626
Minority interests	22	765
Total shareholders' funds		54,391

The notes on pages 13 to 41 form part of these financial statements

These financial statements were approved by the directors on 26 July 2010 and are signed on their behalf by



T J Sykes
Director

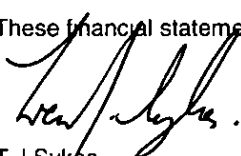
The Binding Site Corporation Limited

Company balance sheet as at 30 September 2009

	Note	2009 £'000
Fixed assets		
Investments	14	118,724
Current assets		
Debtors	16	-
Creditors amounts falling due within one year	17	(1,285)
Net current liabilities		(1,285)
Total assets less current liabilities and net assets		117,439
Capital and reserves		
Called up share capital	23	-
Merger reserve	24	52,899
Profit and loss account	24	64,540
Total shareholders' funds	25	117,439

The notes on page 13 to 41 form part of these financial statements

These financial statements were approved by the directors on 26 July 2010 and are signed on their behalf by


T J Sykes
Director

The Binding Site Corporation Limited company number is 06979672

The Binding Site Corporation Limited

Consolidated cash flow statement for the period ended 30 September 2009

	Note	2009 £'000
Net cash inflow from operating activities	27	1,903
Returns on investments and servicing of finance	27	(7)
Taxation	27	(552)
Capital expenditure and financial investment	27	(458)
Acquisitions and disposals	27	(47,897)
Financing	27	59,386
Increase in cash	28	12,375

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The policies have been consistently applied, apart from that relating to research and development as described below. These financial statements are for the period from incorporation on 4 August 2009 to 30 September 2009. Reference to 'period' throughout these financial statements refers to these dates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. Intragroup transactions and balances are eliminated on consolidation. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of the exemption available under section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax. Revenue from sales of diagnostic kits and equipment are recognised when the goods are despatched to the customer. Revenue from laboratory consumables and reagents is recognised when the diagnostic kits are despatched to the customer. Revenue from the equipment sale is recognised on delivery.

Research and development

Research and development expenditure is written off in the period in which it is incurred, except for expenditure on fixed assets used for research and development purposes, which is capitalised and written off over the estimated useful lives of the assets, and certain development expenditure, which is capitalised and amortised in line with the estimated life of the resultant commercial product. Fixed assets used in research and development activities are written off in line with the depreciation policies below.

Goodwill

Goodwill is the fair value of the consideration paid for acquiring a company or other assets that is in excess of the fair value of the assets and liabilities acquired.

Intangible asset amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill – over 20 years

Development expenditure – over 5 years

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

1 Principal accounting policies (continued)

Fixed assets

All fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land & buildings	- 5% straight line
Plant & machinery	- 20% to 25% straight line
Fixtures & fittings	- 20% to 25% straight line
Motor vehicles	- 25% to 33% straight line

Investments

In the parent company's own balance sheet, shares in the subsidiary companies are stated at cost less provision for impairment as applicable.

In calculating the total consideration of the investment both actual and deferred consideration are taken into account. Where the deferred consideration is payable in cash, the liability is discounted to its present value. Where the deferred consideration is contingent and dependent on future trading performance, an estimate of the present value of the likely consideration payable is made. This contingent deferred consideration is re-assessed annually. The difference between the present value and the total amount payable at a future date gives rise to a finance charge which is charged to the profit and loss account and credited to the liability over the period in which the consideration is deferred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises direct material and labour costs together with the relevant factory overheads (including depreciation) on the basis of normal activity levels. Raw materials and bought-in-goods are valued on a first in first out basis.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Leases and hire purchase agreements

Assets held under finance leases and hire purchase agreements and the related lease and purchase obligations are recorded in the balance sheet at the fair value of the assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges, which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

1 Principal accounting policies (continued)

Pensions – Defined contribution scheme

The Binding Site Group Limited operates a defined contribution pension scheme, which requires contributions to be made to a separately administered fund. The annual contributions payable are charged to the profit and loss account.

Pensions – Defined benefit scheme

The Binding Site Group Limited also operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the group. The scheme is now closed to new and existing members.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using an AA corporate bond rate. Pension scheme assets are valued at market value at the balance sheet date. Any pension scheme deficit is recognised in full on the balance sheet. The deferred tax relating to a defined benefit asset/liability is offset against the defined benefit asset/liability and not included with other deferred tax assets or liabilities. However, pension scheme surpluses are not recognised until the surplus is certain to result in a repayment of the asset.

Further details are given in note 20.

Deferred taxation

Deferred taxation is a measure of the tax consequences of past transactions and events, and is recognised in these financial statements as an asset or liability accordingly. 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 tax on gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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.

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

1 Principal accounting policies (continued)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The results of overseas subsidiaries are translated into sterling using an average rate for the period. Their assets and liabilities are translated into sterling using the rates of exchange ruling at the balance sheet date.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the options concerned is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes Method (BSM). The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, and measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2009
	£'000
United Kingdom	878
Other European Union countries	1,058
United States of America	1,372
Rest of the world	508
	3,816

3 Other operating income

	2009
	£'000
Other operating income	8

Other operating income relates to the income from the on-site nursery

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

4 Operating profit

Operating profit is stated after charging/(crediting)

	2009
	£'000
Amortisation of goodwill	108
Amortisation of capitalised development costs	119
Depreciation of owned tangible fixed assets	94
Depreciation of assets held under hire purchase agreements	1
Non capitalised research and development expenditure	186
Auditors' remuneration	
- as auditor (company £10,000)	10
- other services	62
Operating lease costs	
- Plant and machinery	5
- Other	136
Net (gain) / loss on foreign currency translation	(222)

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

5 Particulars of employees

The average monthly number of staff employed (including directors on service contracts) by the group during the period amounted to

	2009
	Number
Production staff	200
Sales and marketing staff	115
Administrative staff	148
	463

The aggregate payroll costs of the above were

	2009
	£'000
Wages and salaries	1,640
Social security costs	154
Pension costs – operating charges	63
Staff costs – operating charges	1,857

6 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2009
	£'000
Emoluments receivable	41
Pension contributions to money purchase schemes	2
	43

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

6 Directors' emoluments (continued)

Emoluments of highest paid director

	2009
	£'000
Total emoluments (excluding pension contributions)	25

The number of directors who accrued benefits under company pension schemes was as follows

	2009
	£'000
Money purchase scheme	1

7 Interest receivable and similar income

	2009
	£'000
Bank interest receivable	11
Net finance income in respect of defined benefit pension schemes	12
	23

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

8 Interest payable and similar charges

	2009 £'000
Interest payable on bank borrowing	18
	18

9 Taxation on profit on ordinary activities

	2009 £'000
Current tax:	
Current tax credit	(48)
Total current tax	(48)
Deferred tax	
Origination and reversal of timing differences (note 18)	13
Total deferred tax credit (note 18)	13
Tax credit on profit on ordinary activities	(35)

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

9 Taxation on profit on ordinary activities (continued)

Factors affecting current tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for the year of 28%
The differences are explained below

	2009 £'000
Profit on ordinary activities before taxation	345
Tax charge on profit on ordinary activities at average rate of 28%	97
Effects of	
Expenses not deductible for tax purposes	(69)
Capital allowances in excess of depreciation	5
Non taxable income	7
Other short term timing differences	(88)
Current tax credit for the period	(48)

10 Profit attributable to members of the parent company

The company has taken advantage of Section 408 of the Companies Act 2006 not to publish its own profit and loss account. The profit of the parent company in the period ended 30 September 2009 was £64,540,000

11 Dividends

No dividend has been recommended for the period ended 30 September 2009

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

12 Intangible assets

Group	Development expenditure	Goodwill	Total
	£'000	£'000	£'000
Cost			
As at 4 August 2009	-	-	-
Acquired on 31 August 2009	3,443		3,443
Additions (note 26)	437	25,934	26,371
At 30 September 2009	3,880	25,934	29,814
Amortisation			
As at 4 August 2009	-	-	-
Charge for the period	119	108	227
At 30 September 2009	119	108	227
Net book value			
At 30 September 2009	3,761	25,826	29,587

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

13 Tangible fixed assets

Group	Freehold land & buildings	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 4 August 2009	-	-	-	-	-
Acquired on purchase of The Binding Site Group Limited	1,966	1,147	533	185	3,831
Additions	23	8	21	-	52
Disposals	-	-	-	-	-
At 30 September 2009	1,989	1,155	554	185	3,883
Depreciation					
As at 4 August 2009	-	-	-	-	-
Charge for the period	22	44	19	10	95
On disposals	-	-	-	-	-
At 30 September 2009	22	44	19	10	95
Net book value					
At 30 September 2009	1,967	1,111	535	175	3,788

At the balance sheet date the directors did not consider there to be any material difference between net book value and market value in respect of the land and buildings

Hire purchase agreements

Included within the net book value of £3,726,000 is £11,000 relating to motor vehicles held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such amounts amounted to £1,000.

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

14 Investments

	Company
	£'000
Net book value	
At 4 August 2009	-
Addition	118,724
At 30 September 2009	118,724

The addition in investments relates to the acquisition of The Binding Site Group Ltd. Further details are given in note 26

Subsidiary undertakings

All controlled directly or indirectly by the company

	Country of incorporation	Holding	Proportion of voting rights held	Nature of business
The Binding Site Group Limited	UK	Ordinary shares	100%	Manufacture & supply of medical and biological products
The Binding Site Inc	USA	Ordinary shares	90%	Supply of medical and biological products
The Binding Site GmbH	Germany	Ordinary shares	90%	Supply of medical and biological products
The Binding Site VT Inc	USA	Ordinary shares	100%	Supply of antisera to the parent company
The Binding Site Surcursal Espana	Spain	Ordinary shares	100%	Supply of medical and biological products
BDS Biologicals Limited	UK	Ordinary shares	100%	Dormant

The Binding Site Group Limited also operates a branch in France

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

14 Investments (continued)

The capital and reserves at 30 September 2009, and profits and loss for the subsidiaries for the year ended on that date, were as follows

	2009
	£'000
Aggregate capital and reserves at 30 September 2009	
The Binding Site Group Limited	26,442
The Binding Site Inc	5,603
The Binding Site GmbH	1,243
The Binding Site VT Inc	80
The Binding Site Surcursal Espana	(69)
BDS Biologicals Limited	-
Profit/(loss) for the year ended 30 September 2009	
The Binding Site Group Limited	75,441
The Binding Site Inc	1,753
The Binding Site GmbH	242
The Binding Site VT Inc	4
The Binding Site Surcursal Espana	(388)
BDS Biologicals Limited	-

15 Stock

	Group	Company
	2009	2009
	£'000	£'000
Raw materials	1,051	-
Work in progress	3,067	-
Finished goods	920	-
	5,038	-

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

16 Debtors

	Group	Company
	2009	2009
	£'000	£'000
Trade debtors	6,145	-
Corporation taxation	752	-
Directors' loan account	244	-
Other debtors	234	-
Deferred taxation (note 18)	673	-
Prepayments and accrued income	324	-
	8,372	-

17 Creditors: amounts falling due within one year

	Group	Company
	2009	2009
	£'000	£'000
Trade creditors	689	-
Owed to group undertakings – The Binding Site Group Limited	-	26
Hire purchase agreements	16	-
Deferred consideration relating to the purchase of The Binding Site Group Limited	1,012	1,259
Other creditors	76	-
Taxation and social security	333	-
Accruals and deferred income	2,391	-
	4,517	1,285

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

17 Creditors: amounts falling due within one year (continued)

The following liabilities disclosed under creditors falling due within one year are secured on the assets of the group

	Group	Company
	2009	2009
	£'000	£'000
Hire purchase agreements	16	-

18 Deferred taxation

The deferred taxation assets included in the balance sheet are as follows

	Group	Company
	2009	2009
	£'000	£'000
Included in debtors (note 16)	673	-
Included in net pension deficit (note 20)	98	-
Total deferred taxation assets	771	-

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

18 Deferred taxation (continued)

The movement in the deferred taxation account during the period was

	Group	Company
	2009	2009
	£'000	£'000
Balance arising on the acquisition of The Binding Site Group Limited	784	-
Profit and loss account (charge)/credit	(13)	-
Balance carried forward	771	-

19 Loans and hire purchase

Creditors include finance instruments which are due for repayment as follows

	Group	Company
	2009	2009
	£'000	£'000
Amounts repayable		
In one year or less or on demand	16	-
	16	-

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

20 Pension schemes and FRS 17 disclosures

The group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company and group, being invested with insurance companies. The scheme is closed to new entrants and also closed to existing members for further benefit accruals. The group also operates money purchase pension schemes.

The cash contribution made to the defined benefit scheme during the period was nil. Group contributions to the money purchase schemes amounted to £63,000. At the period end there was an outstanding employers contribution of £33,000.

The last full actuarial valuation of the scheme was completed on 30 September 2008.

The actuarial report for the pension scheme was undertaken by Barnett Waddingham Actuaries and was determined by using the following major assumptions:

	At 30 September 2009
Discount rate	5.60%
Expected return on assets (for the following year)	5.54%
Salary increases	5.00%
Inflation	3.25%
LPI pension increases	3.25%
Mortality pre-retirement	Standard tables P[M/F]A 2000 year of birth with long cohort minimum 1% pa improvements
Mortality post retirement	Standard tables P[M/F]A 2000 year of birth with long cohort minimum 1% pa improvement
Assumed retirement age	65

The expected return on assets is taken by reference to the yields on corporate and non-UK Government debt, as appropriate to the Scheme's holdings of these instruments. This is noted as 5.6% pa on bonds and 2.0% on cash.

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

20 Pension schemes and FRS 17 disclosures (continued)

a) Net pension assets/(liabilities):

	2009 Value £'000
Present value of Defined Benefit Obligation	(6,746)
Total market value of assets	6,397
Surplus/(deficit) in the scheme	(349)
Related deferred tax asset	98
Net pension liability	(251)

b) Expected returns on assets and liabilities

	Expected long-term return on assets	2009 Value £'000
Bonds	5.60%	6,292
Cash	2.00%	105
Total market value of assets		6,397

c) Amounts charged in profit and loss account

	2009 £'000
Current service cost	-
Interest cost	33
Expected return on pension scheme assets	(45)
	(12)

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

20 Pension schemes and FRS 17 disclosures (continued)

d) Changes in the present value of the defined benefit obligation

	2009 £'000
Opening defined benefit obligation	6,714
Current service cost	-
Interest cost	33
Benefits paid	(1)
Closing defined benefit obligation	6,746

e) Changes in the fair value of the scheme assets

	2009 £'000
Opening fair value of scheme assets	6,353
Expected return on assets	45
Contributions by employer	-
Benefits paid	(1)
Closing fair value of scheme assets	6,397

The group expects to contribute £1,370,000 into an escrow account to provide additional security to the scheme in the year ending 30 September 2010

f) Analysis of amount recognised in statement of total recognised gains and losses (STRGL) and history of experience gains and losses

There has been no charge recognised in the STRGL in the current period

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

21 Share-based payments

Nature and extent of share schemes

As part of the purchase of the shares in The Binding Site Limited and The Binding Site Inc on 14 September 2005, The Binding Site Group Limited agreed to initiate a share option scheme whereby certain directors and senior management staff received an option to 2% of the share capital in the event of a change in ownership. The options can only be exercised in the event of a change in ownership and will be forfeited if the employee leaves the company prior to this event. All options were exercisable immediately upon sale of The Binding Site Group Limited. In the case of flotation only 50% can be exercised on float, 25% a year later and the remaining 25% a further year later.

On 31 August 2009, The Binding Site Corporation Limited acquired the majority of the share capital of The Binding Site Group Limited. On 21 August 2009, the scheme members exercised options over 8,000 shares in The Binding Site Group Limited. The remaining options were substituted for options in The Binding Site Corporation Limited under the terms of the acquisition agreement. The share price at time of option exercise was £1,259.49. The share options in The Binding Site Corporation Limited have no performance criteria attached to them, other than the employee remaining with the group.

As the fair value of the options has been fully charged to the profit and loss account of The Binding Site Group Limited prior to acquisition by the company and the replacement options in The Binding Site Corporation Limited are fully vested without any performance criteria, there has been no share based payment charge to the profit and loss account.

	Date of original grant	Ordinary shares under option at 31 August 2009	Exercise price (£/share)	Exercised during the year	Ordinary shares under option at 30 September 2009
HD Carr-Smith	30 03 2006	1,024	247	-	1,024
PL Duncan	30 03 2006	1,024	247	-	1,024
A Rowland	30 03 2006	1,024	247	-	1,024
W Herzog	30 03 2006	1,024	247	-	1,024
G Mead	30 03 2006	1,024	247	-	1,024
A Pietrantuono	30 03 2006	-	-	-	-
R Rowland	30 03 2006	1,024	247	-	1,024
JP Southern	06 12 2006	1,024	366	-	1,024
TJ Sykes	30 03 2006	1,024	247	-	1,024

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

22 Minority interests

	£'000
As at 4 August 2009	763
Profit attributable to minority interests for the period	2
Balance as at 30 September 2009	765

23 Share capital

Authorised share capital

	2009
	£
1,050,000 Ordinary shares of £0.01 each	10,500

Allotted, called up and fully paid;

	2009	
	Number	£
42,000 Ordinary shares of £0.01 each	42,000	420

During the period 42,000 ordinary shares of £0.01 each, with a nominal value of £420 were issued at fair value in exchange for shares in The Binding Site Group Limited

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

24 Reserves

	Merger reserve	Profit and loss account
Group	£'000	£'000
At 4 August 2009	-	-
Reserve arising on new equity share capital issue (see below)	52,899	-
Profit for the period	-	378
Exchange rate translation differences	-	349
Balance carried forward at 30 September 2009	52,899	727

	Merger reserve	Profit and loss account
Company	£'000	£'000
At 4 August 2009	-	-
Reserve arising on new equity share capital issue (see below)	52,899	-
Profit for the period	-	64,540
Balance carried forward at 30 September 2009	52,899	64,540

The merger reserve represents merger relief arising as a result of the application of Section 612 of the Companies Act 2006 in respect of the acquisition of more than 90% of the nominal value of the equity shares of The Binding Site Group Limited

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

25 Reconciliation of movements in total shareholders' funds

	Group 2009 £'000	Company 2009 £'000
Profit for the financial period	378	64,540
Exchange rate translation differences	349	-
New equity share capital subscribed	-	-
Merger reserve	52,899	52,899
Net addition to The Binding Site Corporation Limited shareholders' funds	53,626	117,439
Opening The Binding Site Corporation Limited shareholders' funds	-	-
Closing The Binding Site Corporation Limited shareholders' funds	53,626	117,439

26 Acquisitions

On 31 August 2009 the company acquired The Binding Site Group Limited and its subsidiary companies. The book value and fair value of net assets at the date of acquisition are as follows:

	£'000
Intangible fixed assets	3,443
Tangible fixed assets	3,831
Stock	4,910
Debtors	9,046
Creditors	(3,618)
Loans	59,633
Pension deficit	(361)
Cash	16,669
Net assets acquired	93,553
Minority interest	(763)
	92,790

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

26 Acquisitions (continued)

Financed by

	£'000
Cash	64,566
Share for share exchange	52,899
Deferred consideration	1,259
Total consideration	118,724

This gives rise to goodwill of £25,934,000. The goodwill is being amortised over 20 years.

The consolidated profit for the period prior to acquisition for The Binding Site Group Limited was £70,009,000 whilst the profit for the year ended 30 September 2008 was £3,933,000. The significant increase in profit in the current period is due to the profit on sale of the group's autoimmune business.

27 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2009 £'000
Operating profit	340
Amortisation of goodwill	108
Amortisation of development costs	119
Depreciation	95
Increase in minority interest	2
Increase in stocks	(62)
Decrease in debtors	376
Increase in creditors	925
Net cash inflow from operating activities	1,903

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

27 Notes to the cash flow statement (continued)

Returns on investments and servicing of finance

	2009
	£'000
Interest received	12
Interest paid	(19)
Net cash outflow from returns on investments and servicing of finance	(7)

Taxation

	2009
	£000
Taxation paid	(552)

Capital expenditure and financial investment

	2009
	£'000
Payments to acquire tangible fixed assets	(21)
Expenditure on capitalised development	(437)
Net cash outflow from capital expenditure and financial investment	(458)

Acquisitions and disposals

	2009
	£'000
Payment to acquire subsidiary (note 26)	(64,566)
Cash acquired with subsidiary	16,669
Net cash outflow from capital expenditure and financial investment	(47,897)

27 Notes to the cash flow statement (continued)

Financing

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

	2009
	£'000
Loan receipts	66,415
Loan payments	(7,029)
Net cash inflow from financing	59,386

28 Reconciliation of net cash flow to movement in net debt

	2009
	£'000
Increase in cash in the period	12,375
Loans and hire purchase acquired with subsidiaries	(16)
Change in net debt	12,359
Net debt at beginning of the period	-
Net debt at 30 September 2009	12,359

Analysis of changes in net debt

	At 4 August 2009	Cash flows	Other non-cash changes	At 30 September 2009
	£'000	£'000	£'000	£'000
Net cash		.		
Cash at bank less overdraft	-	12,375	-	12,375
Debt				
Hire purchase within 1 year	-	-	(16)	(16)
Net debt as at 30 September 2009	-	12,375	(16)	12,359

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

29 Operating lease commitments

At 30 September 2009 the group committed to make the following annual payments in respect of non-cancellable operating leases

Land & buildings

	Group	Company
	2009	2009
	£'000	£'000
Leases expiring within one year	238	-
Leases expiring within two to five years	419	-
Leases expiring after five years	-	-
Annual operating leases payments	657	-

Other	Group	Company
	2009	2009
	£'000	£'000
Leases expiring within one year	154	-
Leases expiring within two to five years	177	8
Leases expiring after more than five years	-	-
Annual operating leases payments	331	8

30 Ultimate controlling party

A R Bradwell is the ultimate controlling party by virtue of his majority shareholding in the parent company

31 Related party transactions

At the end of the period the company owed The Binding Site Group Limited (a subsidiary company) £26,000

During the period the company received a loan from The Binding Site Group Limited of £64,566,000. The loan was repaid during the period.

On 21 August 2009 a director was advanced a loan from The Binding Site Group Limited of £247,000 in order to exercise share options over 1,000 shares in The Binding Site Group Limited. On 31 August 2009 the director sold these shares to The Binding Site Corporation Limited and the loan was repaid.

The Binding Site Corporation Limited

Notes to the financial statements for the period ended 30 September 2009 (continued)

31 Related party transactions (continued)

As part of the purchase of The Binding Site Group Limited by the company, the company entered into the following transactions with the directors and parties closely connected to the directors

	Directors	Closely connected parties
	£'000	£'000
Shares in The Binding Site Group Limited purchased for cash	1,259	53,906
Shares in The Binding Site Group Limited exchanged for shares in the company	50,128	2,771