

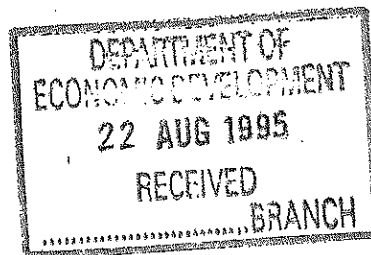
RANDEX LABORATORIES LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

AS MODIFIED BY ARTICLE 255

COMPANIES (NI) ORDER 1986



RANDEX LABORATORIES LTD

REPORT & ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

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RANDEX LABORATORIES LTD

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 December 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company continues to develop, manufacture and market biotechnology products, with special emphasis on enzymes and enzyme-related products.

There has been no material change in the nature of the business during the year.

	<u>1994</u>	<u>1993</u>
	£	£
Profit for the year after taxation was	1,037,112	1,046,585
	<u>          </u>	<u>          </u>
The directors do not recommend the payment of a dividend		
Leaving profits to be transferred to reserves	1,037,112	1,046,585
	<u>          </u>	<u>          </u>
Retained profits now amount to	3,942,121	2,905,009
	<u>          </u>	<u>          </u>

Results continue to be pleasing. The directors expect that profitability will continue to be maintained in the future.

RESEARCH AND DEVELOPMENT

The company continues to expend resources upon research and development, with a view to marketing it's products. Refer note 5 to the accounts.

TANGIBLE ASSETS

A schedule of the movement on tangible assets is shown in note 6 to the accounts.

DIRECTORS

The directors who acted during the year and their beneficial and family interests in shares of the company were as follows:-

	<u>AT 31/12/94</u>		<u>AT 31/12/93</u>	
	<u>ORD</u>	<u>PREF</u>	<u>ORD</u>	<u>PREF</u>
Dr S P Fitzgerald	71,106	-	71,106	-
Mr R J Fitzgerald	9,894	-	9,894	-
Mrs R J Fitzgerald	9,000	-	9,000	-
Mr C D M Fitzgerald	-	-	-	-

RANDEX LABORATORIES LTD

DIRECTORS' REPORT Continued

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that period. In preparing the financial statements appropriate accounting policies have been used and applied consistently. Reasonable and prudent judgements and estimates have been made. The financial statements have been prepared on the going concern basis and in accordance with applicable Accounting Standards.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

AUDITORS

T Murphy & Co were appointed auditors for the year and now offer themselves for re-appointment in accordance with Article 392 of the Companies (Northern Ireland) Order 1986.

BY ORDER OF THE BOARD

DR S P FITZGERALD

SECRETARY

DATE: 2 MAY 1995

43 Lockview Road, Belfast BT9 5FJ  
Tel: (0232) 381755  
Fax: (0232) 381744  
Also at:-  
3A Jingle Court, Newry Street  
Banbridge BT32 3YJ  
Tel: (08206) 22884

RANDEX LABORATORIES LTD

Full financial statements for shareholders for the year ended 31 December 1994 were approved by the board of Directors on the 2 May 1995. The Directors have prepared the attached financial statements for the year ended 31 December 1994 in compliance with Articles 255 to 257 of the Companies (Northern Ireland) Order 1986 for filing with the registrar of companies.

AUDITORS REPORT

TO THE MEMBERS OF RANDEX LABORATORIES LTD.

In our opinion the company satisfies the requirements of Article 256(1) of the Companies (Northern Ireland) Order 1986 for exemption as a medium sized company in respect of the year ended 31 December 1994 and in particular the modified financial statements have been properly prepared in accordance with schedule 8 of that order. We are not required to express an audit opinion on the truth and fairness of these modified financial statements.

We reported as auditors of Randox Laboratories Ltd to the members on 4 May 1995 on the Company's financial statements prepared under Article 236 of the Companies (Northern Ireland) Order 1986 for the year ended 31 December 1994 and our audit opinion was as follows:

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1 and 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances consistently applied and adequately disclosed.

RANDOX LABORATORIES LTD

AUDITORS' REPORT Continued

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.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

  
T MURPHY & CO  
REGISTERED AUDITORS

DATE: 4 MAY 1995

RANDEX LABORATORIES

PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1994

	<u>NOTE</u>	<u>1994</u>	<u>1993</u>
		£	£
GROSS PROFIT		1,876,272	2,044,155
Administrative Expenses		(1,574,573)	(1,563,306)
Other Operating Income		814,901	587,870
Other Interest Receivable & Similar Income		19,707	12
Interest Payable & Similar Charges		(23,887)	(32,086)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,112,420	1,036,645
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	(75,308)	9,940
		<hr/>	<hr/>
PROFIT		1,037,112	1,046,585
		<hr/>	<hr/>
AMOUNTS TRANSFERRED TO RESERVES	16	1,037,112	1,046,585
		<hr/>	<hr/>

The notes on pages 8 to 14 form part of these accounts.

RANDOX LABORATORIES LTD

MODIFIED BALANCE SHEET  
AS AT 31 DECEMBER 1994

	<u>NOTES</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Intangible Assets	5	2,007,552	1,764,748
Tangible Assets	6	1,548,081	1,332,936
		<hr/>	<hr/>
		3,555,633	3,097,684
CURRENT ASSETS			
Stock	7	837,656	680,977
Debtors	8	1,666,987	1,178,618
Cash at Bank & in Hand		132,061	-
		<hr/>	<hr/>
		2,636,704	1,859,595
CREDITORS Amounts Falling Due within one year	9	(502,829)	(510,241)
		<hr/>	<hr/>
NET CURRENT ASSETS		2,133,875	1,349,354
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,689,508	4,447,038
CREDITORS Amounts falling due after more than one year	10	(1,104,026)	(973,975)
PROVISION FOR LIABILITIES & CHARGES	12	(493,362)	(418,054)
		<hr/>	<hr/>
NET ASSETS		4,092,120	3,055,009
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called Up Share Capital	14	150,000	150,000
Profit & Loss Account	15	3,942,120	2,905,009
		<hr/>	<hr/>
		4,092,120	3,055,009
		<hr/>	<hr/>

We have relied on the exemptions for individual financial statements contained in Articles 255 to 257 of the Companies (Northern Ireland) Order 1986 because, under that Order, the company is entitled to benefit from these exemptions as a medium sized company.

B. Fitzgibbon

W. H. G. Gald

DATE: 2 MAY 1995

The notes on pages 9 to 15 form part of these accounts.



RANDEX LABORATORIES LTDCASH FLOW STATEMENT  
YEAR ENDED 31 DECEMBER 1994

	<u>NOTE</u>	<u>1994</u>	<u>1993</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	1,743,164	1,903,384
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received		19,707	12
Interest Paid		(23,887)	(32,086)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(4,180)	(32,074)
INVESTING ACTIVITIES			
Payments to Acquire Intangible Fixed Assets		(2,073,278)	(1,876,099)
Payments to Acquire Tangible Fixed Assets		(413,513)	(582,401)
Receipts from Sales of Tangible Fixed Assets		13,466	35,490
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,473,325)	(2,423,010)
NET CASH OUTFLOW BEFORE FINANCING		(734,341)	(551,700)
FINANCING			
Capital Grants Received		953,548	601,053
NET CASH FLOW FROM FINANCING		953,548	601,053
INCREASE IN CASH AND CASH EQUIVALENTS	2	219,207	49,353

RANDOX LABORATORIES LTD

NOTES TO THE CASH FLOW STATEMENT

1. NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>1994</u>	<u>1993</u>
	£	£
Profit on Ordinary Activities Before Taxation	1,112,420	1,036,645
Interest Paid	23,887	32,086
Interest Received	(19,707)	(12)
Capital Grant Amortised	(814,028)	(587,870)
Amortisation of Intangible Fixed Assets	1,830,474	1,486,906
Depreciation on Tangible Fixed Assets	177,539	148,164
Loss on Disposal of Tangible Fixed Assets	7,359	696
(Increase) in Stocks	(156,679)	(89,241)
(Increase) in Debtors	(488,369)	(214,915)
Increase in Creditors	70,268	90,925
	<u>1,743,164</u>	<u>1,903,384</u>

2. ANALYSIS OF CHANGES IN CASH AND EQUIVALENT DURING THE YEAR	<u>1994</u>	<u>1993</u>
	£	£
At 31 December 1993	(87,146)	(136,499)
Net Cash	219,207	49,353
	<u>132,061</u>	<u>(87,146)</u>

ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENT AS SHOWN IN THE BALANCE SHEET

	<u>1994</u>	<u>1993</u>	<u>CHANGE IN YEAR</u>
	£	£	£
Bank Loan and Overdrafts	132,061	(87,146)	219,207
	<u>132,061</u>	<u>(87,146)</u>	<u>219,207</u>

# RANDOX LABORATORIES LTD

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### ACCOUNTING CONVENTION

The Company prepares its accounts on the historical cost basis of accounting. The principal accounting policies which have been adopted within that convention are set out below.

#### TURNOVER

Turnover represents the invoice value, excluding value added tax in respect of the sale of goods to customers during the year.

#### TANGIBLE ASSETS

The cost of assets comprises purchase price and any installation charges.

Depreciation is calculated to write off the cost of the fixed assets over their estimated useful lives. The methods adopted and rates used are:

BUILDING RENOVATIONS	5%	STRAIGHT LINE
LAB EQUIPMENT	20%	REDUCING BALANCE
OFFICE EQUIPMENT	20%	REDUCING BALANCE
MOTOR VEHICLES	25%	REDUCING BALANCE

#### RESEARCH AND DEVELOPMENT

Expenditure on research and development relating to diagnostic and enzyme related products produced by the company is written off by reference to the period over which the products are likely to be sold.

#### STOCK

Stock is stated at the lower of cost and net realisable value.

#### DEFERRED TAXATION

Deferred taxation is provided on all material timing differences except in so far as it is expected that the benefit will, with reasonable probability, be retained for the foreseeable future.

#### CAPITAL GRANTS

##### (a) Research & Development

Grants received from LEDU are credited to the Profit and Loss Account by reference to the periods over which the products to which they relate are likely to be sold.

##### (b) Tangible Assets

Capital Grants received in respect of Capital Expenditure upon Tangible Assets are credited to the Profit and Loss account by instalments calculated at the same rates as the depreciation on the assets to which grants relate.

#### REVENUE GRANTS

Revenue based grants are credited against the appropriate Profit and Loss Account items.

RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

2. SEGMENT AND MARKET INFORMATION

In accordance with Schedule 4 Section 55(5) of the Companies (Northern Ireland) Order 1986 Segment and Market Information has been omitted. The directors believe that to disclose such information would be seriously prejudicial to the interests of the Company.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1994</u>	<u>1993</u>
after charging:	£	£
Directors' Emoluments	64,354	89,822
Depreciation	177,539	148,164
Auditors Remuneration	3,500	3,500
Interest Payable - Bank Borrowings	23,887	32,086
Loss on Sale of Fixed Assets	7,359	696

and after crediting:

Interest Received	19,707	12
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4. TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1994</u>	<u>1993</u>
	£	£
Transfer (to)/from Deferred Tax	(75,308)	9,940

5. INTANGIBLE ASSETS	<u>1994</u>	<u>1993</u>
	£	£

COST

At 1 January 1994	5,962,101	4,086,002
Additions	2,073,278	1,876,099

At 31 December 1994	8,035,379	5,962,101
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PROVISION FOR DIMINUTION IN VALUE

At 1 January 1994	4,197,353	2,710,447
Increases	1,830,474	1,486,906

At 31 December 1994	6,027,827	4,197,353
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BALANCE SHEET VALUE	2,007,552	1,764,748
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RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

6. TANGIBLE ASSETS

	BUILDING RENOVATIONS	LABORATORY EQUIPMENT	MOTOR VEHICLES	OFFICE EQUIPMENT	LAND	TOTAL
	£	£	£	£	£	£
<b>COST</b>						
At 1 January 1994	820,759	583,417	196,665	128,883	240,225	1,969,949
Additions	139,267	58,845	94,932	75,469	45,000	413,513
Disposals	-	-	(45,379)	-	-	(45,379)
At 31 December 1994	960,026	642,262	246,218	204,352	285,225	2,338,083
<b>DEPRECIATION</b>						
At 1 January 1994	125,557	350,979	103,681	56,796	-	637,013
Charge for year	48,001	58,256	41,771	29,511	-	177,539
Disposals	-	-	(24,550)	-	-	(24,550)
At 31 December 1994	173,558	409,235	120,902	86,307	-	790,002
<b>BALANCE SHEET VALUE</b>						
At 31 December 1994	786,468	233,027	125,316	118,045	285,225	1,548,081
<b>BALANCE SHEET VALUE</b>						
At 31 December 1993	695,202	232,438	92,984	72,087	240,225	1,332,936

RANDOX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

7. STOCKS	<u>1994</u>	<u>1993</u>
	£	£
Raw Materials	360,576	388,161
Finished Goods	475,128	290,864
Other Stock	1,952	1,952
	<hr/>	<hr/>
	837,656	680,977
	<hr/>	<hr/>
8. DEBTORS	<u>1994</u>	<u>1993</u>
	£	£
Trade Debtors	1,312,389	759,659
Grants Receivable	312,682	351,444
Other Debtors	37,029	67,115
Prepayments & Accrued Income	4,887	400
	<hr/>	<hr/>
	1,666,987	1,178,618
	<hr/>	<hr/>
9. CREDITORS (Amounts due within one year)	<u>1994</u>	<u>1993</u>
	£	£
Bank Loans & Overdrafts	-	87,146
Trade Creditors	437,203	381,386
Other Creditors	7,115	(7,472)
Taxation & Social Security Costs	49,703	37,536
Accruals & Deferred Income	8,808	11,645
	<hr/>	<hr/>
	502,829	510,241
	<hr/>	<hr/>
10. CREDITORS (Amounts due after one year)	<u>1994</u>	<u>1993</u>
	£	£
Family Investment	23,993	23,993
Capital Grants (See Note 15)	1,076,379	936,859
Other Creditors	3,654	13,123
	<hr/>	<hr/>
	1,104,026	973,975
	<hr/>	<hr/>

RANDOX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

11. BANK LOANS AND OVERDRAFTS	<u>1994</u>	<u>1993</u>
	£	£
Bank Loans & Overdrafts	-	87,146
	<hr/>	<hr/>
TOTAL	-	87,146
	<hr/>	<hr/>
DUE INSIDE ONE YEAR		
Bank Loans & Overdrafts	-	87,146
	<hr/>	<hr/>
	-	87,146
	<hr/>	<hr/>

DETAILS OF SECURITY:

The Bank of Ireland Ltd hold a debenture on the assets of the company.

12. PROVISION FOR LIABILITIES & CHARGES	<u>DEFERRED TAX</u>
	£
At 1 January 1994	418,054
Transfer from Profit & Loss Account	75,308
	<hr/>
At 31 December 1994	493,362
	<hr/>

13. DEFERRED TAXATION	<u>FULL</u>		<u>PROVISION MADE</u>	
	<u>POTENTIAL LIABILITY</u>		<u>1994</u>	<u>1993</u>
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Capital Allowances in				
Advance of Depreciation	559,288	537,007	559,288	537,007
Losses B/Fwd	(65,926)	(118,953)	(65,926)	(118,953)
	<hr/>	<hr/>	<hr/>	<hr/>
	493,362	418,054	493,362	418,054
	<hr/>	<hr/>	<hr/>	<hr/>

RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

14. CALLED UP SHARE CAPITAL	<u>1994</u>	<u>1993</u>
	£	£
ALLOTTED & FULLY PAID UP		
90,000 Shares of £1 each	90,000	90,000
60,000 Cumulative Preference Shares of £1 each	60,000	60,000
AUTHORISED		
500,000 Shares of £1 each	500,000	500,000

LEDU have the option to redeem the cumulative preference shares at par. In January 1990, the company's authorised share capital was increased to 500,000 shares of £1 each and the company's issued share capital was increased to 150,000 by means of a bonus issue of 759 shares for every 141 shares held.

15. CAPITAL GRANT RESERVE	<u>1994</u>	<u>1993</u>
	£	£
Balance At 1 January 1994	936,859	923,676
Grants Received & Receivable During the Year	953,548	601,053
Less Credited to Profit & Loss Account	(814,028)	(587,870)
At 31 December 1994	1,076,379	936,859

16. PROFIT AND LOSS ACCOUNT	<u>1994</u>	<u>1993</u>
	£	£
At 1 January 1994	2,905,009	1,858,424
Profit for the Year	1,037,112	1,046,585
At 31 December 1994	3,942,121	2,905,009



RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

17. DIRECTORS & EMPLOYEES	<u>1994</u>	<u>1993</u>
(a) Directors		
The remuneration paid to Directors was:	£	£
Fees	64,354	89,822
	<hr/>	<hr/>
Directors' remuneration, excluding pension contributions are as follows:		
Chairman	30,000	30,000
Highest Paid Director	-	33,954
	<hr/>	<hr/>
(b) Employees	<u>1994</u>	<u>1993</u>
The average weekly number of persons (including directors) employed by the company during the year was:		
Administration	27	24
Production	135	121
Sales	18	15
	<hr/>	<hr/>
	180	160
	<hr/>	<hr/>
Remuneration net of grants was:	£	£
Wages & Salaries	1,511,874	928,304
	<hr/>	<hr/>