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RANOX LABORATORIES HOLDINGS LTD

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED

31 DECEMBER 2005

T MURPHY & CO.

CHARTERED ACCOUNTANTS

43 LOCKVIEW ROAD

BELFAST BT9 5FJ

DEPARTMENT OF ENTERPRISE
TRADE AND INVESTMENT

22 SEP 2006

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COMPANIES REGISTRY

RANDOX LABORATORIES LIMITED

ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

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RANDEX LABORATORIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report on the Group together with the Audited Financial Statements for the year ended 31 December 2005 and Balance Sheet as at that date.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The companies within the Group continue to develop, manufacture and market biotechnology products, with special emphasis on enzymes and enzyme-related products.

	<u>2005</u> <u>£'000</u>	<u>2004</u> <u>£'000</u>
Profit / (Loss) for the year after taxation	<u>1,253</u>	<u>(5,288)</u>
Unpaid Preference Dividends Accrued	<u>(200)</u>	<u>(200)</u>
Exchange valuation on foreign assets	<u>(474)</u>	<u>(271)</u>
Amounts transferred to / (from) reserves	<u>579</u>	<u>(5,759)</u>
Retained profits now amount to	<u>2,555</u>	<u>1,976</u>

The Directors are satisfied with the results for the year and hope that the Group will increase turnover and profitability in the forthcoming year.

DIVIDENDS

The Directors do not recommend payment of a final dividend.

The Directors have accrued a dividend of £200k in accordance with the rights attaching to certain classes of shares as set out in note 20 to the financial statements.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets are set out in notes 7 and 8 to the financial statements. The Group continues to expend resources upon research and development costs with a view to marketing its products.

EMPLOYMENT POLICY

The Group applies the principles of fairness and equality of opportunity to both able bodied and disabled in its employment and recruitment policies.

It is the policy of the Group to encourage the employment, training and advancement of disabled persons wherever possible. In the event of an employee becoming disabled while in the employment of the Group effort is made to provide a suitable alternative position.

EMPLOYEE PARTICIPATION

The employees of the Group are kept informed on matters through meetings and announcements.

The Group maintains an internal Human Resources Department which provides induction and ongoing training and advice in all disciplines of employment policies, procedures and legislation and staff development.

HEALTH AND SAFETY

The Group exercises a strong commitment towards the maintenance of a healthy and safe working environment and training in safety procedures for its employees both in practical terms and in the issue of safety policies, notifications and publications to raise and maintain awareness to safety matters.

RANDOX LABORATORIES LIMITED

REPORT OF THE DIRECTORS (continued)

POLITICAL DONATIONS

There were no political donations made during the year.

DIRECTORS AND THEIR INTEREST IN SHARES

The Directors who acted during the year under review were:

		<u>NUMBER OF SHARES</u>	
		<u>2005</u>	<u>2004</u>
Dr S P Fitzgerald	Ordinary £1 shares	88,200	88,200
Mr R J Fitzgerald	Ordinary £1 shares	900	900
Mrs R J Fitzgerald	Ordinary £1 shares	900	900
Mr C M Fitzgerald	Ordinary £1 shares	-	-

AUDITORS

T Murphy & Co Chartered Accountants acted as auditors for the year under review and offer themselves for reappointment in accordance with Article 392 of the Companies (Northern Ireland) Order 1986.

A resolution to re-appoint T Murphy & Co Chartered Accountants will be proposed at the Annual General Meeting.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those accounts 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 accounting standards have been followed subject to any material departures disclosed and explained in the accounts

Prepare the accounts on a going concern basis unless it is inappropriate to presume the Company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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.

By Order of the Board



Secretary
29th August 2006

T.G. Murphy B.Sc.(Econ.), F.C.A.
R.P. Kelly B.Sc., F.C.A., M.A.B.R.P., M.A.E.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RANDOX LABORATORIES LIMITED**

We have audited the financial statements of Radox Laboratories Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheets, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Article 243 of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities on page 2.

Our responsibility is to Audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 (Northern Ireland) Order 1986. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises of the Director's Report only. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

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

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2005 and of the Group's loss and cash flow for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.


T Murphy & Co.

Chartered Accountants &
Registered Auditors

30th August 2006



Member of RUSSELL BEDFORD INTERNATIONAL *

* A worldwide network of independent accountancy firms, business consultants and specialist legal advisers.

Regulated by the Institute of Chartered Accountants in Ireland for a range of investment business activities.

RANDOX LABORATORIES LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2005

	<u>NOTES</u>	2005 £000's	2004 £000's
TURNOVER - continuing activities	2	40,182	32,326
COST OF SALES		<u>(25,847)</u>	<u>(23,504)</u>
GROSS PROFIT		14,335	8,822
Administration Expenses		(12,278)	(13,719)
Other Operating Income		<u>1,273</u>	<u>1,118</u>
GROUP OPERATING PROFIT / (LOSS) - continuing operations		3,330	(3,779)
Interest Receivable & Similar Income		-	-
Interest Payable & Similar Charges	4	<u>(2,080)</u>	<u>(1,554)</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,250	(5,333)
Tax on Profit / (Loss) on ordinary activities	5	<u>3</u>	<u>45</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,253	(5,288)
Additional finance costs of non-equity shares	6	<u>(200)</u>	<u>(200)</u>
RETAINED PROFIT / (LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO SHAREHOLDERS	19	<u>1,053</u>	<u>(5,488)</u>

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2005

Profit / (Loss) for the year attributable to Shareholders		1,053	(5,488)
Exchange valuation difference on foreign assets and results		<u>(474)</u>	<u>(271)</u>
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	20	<u>579</u>	<u>(5,759)</u>

The notes on pages 9 to 19 form part of these financial statements.

RANDEX LABORATORIES LIMITED**CONSOLIDATED BALANCE SHEET**
AS AT 31 DECEMBER 2005

	<u>NOTES</u>	2005 £000's	2004 £000's
FIXED ASSETS			
Intangible Assets	7	6,588	8,400
Tangible Assets	8	10,890	9,693
Investments	9	630	365
		<u>18,108</u>	<u>18,458</u>
CURRENT ASSETS			
Stock	10	10,150	10,126
Debtors	11	9,615	8,355
Cash at Bank		576	1,050
		<u>20,341</u>	<u>19,531</u>
CREDITORS Amounts falling due within one year	12	<u>(10,668)</u>	<u>(10,782)</u>
NET CURRENT ASSETS		<u>9,673</u>	<u>8,749</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		27,781	27,207
CREDITORS Amounts falling due after one year	13	(18,459)	(18,669)
PROVISION FOR LIABILITIES & CHARGES	16	-	-
DEFERRED GOVERNMENT GRANTS	17	(2,130)	(2,125)
NET ASSETS		<u><u>7,192</u></u>	<u><u>6,413</u></u>
CAPITAL AND RESERVES			
Called Up Share Capital	18	4,090	4,090
Profit & Loss Account	19	2,555	1,976
Accrued Preference Dividends	20	547	347
Shareholders' funds	20	<u><u>7,192</u></u>	<u><u>6,413</u></u>

The Financial Statements were approved by the Board of Directors on 28th August 2006 and were signed on its behalf by:-


DR S P FITZGERALD

The notes on pages 9 to 19 form part of these financial statements.

RANDOX LABORATORIES LIMITED**COMPANY BALANCE SHEET**
AS AT 31 DECEMBER 2005

	<u>NOTES</u>	2005 £000's	2004 £000's
FIXED ASSETS			
Intangible Assets	7	6,588	8,400
Tangible Assets	8	9,234	9,364
Investments	9	<u>2,094</u>	<u>616</u>
		<u>17,916</u>	<u>18,380</u>
 CURRENT ASSETS			
Stock	10	9,533	9,847
Debtors	11	16,733	13,800
Cash at Bank		<u>235</u>	<u>381</u>
		26,501	24,028
CREDITORS Amounts falling due within one year	12	<u>(9,912)</u>	<u>(10,036)</u>
NET CURRENT ASSETS		<u>16,589</u>	<u>13,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		34,505	32,372
 CREDITORS Amounts falling due after one year	13	(18,459)	(18,669)
PROVISION FOR LIABILITIES & CHARGES	16	-	-
DEFERRED GOVERNMENT GRANTS	17	(2,130)	(2,125)
		<u>13,916</u>	<u>11,578</u>
NET ASSETS		<u>13,916</u>	<u>11,578</u>
 CAPITAL AND RESERVES			
Called Up Share Capital	18	4,090	4,090
Profit & Loss Account	19	9,279	7,141
Accrued Preference Dividends	20	<u>547</u>	<u>347</u>
Shareholders' funds	20	<u>13,916</u>	<u>11,578</u>

The Financial Statements were approved by the Board of Directors on 28th August 2006 and were signed on its behalf by:-


DR S P FITZGERALD

The notes on pages 9 to 19 form part of these financial statements.

RANDEX LABORATORIES LIMITED**CONSOLIDATED CASH FLOW STATEMENT**
YEAR ENDED 31 DECEMBER 2005

	<u>NOTES</u>	2005 £000's	2004 £000's
NET CASH FLOW FROM OPERATING ACTIVITIES	1	<u>8,898</u>	<u>5,802</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Charged		<u>(2,080)</u>	<u>(1,554)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(2,080)</u>	<u>(1,554)</u>
TAXATION			
Corporation Tax Paid		<u>3</u>	<u>-</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of Intangible Assets		(6,085)	(7,646)
Purchase of Tangible Assets		(2,748)	(2,058)
Increase in Investments		(265)	-
Proceeds from Sale of Tangible Assets		(99)	8
Capital Grants Received		<u>1,212</u>	<u>931</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		<u>(7,985)</u>	<u>(8,765)</u>
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		<u>(1,164)</u>	<u>(4,517)</u>
FINANCING			
Issue of Share Capital		-	-
New Government Loans		-	-
Movement in Bank Loans		(181)	5,482
New Asset Finance agreement		-	5
Capital element of Assets Finance agreements repaid		<u>(52)</u>	<u>(21)</u>
NET CASH INFLOW FROM FINANCING		<u>(233)</u>	<u>5,466</u>
INCREASE IN NET CASH	2	<u>(1,397)</u>	<u>949</u>

This page should be read in conjunction with the notes on page 8.

RANDEX LABORATORIES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 £000's	2004 £000's
1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating Profit / (Loss)	3,330	(3,779)
Depreciation and reallocation of Tangible Assets	1,453	1,501
(Profit) / Loss on Sale and reallocation of Tangible Assets	(13)	322
Research & Development Costs Amortised	7,897	9,126
Capital Grants Amortised	(1,206)	(1,049)
(Increase)/Decrease in Stock	(24)	(1,803)
Decrease/Increase in Debtors	(1,260)	2,039
(Decrease)/Increase in Creditors	(805)	(521)
Exchange and non-cash adjustments	(474)	(34)
	<u>8,898</u>	<u>5,802</u>

	1 January 2005 £000's	Cash Flow £000's	Non cash movement £000's	31 December 2005 £000's
2. ANALYSIS OF NET DEBT				
Net Cash				
Cash at Bank and in Hand	1,050	(474)	-	576
Bank Overdrafts	(3,564)	(923)	-	(4,487)
(Decrease) / Increase in Cash	<u>(2,514)</u>	<u>(1,397)</u>	<u>-</u>	<u>(3,911)</u>
Debt				
Bank Loans	(16,640)	181	-	(16,459)
Other Long Term Loans	(2,000)	-	-	(2,000)
Asset Finance Obligations	(52)		52	-
	<u>(18,692)</u>	<u>181</u>	<u>52</u>	<u>(18,459)</u>
NET DEBT	<u>(21,206)</u>	<u>(1,216)</u>	<u>52</u>	<u>(22,370)</u>

3. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2005 £000'S	2004 £000'S
(Decrease) / Increase in Cash in Year	(1,397)	949
New Bank Loans	-	(19,390)
New Government Loans	-	-
Long Term Bank Loans Repaid	181	13,908
Net Movement in Asset Finance Obligations	-	16
Non Cash Movement	<u>52</u>	<u>(237)</u>
Movement in Net Debt	<u>(1,164)</u>	<u>(4,754)</u>
Opening Net Debt	<u>(21,206)</u>	<u>(16,452)</u>
Closing Net Debt	<u>(22,370)</u>	<u>(21,206)</u>

RANDEX LABORATORIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

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

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

BASIS OF CONSOLIDATION

The Consolidated Profit and Loss Account and Balance Sheet include the audited financial statements of the Holding Company and its Subsidiary undertakings made up to 31 December 2005.

TURNOVER

Turnover represents the invoice value (excluding value added tax and inter-group dealings) of external sales and work done.

RESEARCH & DEVELOPMENT

Expenditure on research and development relating to diagnostic products produced by the company is written off over three years on a straight line basis.

TANGIBLE ASSETS AND DEPRECIATION

Tangible assets are shown at cost net of depreciation and any provision for impairment.

Depreciation is calculated to write off tangible assets within their useful lives. Items which are not in use are not depreciated. The various companies within the Group use varying rates and methods of depreciation which are appropriate to their particular business. The main methods adopted and rates used are:

Land & Buildings	5%	Straight Line
Plant & Machinery	20%	Straight Line
Motor Vehicles	25%	Straight Line
Office Equipment	20%	Straight Line

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

INVESTMENTS

Investments are usually stated at cost but are written down to realisable value if there has been a permanent diminution in value. Income from investments, together with any related tax credit, is recognised in the profit and loss account in the year in which it is receivable.

STOCK AND WORK IN PROGRESS

Stocks and Short Term Work in Progress are stated at the lower of cost and net realisable value.

TAXATION

Current tax represents the amount expected to be paid or recovered in respect of taxable profit for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax, the estimated future tax consequences of transactions and events recognised in the financial statements of the current and previous years, is provided on all material timing differences which are expected to reverse in the foreseeable future using current tax rates. Deferred tax liabilities are not discounted.

RANDOX LABORATORIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

GOVERNMENT GRANTS

(a) Capital Expenditure Grant

Capital grants received in respect of capital expenditure are credited to profit and loss by instalments calculated at the same rates as the depreciation on the assets to which the grants relate.

(b) Revenue Based Grants

Revenue based grants are credited against the appropriate profit and loss item.

ASSET FINANCE OBLIGATIONS

Assets held under finance leases and hire purchase contracts have been capitalised in the Balance Sheet under tangible assets and with the future obligations under these contracts included in creditors in the Balance Sheet. The interest element of the rental obligations is charged to the profit and loss account over the period of the contract.

FOREIGN EXCHANGE

Where the accounts of subsidiaries are prepared in currencies other than sterling, their Balance Sheets have been converted at the exchange rate at the year end. Their profit and loss accounts have been converted at the average exchange rate prevailing throughout the period. Exchange differences resulting from the retranslation of the opening net assets of non-sterling subsidiary undertakings, joint-ventures and associates at closing rates, together with the differences on the translation of the profit and loss accounts, are dealt with through reserves and reflected in the statement of total recognised gains and losses.

PENSION

The group operates defined contribution schemes. Pension contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. The assets are held separately from those of the Group and in independently administered funds. Differences between the amounts charged in the profit and loss account and payments made to pension funds are treated as assets or liabilities.

2. SEGMENT AND MARKET INFORMATION

In accordance with Schedule 4 Section 55(5) of the Companies (NI) 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 Group.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005	2004
	£000's	£000's
Group loss on ordinary activities before taxation is arrived at after charging:		
Depreciation	1,453	1,423
Amortisation of Research & Development costs	7,896	9,126
Directors' Emoluments	372	420
Auditors' Remuneration	25	20
(Profit) / Loss on sale of Fixed Assets	-	19
Interest Payable - On Bank & Other Borrowings repayable within five years	<u>2,080</u>	<u>1,554</u>
and after crediting:		
Profit on sale of Fixed Assets	<u>13</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£000's	£000's
Bank Loans & Overdrafts	1,970	1,440
Interest Payable on Asset Finance Obligations	-	4
Other Loan Interest	<u>110</u>	<u>110</u>
	<u>2,080</u>	<u>1,554</u>

RANDEX LABORATORIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****5. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2005	2004
	£000's	£000's
a) Analysis of charge in period		
Current Tax		
UK corporation tax on profits of the period :-		
Group companies	-	-
Adjustments in respect of previous periods	-	-
Foreign Tax	(3)	-
Total Current Tax (note 5(b))	(3)	-
Deferred Tax		
Origination and reversal of timing differences	-	(45)
Tax on Loss on Ordinary Activities	(3)	(45)

b) Factors that may affect future tax charges

Based on the current capital investment plan, the Group expects to continue to be able to claim capital allowances in excess of depreciation and allowances for research & development in excess of amortisation in future years.

The Group has significant tax losses available to offset against future taxable profits.

6. DIVIDENDS

	2005	2004
	£000's	£000's
Non-equity interests		
At 1 January 2005	347	147
Preference dividend accrued but not paid	200	200
	547	347
Interim dividend paid	-	-
At 31 December 2005	547	347

RANDOX LABORATORIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****7. INTANGIBLE ASSETS****Group & Company**

	<u>DEVELOPMENT</u>
	<u>COSTS</u>
	£000's
COST OR VALUATION	
At 1 January 2005	70,489
Additions	6,085
Disposals	-
At 31 December 2005	<u>76,574</u>
DEPRECIATION	
At 1 January 2005	62,089
Charge for the Year	7,897
Disposals	-
At 31 December 2005	<u>69,986</u>
BALANCE SHEET VALUE	
At 31 December 2005	<u><u>6,588</u></u>
BALANCE SHEET VALUE	
At 31 December 2004	<u><u>8,400</u></u>

RANDEX LABORATORIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. TANGIBLE ASSETS

Group

	<u>LAND & BUILDINGS</u>	<u>PLANT & VEHICLES</u>	<u>OFFICE EQUIPMENT</u>	<u>TOTAL</u>
	£000's	£000's	£000's	£000's
COST				
At 1 January 2005	6,515	8,994	3,070	18,579
Additions	1,368	1,062	318	2,748
Disposals	-	(47)	(98)	(145)
Reallocation				-
At 31 December 2005	7,883	10,009	3,290	21,182
DEPRECIATION				
At 1 January 2005	1,627	5,543	1,736	8,906
Charge for the year	273	911	268	1,453
Disposals	-	(24)	(43)	(67)
Reallocation				-
At 31 December 2005	1,900	6,431	1,961	10,292
BALANCE SHEET VALUE				
At 31 December 2005	5,982	3,579	1,329	10,890
At 31 December 2004	4,888	3,451	1,334	9,673

Company

	<u>LAND & BUILDINGS</u>	<u>PLANT & VEHICLES</u>	<u>OFFICE EQUIPMENT</u>	<u>TOTAL</u>
	£000's	£000's	£000's	£000's
COST				
At 1 January 2005	6,482	8,758	2,836	18,076
Additions	249	1,062	22	1,334
Disposals	-	(47)	(98)	(145)
At 31 December 2005	6,731	9,774	2,760	19,265
DEPRECIATION				
At 1 January 2005	1,627	5,445	1,660	8,732
Charge for the year	273	911	181	1,366
Disposals	-	(24)	(43)	(67)
At 31 December 2005	1,900	6,333	1,798	10,031
BALANCE SHEET VALUE				
At 31 December 2005	4,831	3,441	962	9,234
At 31 December 2004	4,855	3,313	1,176	9,344

RANDEX LABORATORIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****9. INVESTMENTS**

	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Shares in unquoted companies	365	365	365	365
Investments	265	-	630	-
Shares in Group Undertakings	-	-	1,099	251
	<u>630</u>	<u>365</u>	<u>2,094</u>	<u>616</u>

Details of the investments in which the Group and the Company holds 20% or more of the share capital are listed in note 22 to the financial statements.

10. STOCKS

	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Raw Materials and Work in Progress	3,418	3,510	3,418	3,510
Finished Goods and Goods for Resale	<u>6,732</u>	<u>6,616</u>	<u>6,115</u>	<u>6,337</u>
	<u>10,150</u>	<u>10,126</u>	<u>9,533</u>	<u>9,847</u>

11. DEBTORS

	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Trade Debtors	8,223	7,047	6,742	5,201
Due from Group Undertakings	-	-	8,734	7,352
Other Debtors	823	1,097	688	1,036
Prepayments & Accrued Income	<u>569</u>	<u>211</u>	<u>569</u>	<u>211</u>
	<u>9,615</u>	<u>8,355</u>	<u>16,733</u>	<u>13,800</u>

12. CREDITORS Amounts due within one year

	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Bank Loans & Overdrafts	4,487	3,564	4,487	3,564
Trade Creditors	4,176	4,891	4,176	4,891
Other Creditors	873	-	116	-
Asset Finance Obligations	-	23	-	23
Taxation & Social Security	305	359	305	335
Accruals & Deferred Income	<u>827</u>	<u>1,945</u>	<u>828</u>	<u>1,223</u>
	<u>10,668</u>	<u>10,782</u>	<u>9,912</u>	<u>10,036</u>

RANDEX LABORATORIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****13. CREDITORS Amounts due after one year**

	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Bank Loans	16,459	16,640	16,459	16,640
Other Loans	2,000	2,000	2,000	2,000
Asset Finance Obligations	-	29	-	29
	<u>18,459</u>	<u>18,669</u>	<u>18,459</u>	<u>18,669</u>

14. ASSET FINANCE OBLIGATIONS

The future minimum asset finance payments to which the Group is committed at 31 December 2005 are as follows:

	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Within one year	-	23	-	23
Between one and two years	-	29	-	29
Between two and five years	-	-	-	-
After more than five years	-	-	-	-
	<u>-</u>	<u>52</u>	<u>-</u>	<u>52</u>

15. BANK BORROWINGS

The Group's borrowings are secured by fixed and floating charges over the Group's assets and undertakings in favour of Ulster Bank and Invest NI.

16. PROVISION FOR LIABILITIES & CHARGES - DEFERRED TAX

	Provision Made / Full Liability			
	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Capital Allowances in				
Advance of Depreciation	-	178	-	178
Losses carried forward	-	(2,698)	-	(2,698)
Excess Research & Development allowances	-	2,520	-	2,520
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

RANDEX LABORATORIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. DEFERRED GOVERNMENT GRANTS

Group & Company

	<u>2005</u> <u>£000's</u>	<u>2004</u> <u>£000's</u>
COST		
At 1 January 2005	15,574	14,643
Grants received	1,212	931
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2005	<u>16,786</u>	<u>15,574</u>
AMORTISATION		
At 1 January 2005	13,449	12,400
Charge for the Year	1,206	1,049
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2005	<u>14,655</u>	<u>13,449</u>
BALANCE SHEET VALUE		
At 31 December 2005	<u>2,130</u>	<u>2,125</u>
BALANCE SHEET VALUE		
At 31 December 2004	<u>2,125</u>	<u>2,243</u>

	<u>2005</u> <u>£000's</u>	<u>2004</u> <u>£000's</u>
18. SHARE CAPITAL		
ALLOTTED AND FULLY PAID UP		
Equity Interests		
90,000 Ordinary Shares of £1 each	<u>90</u>	<u>90</u>
Non Equity Interests		
4,000,000 5% Cumulative Redeemable Preference Shares of £1 each	<u>4,000</u>	<u>4,000</u>
AUTHORISED		
Equity Interests		
440,000 Ordinary Shares of £1 each		
Non Equity Interests		
60,000 Cumulative Redeemable Preference Shares of £1 each	60	60
4,000,000 5% Cumulative Redeemable Preference Shares of £1 each	<u>4,000</u>	<u>4,000</u>

RANDOX LABORATORIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****19. PROFIT AND LOSS ACCOUNT**

	Group		Company	
	2005	2004	2005	2004
	£000's	£000's	£000's	£000's
Opening Balance	1,976	7,735	7,141	11,438
Profit for the year Attributable to Shareholders	1,053	(5,488)	2,138	(4,208)
Exchange valuation difference on foreign assets	(474)	(271)	-	(89)
Closing Balance	<u>2,555</u>	<u>1,976</u>	<u>9,279</u>	<u>7,141</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2005	2004	2005	2004
	£000'S	£000'S	£000'S	£000'S
Opening Balance	6,413	11,972	11,578	15,675
Recognised Gains and Losses for the year	579	(5,759)	2,138	(4,297)
New Share Capital Issue	-	-	-	-
Unpaid Accrued Preference Dividends	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
Closing Balance	<u>7,192</u>	<u>6,413</u>	<u>13,916</u>	<u>11,578</u>

Invest NI subscribed for 4,000,000 5% Cumulative Redeemable Preference Shares of £1 each on 27 March 2004. These shares are redeemable at £1 per share in two annual installments of 2,000,000 shares on 27 March 2010 and 2011. The first payment of preference dividend is payable on 27 March 2006. The dividends on the preference dividends would be due before payments of dividends on ordinary shares recommenced. Cumulative arrears of preference dividends at 31 December 2005 amounted to £547k (2004 : £347k)

Analysis of non-equity shareholders funds

	Cumulative Redeemable £1 Preference Shares	
	2005	2004
	£000'S	£000'S
Share Capital	4,000	4,000
Accrued unpaid preference dividends	<u>547</u>	<u>347</u>
	<u>4,547</u>	<u>4,347</u>

RANDEX LABORATORIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****21.DIRECTORS & EMPLOYEES****(a) Directors**

The remuneration paid to Directors was

Remuneration and other emoluments

Pension contributions

2005 £000's	2004 £000's
365	408
<u>7</u>	<u>11</u>
<u>372</u>	<u>420</u>

Directors' remuneration was as follows:

Chairman

Highest Paid Director

162	162
<u>162</u>	<u>162</u>

(b) Employees

The average weekly number of persons, including directors employed by the Group during the year was:

Production & Distribution

Research & Development

Administration

373	333
145	156
<u>62</u>	<u>65</u>
<u>580</u>	<u>554</u>

Employment costs (excluding Research & Development) were :

Wages & Salaries

Other Pension Costs

£000's	£000's
9,704	8,649
<u>130</u>	<u>98</u>
<u>9,834</u>	<u>8,747</u>

RANDOX LABORATORIES LIMITED**NOTES TO THE CONSOLIDATED ACCOUNTS Continued****22. INVESTMENTS**

The company holds directly or indirectly more than 20% of the share capital in the following companies:-

(I) SUBSIDIARY UNDERTAKINGS

Principal Name	Activities	Country of Incorporation or Registration	Country of Principal Activities	%
Randox Laboratories Canada Ltd	Sale of biotechnology products	Canada	Canada	100
Randox Laboratories GmbH	Sale of biotechnology products	Germany	Germany	100
Irlandox Laboratories Q.A. Ltd	Sale of biotechnology products	Portugal	Portugal	100
Laboratorios Randox S.L.	Sale of biotechnology products	Spain	Spain	100
Randox sro	Sale of biotechnology products	Slovakia	Slovakia	100
Randox Laboratories sro	Sale of biotechnology products	Czech Republic	Czech Republic	100
Randox Australia (Pty) Ltd	Sale of biotechnology products	Australia	Australia	100
Randox Brasil Ltda	Sale of biotechnology products	Brazil	Brazil	100
Randox Laboratories S.A. (Pty)Ltd	Sale of biotechnology products	South Africa	South Africa	100
Randox Korea Co. Ltd	Sale of biotechnology products	Korea	Korea	100