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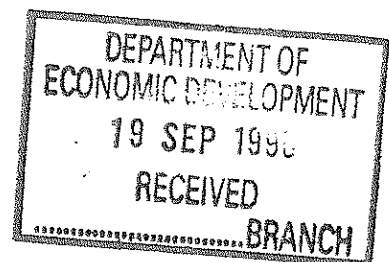
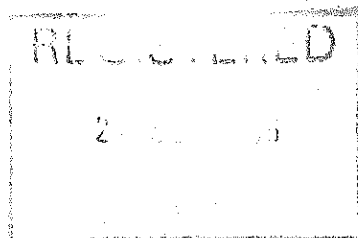
RANDOX LABORATORIES LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

AS MODIFIED BY ARTICLE 255

COMPANIES (NI) ORDER 1986

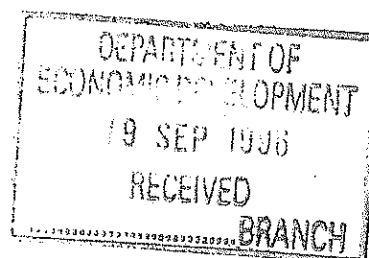


RANDEX LABORATORIES LTD

REPORTS AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1995

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RANDOX LABORATORIES LTD

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 December 1995.

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>1995</u>	<u>1994</u>
	£	£
Profit for the year after taxation was	1,375,234	1,037,112
	<u> </u>	<u> </u>
The directors do not recommend the payment of a dividend		
Leaving profits to be transferred to reserves	1,375,234	1,037,112
	<u> </u>	<u> </u>
Retained profits now amount to	5,317,355	3,942,121
	<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 31/12/95</u>		<u>AT 31/12/94</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	-	-	-	-

RANDOX 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: 8 AUGUST 1996

43 Lockview Road, Belfast BT9 5FJ

Tel: (01232) 381755

Fax: (01232) 381744

Also at:-

3A Jingle Court, Newry Street

Banbridge BT32 3YJ

Tel: (018206) 22884

RANDEX LABORATORIES LTD

Full financial statements for shareholders for the year ended 31 December 1995 were approved by the board of Directors on the 8 August 1996. The Directors have prepared the attached financial statements for the year ended 31 December 1995 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 DIRECTORS 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 1995 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 9 August 1996 on the Company's financial statements prepared under Article 236 of the Companies (Northern Ireland) Order 1986 for the year ended 31 December 1995 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.

RANDEX 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 1995 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
T MURPHY & CO
REGISTERED AUDITORS

DATE: 9 AUGUST 1996

RANDEX LABORATORIES LTD

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1995

	<u>NOTE</u>	<u>1995</u>	<u>1994</u>
		£	£
GROSS PROFIT		2,986,159	1,876,272
Administrative Expenses		(2,106,303)	(1,574,573)
Other Operating Income		736,290	814,901
Other Interest Receivable & Similar Income		62,611	19,707
Interest Payable & Similar Charges		(20,183)	(23,887)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,658,574	1,112,420
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	(283,340)	(75,308)
		<hr/>	<hr/>
PROFIT		1,375,234	1,037,112
		<hr/>	<hr/>
AMOUNTS TRANSFERRED TO RESERVES	16	1,375,234	1,037,112
		<hr/>	<hr/>

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

RANDOX LABORATORIES LTD

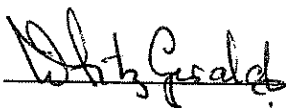
MODIFIED BALANCE SHEET
AS AT 31 DECEMBER 1995

	<u>NOTES</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Intangible Assets	5	3,090,484	2,007,552
Tangible Assets	6	1,789,858	1,548,081
Investments	7	134	-
		<hr/>	<hr/>
		4,880,476	3,555,633
CURRENT ASSETS			
Stock	8	868,169	837,656
Debtors	9	1,663,195	1,666,987
Cash at Bank & in Hand		1,836,815	132,061
		<hr/>	<hr/>
		4,368,179	2,636,704
CREDITORS Amounts Falling Due within one year	10	(955,599)	(502,829)
		<hr/>	<hr/>
NET CURRENT ASSETS		3,412,580	2,133,875
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,293,056	5,689,508
CREDITORS Amounts falling due after more than one year	11	(2,083,985)	(1,104,026)
PROVISION FOR LIABILITIES & CHARGES	13	(741,716)	(493,362)
		<hr/>	<hr/>
NET ASSETS		5,467,355	4,092,120
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called Up Share Capital	14	150,000	150,000
Profit & Loss Account	16	5,317,355	3,942,120
		<hr/>	<hr/>
		5,467,355	4,092,120
		<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.



DATE: 8 AUGUST 1996



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

RANDOX LABORATORIES LTD

CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 1995

	<u>NOTE</u>	<u>1995</u>	<u>1994</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	4,024,220	1,743,164
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received		62,611	19,707
Interest Paid		(20,183)	(23,887)
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		42,428	(4,180)
INVESTING ACTIVITIES			
Payments to Acquire Intangible Fixed Assets		(3,599,083)	(2,073,278)
Payments to Acquire Tangible Fixed Assets		(458,007)	(413,513)
Receipts from Sales of Tangible Fixed Assets		5,000	13,466
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(4,052,090)	(2,473,325)
NET CASH OUTFLOW BEFORE FINANCING		14,558	(734,341)
FINANCING			
Capital Grants Received		1,690,196	953,548
NET CASH FLOW FROM FINANCING		1,690,196	953,548
INCREASE IN CASH AND CASH EQUIVALENTS	2	1,704,754	219,207

RANDOX LABORATORIES LTD

NOTES TO THE CASH FLOW STATEMENT

1. NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>1995</u>	<u>1994</u>
	£	£
Profit on Ordinary Activities Before Taxation	1,658,574	1,112,420
Interest Paid	20,183	23,887
Interest Received	(62,611)	(19,707)
Capital Grant Amortised	(718,381)	(814,028)
Amortisation of Intangible Fixed Assets	2,516,154	1,830,474
Depreciation on Tangible Fixed Assets	211,899	177,539
Loss on Disposal of Tangible Fixed Assets	(669)	7,359
(Increase) in Stocks	(30,513)	(156,679)
(Increase) in Debtors	3,792	(488,369)
Increase in Creditors	425,792	70,268
	<u>4,024,220</u>	<u>1,743,164</u>

2. ANALYSIS OF CHANGES IN CASH AND EQUIVALENT DURING THE YEAR	<u>1995</u>	<u>1994</u>
	£	£
At 31 December 1994	132,061	(87,146)
Net Cash	<u>1,704,754</u>	<u>219,207</u>
At 31 December 1995	<u>1,836,815</u>	<u>132,061</u>

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

	<u>1995</u>	<u>1994</u>	<u>CHANGE IN YEAR</u>
	£	£	£
Bank Loan and Overdrafts	<u>1,836,815</u>	<u>132,061</u>	<u>1,704,754</u>
	<u>1,836,815</u>	<u>132,061</u>	<u>1,704,754</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>1995</u>	<u>1994</u>
after charging:	£	£
Directors' Emoluments	111,351	64,354
Depreciation	211,899	177,539
Auditors Remuneration	5,000	3,500
Interest Payable - Bank Borrowings	20,183	23,887
(Profit)/Loss on Sale of Fixed Assets	(669)	7,359
and after crediting:		
Interest Received	62,611	19,707

4. TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1995</u>	<u>1994</u>
	£	£
Under Provision in Year Ended 31 December 1994	4,927	-
Provision for Year Ended 31 December 1995	36,059	-
Transfer to/(from) Deferred Tax	242,354	(75,308)
	283,340	(75,308)

5. INTANGIBLE ASSETS	<u>1995</u>	<u>1994</u>
	£	£
COST		
At 1 January 1995	8,035,379	5,962,101
Additions	3,599,083	2,073,278
At 31 December 1995	11,634,465	8,035,379
PROVISION FOR DIMINUTION IN VALUE		
At 1 January 1995	6,027,827	4,197,353
Increases	2,516,154	1,830,474
At 31 December 1995	8,543,981	6,027,827
BALANCE SHEET VALUE	3,090,484	2,007,552

RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

6. TANGIBLE ASSETS

	<u>BUILDING RENOVATIONS</u>	<u>FREEHOLD PROPERTY</u>	<u>LABORATORY EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>OFFICE EQUIPMENT</u>	<u>LAND</u>	<u>TOTAL</u>
	£	£	£	£	£	£	£
COST							
At 1 January 1995	960,026	-	642,262	246,218	204,352	285,225	2,338,083
Additions	128,593	73,105	42,694	115,268	98,347	-	458,007
Disposals	-	-	-	(18,250)	-	-	(18,250)
At 31 December 1995	1,088,619	73,105	684,956	343,236	302,699	285,225	2,777,840
DEPRECIATION							
At 1 January 1995	173,558	-	409,235	120,902	86,307	-	790,002
Charge for year	54,431	-	55,144	59,046	43,278	-	211,899
Disposals	-	-	-	(13,919)	-	-	(13,919)
At 31 December 1995	227,989	-	464,379	166,029	129,585	-	987,982
BALANCE SHEET VALUE							
At 31 December 1995	860,630	73,105	220,577	177,207	173,114	285,225	1,789,858
BALANCE SHEET VALUE							
At 31 December 1994	786,468	-	233,027	125,316	118,045	285,225	1,548,081

RANDOX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

7. INVESTMENTS

	SHARES IN GROUP UNDERTAKINGS
	£
COST	
At 1 January 1995	-
Investment During Year	134
Write-Off in Year	-
	<hr/>
At 31 December 1995	134
	<hr/>
PROVISIONS	
At 1 January 1995	-
Provided in Year	-
	<hr/>
At 31 December 1995	-
	<hr/>
NET BOOK VALUE	
At 31 December 1995	134
	<hr/>
NET BOOK VALUE	
At 31 December 1994	134
	<hr/>

<u>UNDERTAKINGS</u>	<u>COUNTRY OF INCORP OR REGISTRATION</u>	<u>CAPITAL & RESERVES</u>	<u>LOSS FOR FINANCIAL YEAR</u>	<u>GROUP INTEREST IN ORDINARY SHARES</u>
Radox Canada	Canada	(56,999)	56,044	100
Radox Portugal	Portugal	(4,413)	3,365	100

8. STOCKS

	<u>1995</u>	<u>1994</u>
	£	£
Raw Materials	311,441	360,576
Finished Goods	556,728	475,128
Other Stock	-	1,952
	<hr/>	<hr/>
	868,169	837,656
	<hr/>	<hr/>

RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

9. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade Debtors	1,328,765	1,312,389
Grants Receivable	232,550	312,682
Other Debtors	70,333	37,029
Prepayments & Accrued Income	31,547	4,887
	<hr/>	<hr/>
	1,663,195	1,666,987
	<hr/>	<hr/>

10 CREDITORS (Amounts due within one year)

	<u>1995</u>	<u>1994</u>
	£	£
Trade Creditors	757,862	437,202
Other Creditors	5,215	7,115
Taxation & Social Security Costs	163,685	49,703
Accruals & Deferred Income	28,837	8,808
	<hr/>	<hr/>
	955,599	502,829
	<hr/>	<hr/>

11. CREDITORS (Amounts due after one year)

	<u>1995</u>	<u>1994</u>
	£	£
Family Investment	23,993	23,993
Capital Grants (See Note 15)	2,048,194	1,076,379
Other Creditors	11,798	3,654
	<hr/>	<hr/>
	2,083,985	1,104,026
	<hr/>	<hr/>

12. PROVISION FOR LIABILITIES & CHARGES

	<u>DEFERRED TAX</u>
	£
At 1 January 1995	499,362
Transfer from Profit & Loss Account	242,354
	<hr/>
At 31 December 1995	741,716
	<hr/>

RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

13. DEFERRED TAXATION

	FULL		PROVISION MADE	
	POTENTIAL LIABILITY		1995	1994
	1995	1994		
	£	£	£	£
Capital Allowances in				
Advance of Depreciation	741,716	559,288	741,716	559,288
Losses B/Fwd	-	(65,926)	-	(65,926)
	<u>741,716</u>	<u>493,362</u>	<u>741,716</u>	<u>493,362</u>

14. CALLED UP SHARE CAPITAL

	1995	1994
	£	£
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	<u>500,000</u>	<u>500,000</u>
500,000 Shares of £1 each		

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

	1995	1994
	£	£
Balance At 1 January 1995	1,076,379	936,859
Grants Received & Receivable During the Year	1,690,196	953,548
Less Credited to Profit & Loss Account	(718,381)	(814,028)
At 31 December 1995	<u>2,048,194</u>	<u>1,076,379</u>

16. PROFIT AND LOSS ACCOUNT

	1995	1994
	£	£
At 1 January 1995	3,942,121	2,905,009
Profit for the Year	1,375,234	1,037,112
At 31 December 1995	<u>5,317,355</u>	<u>3,942,121</u>

RANDEX LABORATORIES LTD

NOTES TO THE ACCOUNTS Continued

17. DIRECTORS & EMPLOYEES

(a) Directors

The remuneration paid to Directors was:

	<u>1995</u>	<u>1994</u>
Fees	111,351	64,354

Directors' remuneration, excluding pension contributions are as follows:

Chairman	30,000	30,000
Highest Paid Director	38,800	-

(b) Employees

The average weekly number of persons (including directors) employed by the company during the year was:

	<u>1995</u>	<u>1994</u>
Administration	18	27
Production	159	135
Sales	17	18
	194	180

Remuneration net of grants was:

	£	£
Wages & Salaries	1,526,681	1,511,874