SC310584

Alba Bioscience Limited

Report and Financial Statements

31 March 2011

Directors
J C Allan
D J P E Cowan
J A Stackawitz

Secretary
LA Sommerville

Auditors
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers
Royal Bank of Scotland
2 St Andrew Square
Edinburgh EH2 2AB

Solicitors
Biggart Baillie
Dalmore House
310 St. Vincent Street
Glasgow G2 5QR

Registered Office
21 Ellen's Glen Road
Edinburgh EH17 7QT

Directors' report

The directors present their report and financial statements for the year ended 31 March 2011.

Results and dividends

The results for the year are set out on page 7. The Company's turnover for the year ending 31 March 2011 was £6.0 million (2010 – £5.3 million).

The balance sheet as at 31 March 2011 demonstrates the financial position of the Company with net assets of £3.6 million (2010 – net liabilities of £0.5 million).

The directors do not recommend the payment of a dividend (2010 - £nil).

Principal activities and review of the business

The principal activity of the Company is the development, manufacture and sale of products for the global transfusion diagnostics market. Alba Bioscience Limited is a leader in the development of new products to address the transfusion diagnostics market across the world. Products manufactured by the Company are sold to other transfusion diagnostics groups, hospitals and blood banking operations and distributors.

The Company has active programmes in place to discover and develop new products to address the global transfusion diagnostics market. Sale of products licenced by the United States Food and Drug Administration ("FDA") in 2009 in the US has commenced and additional FDA license applications are underway to allow the Group to expand the breadth of products being offered in that important market.

With continual investment in its people and capital equipment to improve operating capacity and given continued strong growth in sales levels in the new financial year, the directors believe that the Company will continue to grow.

The directors have carefully considered the principal risks and uncertainties facing the business. The Company operates in a changing and competitive market place where continuing growth is dependent upon maintaining existing customer relationships and developing new business by offering a wider range of product and services, expanding geographically and winning new customers.

Directors

The directors who served the company during the year were as follows:

J C Allan
G B Cameron (Resigned 22 October 2010)
D J P E Cowan
J A Stackawitz (Appointed 29 March 2011)

In accordance with the Articles of Association, none of the directors are required to retire.

Directors' report

Research and development activities

The Company continued its expenditure on research and development during the year. The development of new products for the global transfusion diagnostics market, for group companies, on behalf of the Company itself and third parties. This will continue at broadly the same real level in the foreseeable future in respect of the current business activities.

Employee involvement

We have maintained our commitment to employee involvement throughout the business. Employees are kept well informed of the performance and objectives of the Company through personal briefings, regular meetings and e-mail. In addition, via a Staff Association, an employee has the opportunity to make inputs into HR and policy matters within the Company.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with S.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditors of the company.

On behalf of the Board

Paul Cowan.

D J P E Cowan
Director
Date: 22 August, 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that 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.

Independent auditors' report

to the members of Alba Bioscience Limited

We have audited the financial statements of Alba Bioscience Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

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 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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year 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 matters prescribed by the Companies Act 2006

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

Independent auditors' report

to the members of Alba Bioscience Limited

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Ernst & Young LLP

Keith Jess (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date 26 August 2011

Profit and loss account

for the year ended 31 March 2011

	Note	*2011* £	*2010* £
Turnover	2	5,975,518	5,341,961
Cost of sales		(4,506,799)	(3,020,510)
Gross profit		1,468,719	2,321,451
Selling and distribution costs		(529,558)	(419,604)
Administrative expenses		(2,712,694)	(2,727,178)
Other operating income		1,044,730	234,489
Operating loss	3	(728,803)	(590,842)
Interest receivable and similar income	6	213,189	60,949
Interest payable and similar charges	7	(624,320)	(18,582)
Loss on ordinary activities before taxation		(1,139,934)	(548,475)
Tax	8	-	-
Loss for the financial year		(1,139,934)	(548,475)

All amounts above relate to continuing operations of the Company.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

Statement of total recognised gains and losses

for the year ended 31 March 2011

There are no recognised gains or losses other than the loss attributable to the shareholders of the Company of £1,139,934 in the year ended 31 March 2011 (2010 – loss of £548,475).

Balance sheet
at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Intangible assets	9	1,500,893	3,808,084
Tangible assets	10	794,210	819,865
		2,295,103	4,627,949
Current assets			
Stocks	11	1,231,571	2,341,477
Debtors	12	3,218,949	2,730,064
Cash at bank		271,130	1,356,327
		4,721,650	6,427,868
Creditors: amounts falling due within one year	13	(1,542,060)	(1,371,981)
Net current assets		3,179,590	5,055,887
Total assets less current liabilities		5,474,693	9,683,836
Creditors: amounts falling due after more than one year	14	(1,873,330)	(10,165,836)
Net assets/(liabilities)		3,601,363	(482,000)
Capital and reserves			
Called up share capital	15	612	100
Share premium	16	6,123,683	999,900
Foreign exchange reserve	16	99,002	-
Profit and loss account	16	(2,621,934)	(1,482,000)
Shareholders' funds		3,601,363	(482,000)

Paul Cowan.

D J P E Cowan

Director

Date: 22 August, 2011

Notes to the financial statements

at 31 March 2011

1. Accounting policies

Basis of preparation

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

Statement of cash flows

Under FRS 1 the Company is exempt from the requirement to prepare a statement of cash flows on the grounds that a parent undertaking includes the Company in its own published group financial statements.

Fundamental accounting concept

The Company financial statements show a loss and a deficit on profit and loss reserves at 31 March 2011. However this partially occurs due to the adverse impact of initial losses relating to start-up costs in a US sales & marketing unit and the cost of significant research programmes.

The directors have prepared projected cash flow information for the period to 31 March 2013. On the basis of this cash flow information, the directors consider that the Company will continue to operate within its current bank facilities and therefore that it is appropriate to prepare the financial statements on the going concern basis.

Intangible fixed assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful life on the following basis:

Plant and machinery	–	12.5% per annum straight line
Computer equipment	–	25% per annum straight line
Motor vehicles	–	25% per annum straight line
Fixtures and fittings	–	4% per annum straight line

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

The master cell banks are initially recorded at cost and revalued annually by management. No depreciation is provided on the assets.

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Notes to the financial statements

at 31 March 2011

1. Accounting policies (continued)

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exception:

- A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Grants

Grants of a revenue nature are credited to the profit and loss account so as to match them with the expenditure to which they relate. Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants already received will be released to the profit and loss account over their respective periods.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

Notes to the financial statements

at 31 March 2011

2. Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

The whole of the turnover is attributable to the sale of blood transfusion diagnostic products.

A geographical analysis of turnover is as follows:

	2011	*2010*
	£	*£*
United Kingdom	1,506,296	1,968,462
Rest of European Union	1,339,749	983,269
United States of America	1,343,904	830,955
Rest of World	1,785,569	1,559,275
	5,975,518	5,341,961

Profit or loss by segment and net assets by segment are not disclosed as the directors consider this may be seriously prejudicial to the interests of the Company.

3. Operating loss

This is stated after charging/(crediting):

		2011	*2010*
		£	*£*
Auditors' remuneration:	– audit services	10,000	9,532
	– taxation services	6,000	6,000
Amortisation of intangible fixed assets		103,816	238,843
Depreciation of tangible fixed assets	– owned by the Company	116,554	104,327
	– held under finance leases	65,220	64,689
Operating lease rentals	– plant and machinery	49,782	39,667
	– other operating leases	307,706	292,589
Difference on foreign exchange		160,377	(68,670)
Research and development expenditure		1,004,093	941,693
Revenue grant received		(200,714)	(253,886)

4. Directors' remuneration

The highest paid director received remuneration of £187,746 (2010 – £131,620).

Notes to the financial statements

at 31 March 2011

5 Staff costs

	2011	*2010*
	£	*£*
Wages and salaries	2,760,569	2,293,644
Social security costs	282,208	237,600
Other pension costs	133,742	131,079
	3,176,519	2,662,323

The average monthly number of employees (full time equivalents), including the directors, during the year was made up as follows:

	2011	*2010*
	No.	*No.*
Production	54	43
Sales and distribution	9	8
Research and development	15	14
Management and administration	14	11
	92	76

6. Interest receivable and similar income

	2011	*2010*
	£	*£*
Loans to group undertakings	212,955	60,949
Bank interest	234	-
	213,189	60,949

7. Interest payable and similar charges

	2011	*2010*
	£	*£*
Bank loans and overdrafts	1,241	2,425
Finance leases	8,662	16,157
Loan notes	149,665	-
Loans from group undertakings	429,997	-
Amortisation of capitalised legal fees to secure debt	34,755	-
	624,320	18,582

Notes to the financial statements

at 31 March 2011

8. Tax

(a) Tax on loss on ordinary activities

The tax loss is made up as follows:

	2011	*2010*
	£	*£*
Current tax:		
UK corporation tax on the loss for the year	-	-
Adjustment in respect of previous periods	-	-
Total current tax (note 8(b))	-	-
Deferred tax:		
Movement in deferred tax liability	-	-
Tax on loss on ordinary activities	-	-

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2010 – 28%). The differences are explained below:

	2011	*2010*
	£	*£*
Loss on ordinary activities before tax	(1,139,934)	(548,475)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 – 28%)	(319,182)	(153,373)
Effects of:		
Expenses not deductible for tax purposes	4,224	39,829
Capital allowances in excess of depreciation	4,652	(25,690)
R&D enhancement expenditure	(57,698)	(65,210)
Short-term timing differences	8,044	(1,481)
Adjustment in respect of previous years	-	-
Surplus trading losses carried forward	359,960	205,925
Current tax for the year (note 8(a))	-	-

Notes to the financial statements

at 31 March 2011

8. Tax (continued)

(c) Unrecognised deferred tax assets

Deferred tax assets not recognised in the financial statements comprise:

	2011	*2010*
	£	£
Short term timing differences	40,897	12,168
Fixed asset timing differences	(170,990)	(187,603)
Trading losses	3,212,240	1,926,669
	3,082,147	1,751,234

Deferred tax has been calculated at 26% at 31 March 2011. HM Treasury have announced their intention for the main rate of corporation tax to drop to 23% by 2015 through reductions of 1% per annum over the next three years, although the drop in rates is not enacted at the balance sheet date. A drop in tax rate to 23% would reduce the unrecognised deferred tax asset at 31 March 2011 to £2,726,515.

9. Intangible fixed assets

	Purchased Goodwill	*Licence*	*Total*
	£	£	£
Cost:			
At 1 April 2010	4,362,777	179,090	4,541,867
Additions	-	44,417	44,417
Fair value adjustment	(2,768,802)	-	(2,768,802)
At 31 March 2011	1,593,975	223,507	1,817,482
Amortisation:			
At 1 April 2010	728,919	4,864	733,783
Charge for the year	81,268	22,548	103,816
Fair value adjustment	(521,010)	-	(521,010)
At 31 March 2011	289,177	27,412	316,589
Net book value:			
At 31 March 2011	1,304,798	196,095	1,500,893
At 1 April 2010	3,633,858	174,226	3,808,084

Included within the purchased goodwill is an element of deferred consideration. During the year this was written down as the deferred consideration is no longer payable. Purchased goodwill is being amortised over the directors' estimate of its useful economic life of 20 years.

During the year the Company capitalised £44,417 of product licensing costs. This is being amortised over the directors' estimate of its useful economic life of 10 years.

Notes to the financial statements

at 31 March 2011

10. Tangible fixed assets

	Master cell banks	*Plant and machinery*	*Fixtures, fittings and equipment*	*Total*
	£	£	£	£
Cost:				
At 1 April 2010	-	982,513	215,295	1,197,808
Additions	-	52,820	3,993	56,813
Transfer from stock	99,306	-	-	99,306
At 31 March 2011	99,306	1,035,333	219,288	1,353,927
Amortisation:				
At 1 April 2010	-	267,865	110,078	377,943
Provided during the year	-	127,149	54,625	181,774
	-	395,014	164,703	559,717
Net book value:				
At 31 March 2011	99,306	640,319	54,585	794,210
At 1 April 2010	-	714,648	105,217	819,865

During the year cell banks used by the Company to manufacture monoclonal antibodies were reclassified from stock to fixed assets. The cost represents the historical cost of acquiring and maintaining the master cell banks, less cell bank items used in production, plus new cell bank items created and moved to storage. The directors will review the carrying value of master cell banks each year in light of usage and replenishment.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2011	*2010*
	£	£
Plant and machinery	187,671	252,889

11. Stocks

	2011	*2010*
	£	£
Raw materials	262,893	375,899
Work in progress	711,574	1,662,684
Finished goods and goods for resale	257,104	302,894
	1,231,571	2,341,477

During the period, the Company undertook a detailed review of the carrying value of its stocks, resulting in a year-end write down of £1.1 million.
The difference between the purchase price or production cost of stock and their replacement cost is not material.

Notes to the financial statements

at 31 March 2011

12. Debtors

	2011	2010
	£	£
Trade debtors	761,101	547,729
Loans to group companies	2,145,387	1,872,351
Other debtors	40,956	67,458
Prepayments and accrued income	202,806	172,549
Social security and other taxes	68,699	69,977
	3,218,949	2,730,064

13. Creditors: amounts falling due within one year

	2011	2010
	£	£
Bank loans and overdrafts	7,822	11,573
Proceeds of factored debts	170,028	-
Net obligations under finance leases and hire purchase contracts	25,212	76,062
Trade creditors	850,787	836,051
Social security and other taxes	265,719	88,416
Accruals and deferred income	222,492	359,879
	1,542,060	1,371,981

14. Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Loans from group companies	-	5,553,163
Net obligations under finance leases and hire purchase contracts	60,624	85,835
Other creditors - deferred consideration payable	-	2,768,803
Loan notes	1,812,706	1,758,035
	1,873,330	10,165,836

The deferred consideration is no longer payable in line with the acquisition agreement.

Notes to the financial statements

at 31 March 2011

14. Creditors: amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2011	*2010*
	£	*£*
Within one year	25,212	76,062
Between one and two years	26,964	25,211
Between two and five years	33,660	60,624
	85,836	161,897

The Loan Notes were issued on 19 March 2010 by the company to Haemonetics S.A. ("Haemonetics"). The Loan Notes were issued at the same time as an Evaluation; Supply & License agreement was entered into by the company and Haemonetics. Under that agreement Haemonetics is evaluating the use of blood-typing reagents developed and manufactured by the company within Haemonetics' products. Alba Bioscience is entitled to research funding, milestone and royalty payments arising from the collaboration.

The Loan Notes are redeemable in March 2017 and incur interest at a rate of 7.5% per annum. The value of the Loan Note is shown net of deferred legal costs as set out below:

	2011	*2010*
	£	*£*
Loan note	2,021,236	1,970,573
Deferred legal costs	(208,530)	(212,536)
	1,812,706	1,758,037

15. Share capital

		2011	*2010*
	No	*£*	*£*
Allotted, called up and fully paid			
A Ordinary shares of £0.0001 each	850,000	85	85
B Ordinary shares of £0.0001 each	5,274,295	527	15
		612	100

During the year the Company issued 5,124,295 B Ordinary shares of £0.0001 par at £1 each to its immediate parent Company in settlement of an intercompany loan.

The A Ordinary £0.0001 and B Ordinary £0.0001 shares rank pari passu in all respects.

Notes to the financial statements

at 31 March 2011

16. Reconciliation of shareholders' funds and movements on reserves

	Share premium	*Foreign exchange*	*Profit and loss account*
	£	*£*	*£*
At 1 April 2010	999,900	-	(1,482,000)
New share issue	5,123,783	-	-
Movement on foreign currency translation	-	99,002	-
Loss for the year	-	-	(1,139,934)
At 31 March 2011	6,123,683	99,002	(2,621,934)

17. Contingent liability

There are no contingent liabilities.

The Company was awarded grant funding of £1.8 million from Scottish Enterprise under the "R & D plus" scheme in April 2008. The grant is claimable over 5 years. The Company claimed £200,714 for the year to 31 March 2011. Total funding received to date is £562,742. The grant award includes a provision for full repayment of grant claimed in certain circumstances. The directors do not consider that any repayment is likely.

18. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £133,742 (2010 – £131,079). Contributions totalling £40,897 were payable to the fund at the balance sheet date and are included in creditors (2010 – £16,372).

19. Security for borrowings

The Company has granted a fixed and floating charge over its assets to Haemonetics S.A. as security for loan notes.

The Company has granted a floating charge over its assets to Royal Bank of Scotland Invoice Financing as security for an invoice financing facility.

Notes to the financial statements
at 31 March 2011

20. Other financial commitments

At 31 March 2011, the Company had annual commitments under non-cancellable operating leases as set out below:

	2011 *Land and buildings* £	*2011* *Other* £	*2010* *Land and buildings* £	*2010* *Other* £
Operating leases which expire:				
Within one year	44,098	5,939	292,643	18,038
Between one and two years	248,000	20,126	-	-
Between two and five years	-	7,228	-	28,911

21. Related party transactions

As the Company is a wholly owned subsidiary of Quotient Biodiagnostics Group Limited, the company has taken advantage of the exemption contained in FRS 8 not to disclose transactions or balances with entities which form part of the Quotient Biodiagnostics Group Limited group.

Quotient Bioscience Group Limited is a related party due to its shareholding in the Company's parent company.

The Company entered into the following transaction with the Quotient Bioscience Group:

	2011 £	*2010* £
Recharge of expenditure	149,100	440,691

The Company had the following balances with related parties:

	2011 £	*2010* £
The Quotient Bioscience Group	-	281,319

22. Ultimate parent undertaking and controlling party

The immediate parent company of the company is Quotient Biodiagnostics Group Limited which is incorporated in Jersey, with registered number 103254. Group financial statements of Quotient Biodiagnostics Group Limited are available from the Company Secretary at JTC Management Limited, PO Box 1075, Elizabeth House, 9 Castle Street, St Helier, Jersey JE4 2QP.

The directors consider Mrs D M Cowan to be the controlling party of the Quotient Biodiagnostics Group Limited group due to the voting rights attaching to her shares and her right to appoint a majority of the board of directors.