

2343303

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999  
FOR  
DIFFCHAMB LIMITED**



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FOR THE YEAR ENDED 31 DECEMBER 1999**

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**DIFFCHAMB LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 1999**

<b>DIRECTORS:</b>	Mr J O Lundin Mr R Wakefield
<b>SECRETARY:</b>	R. Wakefield
<b>REGISTERED OFFICE:</b>	Unit 12 Block 3 Old Mill Trading Estate Old Mill Lane Mansfield Woodhouse Nottinghamshire NG19 9BG
<b>REGISTERED NUMBER:</b>	2343303 (England and Wales)
<b>AUDITORS:</b>	Anderson & Co. Chartered Certified Accountants Registered Auditors 18 Diamond Avenue Kirkby in Ashfield Nottingham NG17 7GR
<b>BANKERS:</b>	National Westminster Bank plc Crompton House Derwent Street Derby DE1 2EE

**DIFFCHAMB LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

The directors present their report with the financial statements of the company for the year ended 31 December 1999.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the sale and distribution of food diagnostic tests and equipment.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 1999.

**DIRECTORS**

The directors during the year under review were:

Mr J O Lundin  
Mr R Wakefield

The beneficial interests of the directors holding office on 31 December 1999 in the issued share capital of the company were as follows:

	31.12.99	1.1.99
<b>Ordinary £1 shares</b>		
Mr J O Lundin	-	-
Mr R Wakefield	3,000	3,000

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements 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 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;
- 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 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 Act 1985. 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**

The auditors, Anderson & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



Mr R Wakefield - DIRECTOR

Dated: 20 October 2000

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
DIFFCHAMB LIMITED**

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and the accounting policies set out on page six.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent 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.

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Anderson & Co.  
Chartered Certified Accountants  
Registered Auditors  
18 Diamond Avenue  
Kirkby in Ashfield  
Nottingham  
NG17 7GR

Dated: 20 October 2000

**DIFFCHAMB LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1999**

		31.12.99	31.12.98
	Notes	£	£
<b>TURNOVER</b>		107,528	23,768
Cost of sales		62,795	8,949
<b>GROSS PROFIT</b>		44,733	14,819
Administrative expenses		130,698	33,658
		(85,965)	(18,839)
Other operating income		5,156	567
<b>OPERATING LOSS</b>	3	(80,809)	(18,272)
Interest receivable and similar income		108	-
		(80,701)	(18,272)
Interest payable and similar charges	4	9,233	740
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(89,934)	(19,012)
Tax on loss on ordinary activities	5	-	-
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(89,934)	(19,012)
Deficit brought forward		(49,012)	(30,000)
<b>DEFICIT CARRIED FORWARD</b>		£(138,946)	£(49,012)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these financial statements

**DIFFCHAMB LIMITED**

**BALANCE SHEET  
31 DECEMBER 1999**

	Notes	31.12.99		31.12.98	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		25,459		15,728
<b>CURRENT ASSETS:</b>					
Stocks	7	3,796		360	
Debtors	8	20,606		51,961	
Cash at bank		6,791		6,904	
		31,193		59,225	
<b>CREDITORS: Amounts falling due within one year</b>	9	64,798		42,190	
<b>NET CURRENT (LIABILITIES)/ASSETS:</b>			(33,605)		17,035
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			(8,146)		32,763
<b>CREDITORS: Amounts falling due after more than one year</b>	10		100,800		51,775
			£(108,946)		£(19,012)
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	12	30,000		30,000	
Profit and loss account		(138,946)		(49,012)	
<b>SHAREHOLDERS' FUNDS:</b>	15	£(108,946)		£(19,012)	

**ON BEHALF OF THE BOARD:**



Mr R Wakefield - DIRECTOR

Approved by the Board on 20 October 2000

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements are prepared in accordance with applicable accounting standards.

The financial statements are prepared on a going concern basis. The balance sheet at 31 December 1999 shows an insolvent position and the going concern basis is therefore dependent on the continuation of financial support by the parent company. Should this support be withdrawn and the company be unable to continue trading adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities which might arise.

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Plant and machinery	- 20% on cost
Office Equipment	- 20% on cost

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Foreign currencies**

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

**Operating lease commitments**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**Pensions**

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. Contributions payable for the year are charged in the profit and loss account.

**Deferred taxation**

No provisions have been made for deferred taxation in respect of timing differences as it is considered to be unlikely that any liabilities or assets will crystallise in the foreseeable future.

**2. STAFF COSTS**

	31.12.99	31.12.98
	£	£
Wages and salaries	70,250	17,917
Social security costs	6,999	1,768
Other pension costs	2,420	-
	<hr/>	<hr/>
	79,669	19,685
	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

**2. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	<b>31.12.99</b>	<b>31.12.98</b>
Sales and marketing	<b>2</b>	<b>2</b>
Administration	<b>1</b>	<b>-</b>
	<b>—</b>	<b>—</b>
	<b>3</b>	<b>2</b>
	<b>==</b>	<b>==</b>

**3. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	<b>31.12.99</b>	<b>31.12.98</b>
	<b>£</b>	<b>£</b>
Hire of plant and machinery	<b>468</b>	<b>160</b>
Leasing	<b>11,849</b>	<b>2,522</b>
Depreciation - owned assets	<b>6,458</b>	<b>823</b>
Auditors' remuneration	<b>1,650</b>	<b>950</b>
Non-audit work	<b>1,035</b>	<b>-</b>
Foreign exchange differences	<b>(5,156)</b>	<b>(567)</b>
	<b>==</b>	<b>==</b>
Directors' emoluments	<b>39,875</b>	<b>13,032</b>
	<b>==</b>	<b>==</b>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>31.12.99</b>	<b>31.12.98</b>
	<b>£</b>	<b>£</b>
Parent Company Loan	<b>9,233</b>	<b>740</b>
	<b>==</b>	<b>==</b>

**5. TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year nor for the previous year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

**6. TANGIBLE FIXED ASSETS**

	Improvem- ents to property	Plant and machinery	Office Equipment	Totals
	£	£	£	£
<b>COST:</b>				
At 1 January 1999	8,461	-	8,090	16,551
Additions	-	14,302	1,887	16,189
At 31 December 1999	8,461	14,302	9,977	32,740
<b>DEPRECIATION:</b>				
At 1 January 1999	423	-	400	823
Charge for year	1,692	2,848	1,918	6,458
At 31 December 1999	2,115	2,848	2,318	7,281
<b>NET BOOK VALUE:</b>				
At 31 December 1999	6,346	11,454	7,659	25,459
At 31 December 1998	8,038	-	7,690	15,728

**7. STOCKS**

	31.12.99	31.12.98
	£	£
Goods for Resale	3,796	360

**8. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.12.99	31.12.98
	£	£
Trade Debtors	17,458	49,133
Prepayments	3,148	2,828
	20,606	51,961

Trade Debtors includes an amount of £2203 owed by group companies (1998-Nil)

**9. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	31.12.99	31.12.98
	£	£
Trade Creditors	55,433	13,291
PAYE and National Insurance	4,193	2,098
Value Added Tax	2,046	3,488
Sundry Creditors	-	1,500
Sales in Advance	-	21,053
Accrued Expenses	3,126	760
	64,798	42,190

Trade Creditors includes an amount of £46836 owed to group companies (1998 £10504)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

**10. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	31.12.99	31.12.98
	£	£
Parent Company Loan	<u>100,800</u>	<u>51,775</u>

The parent company loan is unsecured and repayable by instalments between January 2001 and December 2005.

**11. OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	31.12.99	31.12.98	31.12.99	31.12.98
	£	£	£	£
Expiring:				
Within one year	-	-	7,448	-
Between one and five years	<u>3,470</u>	<u>2,530</u>	<u>468</u>	<u>11,047</u>
	<u>3,470</u>	<u>2,530</u>	<u>7,916</u>	<u>11,047</u>

**12. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.12.99	31.12.98
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.99	31.12.98
			£	£
30,000	Ordinary	£1	<u>30,000</u>	<u>30,000</u>

**13. ULTIMATE PARENT COMPANY**

The ultimate parent company is Diffchamb AB which is incorporated in Sweden.

**14. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption contained in FRS 8 relating to the disclosure of transactions with other group companies as 90% of its voting rights are controlled within the group.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.99	31.12.98
	£	£
Loss for the financial year	(89,934)	(19,012)
Net reduction of shareholders' funds	(89,934)	(19,012)
Opening shareholders' funds	(19,012)	-
Closing shareholders' funds	(108,946)	(19,012)
Equity interests	(108,946)	(19,012)