

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005
FOR
RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**



**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	14

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2005**

DIRECTORS: Mr. H Van der Meer
Mr. H A R Rundgren

SECRETARY: Mr. H Van der Meer

REGISTERED OFFICE: The Turbine, Coach Close
Shireoaks Triangle Business Park
Shireoaks
Worksop
Nottinghamshire
S81 8AP

REGISTERED NUMBER: 2343303 (England and Wales)

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

BANKERS: National Westminster Bank plc
Derby City Branch
7 Market Place
Derby
DE1 3ZF

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

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 2005.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors during the year under review were:

Mr. K P E Vannerberg	- resigned 9.11.05
Mr. J Plymouth	- resigned 9.11.05
Mr. H Van der Meer	- appointed 9.11.05
Mr. H A R Rundgren	- appointed 9.11.05

The directors holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 31 December 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005**

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:

A handwritten signature in black ink, appearing to read 'H Van der Meer', written over a horizontal line.

Mr. H Van der Meer - Director

27 April 2006

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

We have audited the financial statements of Raisio Diagnostics Limited (Formerly Diffchamb Limited) for the year ended 31 December 2005 on pages six to thirteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note eighteen to the financial statements.

Going concern

In forming our opinion we have considered the adequacy of the disclosure in note 1 to the financial statements concerning the insolvent position of the company and its dependence on the continuation of financial support by the parent company. In view of the significance of this disclosure, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 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
Nottinghamshire
NG17 7GR

27 April 2006

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

		<u>31.12.05</u>	<u>31.12.04</u>
	Notes	£	£
TURNOVER	2	131,572	95,707
Cost of sales		<u>131,128</u>	<u>78,283</u>
GROSS PROFIT		444	17,424
Administrative expenses		<u>105,138</u>	<u>120,640</u>
		(104,694)	(103,216)
Other operating income	3	<u>(1,397)</u>	<u>19,629</u>
OPERATING LOSS	5	(106,091)	(83,587)
Interest receivable and similar income		<u>40,639</u>	<u>462</u>
		(65,452)	(83,125)
Interest payable and similar charges	6	<u>54,275</u>	<u>61,281</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(119,727)	(144,406)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(119,727)	(144,406)
Deficit brought forward		<u>(794,263)</u>	<u>(649,857)</u>
DEFICIT CARRIED FORWARD		<u>£(913,990)</u>	<u>£(794,263)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

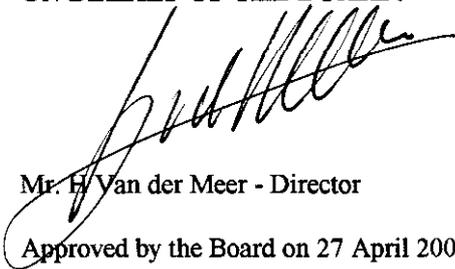
The company has no recognised gains or losses other than the losses for the current and previous years.

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**BALANCE SHEET
31 DECEMBER 2005**

	Notes	31.12.05		31.12.04	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	8		11,674		24,150
CURRENT ASSETS:					
Stocks	9	5,100		9,814	
Debtors	10	52,384		25,464	
Cash at bank		84,234		21,714	
		<u>141,718</u>		<u>56,992</u>	
CREDITORS: Amounts falling due within one year	11	<u>57,382</u>		<u>120,318</u>	
NET CURRENT ASSETS/(LIABILITIES):			<u>84,336</u>		<u>(63,326)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>96,010</u>		<u>(39,176)</u>
CREDITORS: Amounts falling due after more than one year	12		<u>980,000</u>		<u>725,087</u>
			<u>£(883,990)</u>		<u>£(764,263)</u>
CAPITAL AND RESERVES:					
Called up share capital	15		30,000		30,000
Profit and loss account			<u>(913,990)</u>		<u>(794,263)</u>
SHAREHOLDERS' FUNDS:	20		<u>£(883,990)</u>		<u>£(764,263)</u>

ON BEHALF OF THE BOARD:


Mr. H. Van der Meer - Director

Approved by the Board on 27 April 2006

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

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 which assumes that the company will continue in operational existence for the foreseeable future.

The balance sheet at 31 December 2005 shows an insolvent position and therefore the validity of the above assumption is dependent on the continuation of financial support by the parent company.

The parent company has demonstrated its continuing financial support since the year end by cancelling the parent company loan (see note 13 to the financial statements) in return for the allotment of share capital in the company as explained in note 19 to the financial statements.

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	- 33% on cost and 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.

Deferred tax

Deferred tax on accelerated capital allowances has not been provided for as trading losses carried forward are sufficient to offset against any timing differences which may arise.

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.

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.05	31.12.04
	£	£
United Kingdom	130,221	92,563
European Community	1,351	3,144
	<u>131,572</u>	<u>95,707</u>

3. OTHER OPERATING INCOME

	31.12.05	31.12.04
	£	£
Exchange Gains / (Losses) - Trading	<u>(1,397)</u>	<u>19,629</u>

4. STAFF COSTS

	31.12.05	31.12.04
	£	£
Wages and salaries	34,072	52,833
Social security costs	3,778	7,663
Other pension costs	900	2,235
	<u>38,750</u>	<u>62,731</u>

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

	31.12.05	31.12.04
Sales and marketing	1	1
Administration	1	1
	<u>2</u>	<u>2</u>

5. OPERATING LOSS

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

	31.12.05	31.12.04
	£	£
Operating lease rentals	5,523	8,809
Depreciation - owned assets	27,513	6,122
Loss on disposal of fixed assets	78	-
Auditors' remuneration	4,096	3,784
Foreign exchange differences	<u>1,397</u>	<u>(19,629)</u>
Directors' emoluments	<u>-</u>	<u>13,075</u>

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.05	31.12.04
	£	£
Other Interest	27	-
Parent Company Loan	54,248	23,978
Exchange Loss - Financing	-	37,303
	<u>54,275</u>	<u>61,281</u>

7. TAXATION

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

8. TANGIBLE FIXED ASSETS

	Improvements to property	Plant and machinery	Office Equipment	Totals
	£	£	£	£
COST:				
At 1 January 2005	8,461	46,166	17,686	72,313
Additions	-	19,263	570	19,833
Disposals	-	(6,455)	(1,371)	(7,826)
At 31 December 2005	<u>8,461</u>	<u>58,974</u>	<u>16,885</u>	<u>84,320</u>
DEPRECIATION:				
At 1 January 2005	8,461	24,690	15,012	48,163
Charge for year	-	25,680	1,833	27,513
Eliminated on disposals	-	(2,208)	(822)	(3,030)
At 31 December 2005	<u>8,461</u>	<u>48,162</u>	<u>16,023</u>	<u>72,646</u>
NET BOOK VALUE:				
At 31 December 2005	<u>-</u>	<u>10,812</u>	<u>862</u>	<u>11,674</u>
At 31 December 2004	<u>-</u>	<u>21,476</u>	<u>2,674</u>	<u>24,150</u>

9. STOCKS

	31.12.05	31.12.04
	£	£
Goods for Resale	<u>5,100</u>	<u>9,814</u>

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

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

	31.12.05	31.12.04
	£	£
Trade Debtors	16,381	22,537
Other Debtors	33,509	-
Prepayments	2,494	2,927
	<u>52,384</u>	<u>25,464</u>

Other Debtors consists of an amount of £33509 owed by group companies (2004 : £0).

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

	31.12.05	31.12.04
	£	£
Parent Company Loan (see note 13)	-	79,984
Trade Creditors	29,215	25,629
PAYE and National Insurance	1,550	2,073
Value Added Tax	3,810	2,983
Accrued Expenses	22,807	9,649
	<u>57,382</u>	<u>120,318</u>

Trade creditors includes an amount of £25629 owed to group companies (2004 : £22667).

Accrued expenses includes an amount of £20315 liable to group companies (2004 : £7667).

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

	31.12.05	31.12.04
	£	£
Parent Company Loan (see note 13)	<u>980,000</u>	<u>725,087</u>

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.05	31.12.04
	£	£
Amounts falling due within one year or on demand:		
Parent Company Loan	-	79,984
Amounts falling due between one and two years:		
Parent Company Loan	-	725,087
Amounts falling due between two and five years:		
Parent Company Loan	980,000	-

The parent company loan falling due between two and five years of £980000 was actually repaid in full on 31 January 2006 (See note 19).

14. OPERATING LEASE COMMITMENTS

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

	Operating leases			
	Land and buildings		Other	
	31.12.05	31.12.04	31.12.05	31.12.04
	£	£	£	£
Expiring:				
Within one year	-	-	-	892
Between one and five years	4,000	4,000	6,240	-
	<u>4,000</u>	<u>4,000</u>	<u>6,240</u>	<u>892</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.05	31.12.04
100,000	Ordinary	£1	£	£
			<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.05	31.12.04
30,000	Ordinary	£1	£	£
			<u>30,000</u>	<u>30,000</u>

**RAISIO DIAGNOSTICS LIMITED
(FORMERLY DIFFCHAMB LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

16. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Diffchamb AB which is incorporated in Sweden. The ultimate parent company is Raisio Group PLC which is incorporated in Finland .

17. 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 100% of its voting rights are controlled within the group.

18. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

In common with many other businesses of our size and nature we use our auditors to provide tax advice and to represent us, as necessary, at tax tribunals.

19. POST BALANCE SHEET EVENTS

On 31st January 2006 the authorised share capital of the company was increased from £100,000 to £1,500,000 by the creation of 1,400,000 new ordinary shares of £1 each. On the same date 980,000 ordinary shares of £1 each were issued at par to Diffchamb AB (Sweden) in consideration for it taking over the liability for the £980,000 loan from Raisio Group plc.

On 2nd March 2006 the company changed its name from Diffchamb Limited to Raisio Diagnostics Limited.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.05	31.12.04
	£	£
Loss for the financial year	(119,727)	(144,406)
Net reduction of shareholders' funds	(119,727)	(144,406)
Opening shareholders' funds	(764,263)	(619,857)
Closing shareholders' funds	(883,990)	(764,263)
Equity interests	(883,990)	(764,263)