

IDEXX LABORATORIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

REGISTERED NUMBER 2454226



IDEXX LABORATORIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

DIRECTORS

D E Shaw (USA)

P Tye

S Ryan (USA) (Resigned 12.07.2000)

SECRETARY

P Baldwin

REGISTERED OFFICE

Ground Floor, Milton Court
Churchfield Road
Chalfont St. Peter
Nr. Gerrards Cross
Bucks
SL9 9EW

COMPANY NUMBER

2454226

AUDITORS

Fish Partnership
Chartered Accountants
and Registered Auditors
The Mill House
Boundary Road
Loudwater
High Wycombe
Bucks
HP10 9QN

IDEXX LABORATORIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

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The following do not form part of the statutory financial statements:

16	Trading and Profit and Loss Account
17	Profit and Loss Account Summaries

IDEXX LABORATORIES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their report and the audited financial statements of the company for the year ended 31st December 2000.

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:-

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and estimates that are reasonable and prudent.
- 3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 4) 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.

PRINCIPAL ACTIVITIES

The principal activity of the Company continued to be that of the Supply and Marketing of Diagnostic Products.

BUSINESS REVIEW

The directors consider the results for the year to be satisfactory and are optimistic about the future.

RESULTS AND DIVIDENDS

	2000	1999
	£	£
Profit after tax for the year	1,131,793	855,838
Interim Dividends	-	3,500,000

DIRECTORS

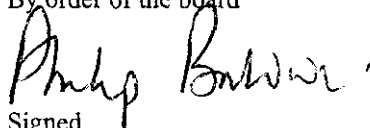
The directors who served during the year are shown below:

D E Shaw (USA)
P Tye
S Ryan (USA) (Resigned 12.07.2000)

The Directors have no direct beneficial interests in the issued ordinary Share Capital of the company which is wholly held by Idexx Europe BV, incorporated in the Netherlands.

This report was approved by the board on 8 June 2001

By order of the board



Signed
P Baldwin

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
IDEXX LABORATORIES LIMITED
FOR THE YEAR ENDED 31ST DECEMBER 2000

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3 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.

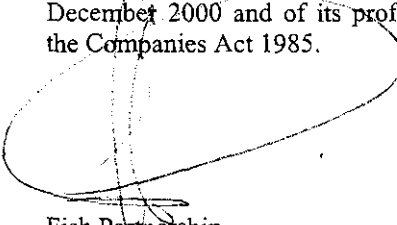
Basis of opinion

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 at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Fish Partnership
Chartered Accountants
and Registered Auditors

The Mill House
Boundary Road
Loudwater
High Wycombe
Bucks
HP10 9QN

8 June 2001

IDEXX LABORATORIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2000

	Notes	2000 £	1999 £
TURNOVER			
Continuing operations		15,572,764	14,706,926
Cost of sales	3	11,500,726	10,945,887
GROSS PROFIT		<u>4,072,038</u>	<u>3,761,039</u>
Net operating expenses	3	2,544,676	2,623,455
OPERATING PROFIT	4		
Continuing operations		1,527,362	1,137,584
Interest receivable and similar income	6	99,431	104,017
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,626,793</u>	<u>1,241,601</u>
Tax on profit on ordinary activities	7	495,000	385,763
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>1,131,793</u>	<u>855,838</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,131,793</u>	<u>855,838</u>
Dividends	8	-	3,500,000
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>£ 1,131,793</u>	<u>£ (2,644,162)</u>

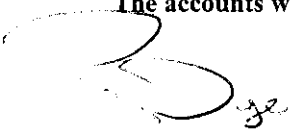
The company made no recognised gains and losses other than those reported in the profit and loss account.

The notes on pages 9 to 15 form part of these financial statements

IDEXX LABORATORIES LIMITED
BALANCE SHEET
AT 31ST DECEMBER 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Intangible assets	9	248,190	264,470
Tangible assets	10	702,125	633,617
		<u>950,315</u>	<u>898,087</u>
CURRENT ASSETS			
Debtors	11	3,783,024	2,943,539
Cash at bank and in hand		1,737,791	1,169,475
		<u>5,520,815</u>	<u>4,113,014</u>
CREDITORS: Amounts falling due within one year	12	1,733,657	1,405,421
NET CURRENT ASSETS		<u>3,787,158</u>	<u>2,707,593</u>
NET ASSETS		<u>£ 4,737,473</u>	<u>£ 3,605,680</u>
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Profit and loss account	14	4,737,471	3,605,678
TOTAL EQUITY SHAREHOLDERS FUNDS		<u>£ 4,737,473</u>	<u>£ 3,605,680</u>

The accounts were approved by the board of directors on 8 June 2001


P Tye, Director

The notes on pages 9 to 15 form part of these financial statements

IDEXX LABORATORIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	15	1,297,234	1,818,575
Returns on investments and servicing of finance			
Interest received		99,431	104,017
		<hr/> 99,431	<hr/> 104,017
Taxation			
UK Corporation tax		599,733	2,138,929
		<hr/> (599,733)	<hr/> (2,138,929)
Capital expenditure			
Purchase of tangible fixed assets		(228,616)	(263,089)
		<hr/> (228,616)	<hr/> (263,089)
		<hr/> 568,316	<hr/> (479,426)
Dividends paid		-	(3,500,000)
		<hr/> 568,316	<hr/> (3,979,426)
Financing			
Capital element of finance lease rental payments		-	(16,574)
		<hr/> -	<hr/> (16,574)
Increase/(Decrease) in cash in the year		<hr/> 568,316	<hr/> (3,996,000)
Reconciliation of net cash flow to movement in net debt	16		
Increase/(Decrease) in cash in the year		568,316	(3,996,000)
Cash outflow from debt and lease financing		-	(16,574)
		<hr/> 568,316	<hr/> (3,979,426)
Movement in net funds/(debt)		1,169,475	5,148,901
Net funds at 1st January 2000		<hr/> 1,737,791	<hr/> 1,169,475
Net funds at 31st December 2000		<hr/> 1,737,791	<hr/> 1,169,475

The notes on pages 9 to 15 form part of these financial statements

IDEXX LABORATORIES LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 2000

	2000 £	1999 £
Profit for the financial year	1,131,793	855,838
Dividends	-	3,500,000
	<u>1,131,793</u>	<u>(2,644,162)</u>
Net addition to shareholders' funds	1,131,793	(2,644,162)
Opening shareholders' funds	3,605,680	6,249,842
Closing shareholders' funds	<u>£ 4,737,473</u>	<u>£ 3,605,680</u>

The notes on pages 9 to 15 form part of these financial statements

IDEXX LABORATORIES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention.

1b. Intangible fixed assets: Goodwill

Purchased goodwill is amortised through the profit and loss account over the Directors' estimate of their useful life of 20 years.

1c. Tangible fixed assets

Fixed assets are shown at historical cost.

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

	2000	1999
	%	%
	on cost	on cost
Freehold buildings		
- Over 40 years on cost		
Freehold improvements	20	20
Fixtures, fittings and equipment	20	20
Demo equipment	-	33
Computer hardware and software	33	33

1d. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

1e. Pensions

The Company makes contributions into individual employees' pension schemes each month. The contributions are charged to the Profit and Loss Account as and when paid.

1f. Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary assets denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

1g. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes) of goods and services in the normal course of business.

IDEXX LABORATORIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES (CONTINUED)

1h. Leased assets

The Company enters into Operating Leases and the payments made under them are charged to the Profit and Loss account over the Lease term.

1i. Related Parties

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 from disclosing related party transactions where the transactions are between group members on the grounds that details of the Company are included in publicly available consolidated accounts.

2. SEGMENT INFORMATION

By activity

Turnover	2000 £	1999 £
Supply and Marketing Diagnostic Products	11,284,390	11,095,744
Veterinary Laboratory	4,288,374	3,611,182
	<u>£5,572,764</u>	<u>£ 14,706,926</u>

The U.K. was the only market supplied and hence no further disclosure is required.

3. COST OF SALES AND NET OPERATING EXPENSES

	2000 £	1999 £
Cost of sales	<u>£1,500,726</u>	<u>£ 10,945,887</u>
Net operating expenses:		
Distribution costs	368,345	323,627
Administrative expenses	2,067,679	2,169,574
Depreciation	108,652	130,254
	<u>£2,544,676</u>	<u>£ 2,623,455</u>

IDEXX LABORATORIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

4. OPERATING PROFIT

	2000	1999
	£	£
Profit on ordinary activities is stated after charging:		
Operating leases - Plant & machinery	92,349	63,508
- Land & buildings	91,950	91,950
Auditors' remuneration		
Audit services	12,916	14,380
Depreciation and amortisation		
Goodwill	16,280	16,279
Tangible assets: owned	160,108	193,817
	<hr/>	<hr/>

5. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:	2000	1999
	£	£
Wages and salaries	2,064,238	2,087,420
Social security costs	192,393	187,090
Other pension costs	71,976	63,807
	<hr/>	<hr/>
	£2,328,607	£ 2,338,317
	<hr/>	<hr/>

The average weekly number of employees during the year were as follows:

	2000	1999
	No.	No.
Directors	1	1
Sales of diagnostic equipment and reagents	20	22
Veterinary Laboratory	75	69
	<hr/>	<hr/>
	96	92
	<hr/>	<hr/>

Directors' remuneration:

	2000	1999
	£	£
Emoluments	89,492	81,379
Pension costs	2,128	2,062
	<hr/>	<hr/>
	91,620	83,441
	<hr/>	<hr/>

During the year retirement benefits were accruing to 1 director (1999: 1) in respect of money purchase pension schemes.

IDEXX LABORATORIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

6. INTEREST RECEIVABLE AND SIMILAR INCOME	2000	1999
	£	£
Bank Interest Receivable	95,163	102,282
Other Interest Receivable	4,268	1,735
	<u>£99,431</u>	<u>£ 104,017</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	2000	1999
	£	£
U.K. Corporation tax at 30%	495,000	393,806
	<u>495,000</u>	<u>393,806</u>
Adjustment in respect of prior years	-	(8,043)
	<u>£495,000</u>	<u>£ 385,763</u>

8. DIVIDENDS	2000	1999
	£	£
Ordinary dividends:-		
Interim paid	-	3,500,000
	<u>£ -</u>	<u>£ 3,500,000</u>

9. INTANGIBLE FIXED ASSETS	Goodwill	Total
	£	£
Cost		
At 1st January 2000	324,324	324,324
At 31st December 2000	<u>324,324</u>	<u>324,324</u>
Depreciation		
At 1st January 2000	59,854	59,854
For the year	16,280	16,280
At 31st December 2000	<u>76,134</u>	<u>76,134</u>
Net Book Amounts		
At 31st December 2000	<u>£248,190</u>	<u>£248,190</u>
At 31st December 1999	<u>£264,470</u>	<u>£264,470</u>

IDEXX LABORATORIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

10. TANGIBLE FIXED ASSETS

	Short Leasehold Improvements	Freehold Improvements	Fixtures Fittings & Equipment	Computer Hardware & Software	Total
	£	£	£	£	£
Cost					
At 1st January 2000	10,392	250,000	181,643	608,394	1,285,262
Additions	-	-	42,909	176,594	228,616
At 31st December 2000	10,392	250,000	224,552	784,988	1,513,878
Depreciation					
At 1st January 2000	3,596	21,320	43,807	400,547	651,645
For the year	2,080	5,196	16,890	104,966	160,108
At 31st December 2000	5,676	26,516	60,697	505,513	811,753
Net Book Amounts					
At 31st December 2000	£ 4,716	£ 223,484	£ 163,855	£ 279,475	£ 702,125
At 31st December 1999	£ 6,796	£ 228,680	£ 137,836	£ 207,847	£ 633,617

11. DEBTORS

	2000 £	1999 £
Trade debtors	2,500,184	2,219,793
Amounts owed by group undertakings	215,647	-
Corporation tax	699,627	614,603
Other debtors	21,191	12,500
Prepayments and accrued income	346,375	96,643
	<u>£3,783,024</u>	<u>£ 2,943,539</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	116,746	161,544
Amounts owed to group undertakings	333,650	80,766
Corporation tax	-	19,709
Other taxes and social security	547,007	453,253
Accruals and deferred income	736,254	690,149
	<u>£1,733,657</u>	<u>£ 1,405,421</u>

IDEXX LABORATORIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

13. CALLED UP SHARE CAPITAL	2000	1999
	£	£
Authorised:		
100 Ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
2 Ordinary shares of £1 each	£ 2	£ 2
	<u> </u>	<u> </u>

14. RESERVES	Profit & loss account £
At 1st January 2000	3,605,678
Profit for the year	1,131,793
	<u> </u>
At 31st December 2000	£4,737,471
	<u> </u>

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES	2000	1999
	£	£
Operating profit	1,527,362	1,137,584
Depreciation	176,388	210,096
(Increase)/Decrease in debtors	(754,461)	642,373
Increase/(Decrease) in creditors	347,945	(171,478)
	<u> </u>	<u> </u>
Net cash inflow from operating activities	£1,297,234	£ 1,818,575
	<u> </u>	<u> </u>

16. ANALYSIS OF NET DEBT	1st January 2000	Cash flow	31st December 2000
	£	£	£
Cash in hand, at bank	1,169,475	568,316	1,737,791
	<u> </u>	<u> </u>	<u> </u>
	£1,169,475	£ 568,316	£1,737,791
	<u> </u>	<u> </u>	<u> </u>

IDEXX LABORATORIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2000

17. LEASE COMMITMENTS

The minimum annual rentals under the leases are as follows:

	2000 £	1999 £
Land and buildings:		
- after 5 years	91,950	91,950
	<u>£91,950</u>	<u>£ 91,950</u>
Plant and machinery:		
- within 1 year	-	5,486
- within 2-5 years	88,816	22,037
	<u>£88,816</u>	<u>£ 27,523</u>

18. PENSION ARRANGEMENTS

The Company makes contributions into individual employees' pension schemes each month. The contributions are charged to the profit and loss account as and when paid and amounted to £71,976 (1999 : £63,807).

19. ULTIMATE PARENT COMPANY

The Company was controlled throughout the current and previous year by its immediate parent company, Idexx Europe B.V., a company incorporated in the Netherlands. The ultimate parent company is Idexx Laboratories Inc., a company incorporated in the U.S.A. Copies of the group accounts incorporating the results of the Company are available from Idexx Laboratories Inc., One Idexx Drive, Westbrook, Maine 04092, U.S.A.