

IDEXX Laboratories Limited
Financial Statements
31 December 2010

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IDEXX Laboratories Limited

Financial Statements

Year Ended 31 December 2010

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IDEXX Laboratories Limited
Officers and Professional Advisers

The board of directors

P Tye
M Koeleman
M Raines

Company secretary

C R Deady / Reed Smith Corporate Services Ltd

Registered office

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

Auditor

Fish Partnership LLP
Chartered Accountants
& Statutory Auditor
The Mill House
Boundary Road
Loudwater
High Wycombe
Bucks
HP10 9QN

IDEXX Laboratories Limited

The Directors' Report

Year Ended 31 December 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2010

Principal Activities and Business Review

The principal activity of the company continued to be that of the supply and marketing of veterinary diagnostic products and running of veterinary laboratories

A detailed review of the business is contained within the 'Review of Operations' attached to the Annual Report of the ultimate parent company

The directors consider the results for the year to be satisfactory, and anticipate this satisfactory performance to continue

Results and Dividends

The profit for the year, after taxation, amounted to £1,205,791 The directors have not recommended a dividend

Directors

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

P Tye
M Koeleman
M Raines

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the ultimate parent company

Policy on the Payment of Creditors

It is company policy, in respect of all of its suppliers, to settle the terms of payment when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment, and to abide by the terms of payment

For the year ended 31 December 2010, the average payment period for trade creditors was 30 days (2009 30 days)

IDEXX Laboratories Limited

The Directors' Report *(continued)*

Year Ended 31 December 2010

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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

IDEXX Laboratories Limited

The Directors' Report *(continued)*

Year Ended 31 December 2010

Auditor

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors

Signed on behalf of the directors



P Tye

Director

Approved by the directors on 14 September 2011

IDEXX Laboratories Limited

Independent Auditor's Report to the Shareholders of IDEXX Laboratories Limited

Year Ended 31 December 2010

We have audited the financial statements of IDEXX Laboratories Limited for the year ended 31 December 2010. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 directors, and the overall presentation of the financial statements.

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 December 2010 and of its profit 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.

IDEXX Laboratories Limited

Independent Auditor's Report to the Shareholders of IDEXX Laboratories Limited (continued)

Year Ended 31 December 2010

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

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

14 September 2011

PAUL LAIRD (Senior Statutory
Auditor)
For and on behalf of
FISH PARTNERSHIP LLP
Chartered Accountants
& Statutory Auditor

IDEXX Laboratories Limited

Profit and Loss Account

Year Ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	32,822,356	31,959,197
Cost of sales		22,919,591	22,309,894
Gross Profit		<u>9,902,765</u>	<u>9,649,303</u>
Administrative expenses		8,055,258	7,232,616
Operating Profit	3	<u>1,847,507</u>	<u>2,416,687</u>
Interest receivable and similar income		5,413	11,337
Interest payable and similar charges	6	(143,330)	(142,500)
Profit on Ordinary Activities Before Taxation		<u>1,709,590</u>	<u>2,285,524</u>
Tax on profit on ordinary activities	7	503,799	706,679
Profit for the Financial Year		<u>1,205,791</u>	<u>1,578,845</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 18 form part of these financial statements

IDEXX Laboratories Limited

Balance Sheet

31 December 2010

	Note	2010 £	£	2009 £	£
Fixed Assets					
Intangible assets	8		1,391,505		1,539,990
Tangible assets	9		6,304,464		5,564,211
Investments	10		<u>1</u>		<u>1</u>
			7,695,970		7,104,202
Current Assets					
Debtors	11	5,275,182		4,853,830	
Cash at bank and in hand		<u>1,774,605</u>		<u>1,274,256</u>	
		7,049,787		6,128,086	
Creditors: Amounts Falling due Within One Year	12	<u>3,629,427</u>		<u>3,354,210</u>	
Net Current Assets			3,420,360		2,773,876
Total Assets Less Current Liabilities			<u>11,116,330</u>		<u>9,878,078</u>
Creditors: Amounts Falling due after More than One Year	13		2,500,000		2,500,000
Provisions for Liabilities					
Deferred taxation	14		<u>108,892</u>		<u>76,431</u>
			<u>8,507,438</u>		<u>7,301,647</u>
Capital and Reserves					
Called-up equity share capital	17		2		2
Profit and loss account	18		8,507,436		7,301,645
Shareholders' Funds	19		<u>8,507,438</u>		<u>7,301,647</u>

These financial statements were approved by the directors and authorised for issue on 14 September 2011, and are signed on their behalf by



P Tye
Director

Company Registration Number 2454226

The notes on pages 9 to 18 form part of these financial statements

Year Ended 31 December 2010

IDEXX Laboratories Limited

Notes to the Financial Statements

Year Ended 31 December 2010

1. Accounting Policies *(continued)*

1.9 Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1 10 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 the transaction. Exchange differences are taken into account in arriving at the operating profit

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK and Southern Ireland

Class of business

	2010	2009
	£	£
Supply and marketing diagnostic products	20,554,483	20,302,628
Veterinary laboratory	12,267,873	11,656,569
	<u>32,822,356</u>	<u>31,959,197</u>

IDEXX Laboratories Limited
Notes to the Financial Statements
Year Ended 31 December 2010

3. Operating Profit

Operating profit is stated after charging

	2010	2009
	£	£
Amortisation of intangible assets	148,485	150,151
Depreciation of owned fixed assets	806,824	507,864
Loss on disposal of fixed assets	22,290	—
Operating lease costs		
- Plant and equipment	4,195	4,124
- Other	381,004	376,093
Net loss on foreign currency translation	46,700	61,866
Auditor's remuneration - audit of the financial statements	20,567	15,500
Auditor's remuneration - other fees	<u>1,723</u>	<u>1,900</u>
	2010	2009
	£	£
Auditor's remuneration - audit of the financial statements	<u>20,567</u>	<u>15,500</u>
Auditor's remuneration - other fees		
- Taxation services	<u>1,723</u>	<u>1,900</u>

4 Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

	2010	2009
	No	No
Directors	1	1
Supply and marketing diagnostic products	38	43
Veterinary laboratory	<u>154</u>	<u>151</u>
	<u>193</u>	<u>195</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	6,401,162	5,977,707
Social security costs	641,546	590,866
Other pension costs	<u>249,411</u>	<u>235,718</u>
	<u>7,292,119</u>	<u>6,804,291</u>

IDEXX Laboratories Limited
Notes to the Financial Statements
Year Ended 31 December 2010

5. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Remuneration receivable	130,161	135,768
Value of company pension contributions to money purchase schemes	<u>4,414</u>	<u>4,420</u>
	<u>134,575</u>	<u>140,188</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2010	2009
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

The number of directors who exercised share options during the year were as follows

	2010	2009
	No	No
Directors who exercised share options	<u>1</u>	<u>1</u>

Certain directors are remunerated by other fellow group companies as they are also directors and officers of other companies within the group. These directors' services to the company do not occupy a significant amount of their time. As such these directors do not consider that they have received any remuneration for the incidental services to the company for the year ended 31 December 2010 or 31 December 2009.

6. Interest Payable and Similar Charges

	2010	2009
	£	£
Other similar charges payable	<u>143,330</u>	<u>142,500</u>

IDEXX Laboratories Limited
Notes to the Financial Statements
Year Ended 31 December 2010

7. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	471,338	534,276
Over/under provision in prior year	-	(23,774)
Total current tax	471,338	510,502
Deferred tax		
Origination and reversal of timing differences	32,461	196,177
Tax on profit on ordinary activities	<u>503,799</u>	<u>706,679</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>1,709,590</u>	<u>2,285,524</u>
Profit on ordinary activities by rate of tax	478,685	639,947
Expenses not deductible for tax purposes	34,179	62,223
Capital allowances for period in excess of depreciation	(15,646)	(167,894)
Adjustments to tax charge in respect of previous periods	<u>(25,880)</u>	<u>(23,774)</u>
Total current tax (note 7(a))	<u>471,338</u>	<u>510,502</u>

IDEXX Laboratories Limited

Notes to the Financial Statements

Year Ended 31 December 2010

8. Intangible Fixed Assets

	Goodwill £
Cost	
At 1 January 2010 and 31 December 2010	<u>2,248,942</u>
Amortisation	
At 1 January 2010	708,952
Charge for the year	<u>148,485</u>
At 31 December 2010	<u>857,437</u>
Net Book Value	
At 31 December 2010	<u>1,391,505</u>
At 31 December 2009	<u>1,539,990</u>

9 Tangible Fixed Assets

	Freehold Land & Buildings £	Short Leasehold Property £	Fixtures, Fittings & Equipment £	Computer Equipment & Software £	Total £
Cost					
At 1 January 2010	3,254,421	197,822	2,745,929	2,014,183	8,212,355
Additions	35,870	102,476	260,049	1,179,335	1,577,730
Disposals	<u>(8,352)</u>	<u>—</u>	<u>(30,875)</u>	<u>—</u>	<u>(39,227)</u>
At					
31 December 2010	<u>3,281,939</u>	<u>300,298</u>	<u>2,975,103</u>	<u>3,193,518</u>	<u>9,750,858</u>
Depreciation					
At 1 January 2010	331,481	94,673	2,147,962	74,028	2,648,144
Charge for the year	87,165	19,691	358,117	341,851	806,824
On disposals	<u>—</u>	<u>—</u>	<u>(8,574)</u>	<u>—</u>	<u>(8,574)</u>
At					
31 December 2010	<u>418,646</u>	<u>114,364</u>	<u>2,497,505</u>	<u>415,879</u>	<u>3,446,394</u>
Net Book Value					
At					
31 December 2010	<u>2,863,293</u>	<u>185,934</u>	<u>477,598</u>	<u>2,777,639</u>	<u>6,304,464</u>
At 31 December 2009	<u>2,922,940</u>	<u>103,149</u>	<u>597,967</u>	<u>1,940,155</u>	<u>5,564,211</u>

IDEXX Laboratories Limited

Notes to the Financial Statements

Year Ended 31 December 2010

10. Investments

	Subsidiary Undertakings Shares	Joint Ventures Shares	Total £
Cost			
At 1 January 2010 and 31 December 2010			<u>1</u>
Net Book Value			
At 31 December 2010 and 31 December 2009			<u>1</u>

	Country of incorporation	Class of shares	Proportion of shares held	Nature of business
Subsidiary undertakings				
Vet Med Lab (UK) Ltd	England	Ordinary shares	100%	Dormant
		2010 £		2009 £
Capital and reserves				
Subsidiary undertakings				
Vet Med Lab (UK) Ltd		1		1
Profit for the year				
Subsidiary undertakings				
Vet Med Lab (UK) Ltd		—		—

11. Debtors

	2010 £	2009 £
Trade debtors	4,261,042	4,229,251
Amounts owed by group undertakings	251,183	45,455
Other debtors	599,045	428,488
Prepayments and accrued income	163,912	150,636
	<u>5,275,182</u>	<u>4,853,830</u>

IDEXX Laboratories Limited

Notes to the Financial Statements

Year Ended 31 December 2010

12. Creditors: Amounts Falling due Within One Year

	2010	2009
	£	£
Trade creditors	215,482	113,234
Amounts owed to group undertakings	350,000	465,446
Other creditors including taxation and social security		
Corporation tax	197,219	185,169
Other taxation and social security	960,559	770,208
Other creditors	906,728	972,670
	<u>2,629,988</u>	<u>2,506,727</u>
Accruals and deferred income	999,439	847,483
	<u>3,629,427</u>	<u>3,354,210</u>

13. Creditors: Amounts Falling due after More than One Year

	2010	2009
	£	£
Amounts owed to group undertakings	<u>2,500,000</u>	<u>2,500,000</u>

14. Deferred Taxation

The movement in the deferred taxation provision during the year was

	2010	2009
	£	£
Provision brought forward	76,431	(119,746)
Profit and loss account movement arising during the year	<u>32,461</u>	<u>196,177</u>
Provision carried forward	<u>108,892</u>	<u>76,431</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2010	2009
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>108,892</u>	<u>76,431</u>
	<u>108,892</u>	<u>76,431</u>

IDEXX Laboratories Limited

Notes to the Financial Statements

Year Ended 31 December 2010

15. Commitments under Operating Leases

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	44,250	42,408	44,250	48,066
Within 2 to 5 years	7,917	92,845	-	107,469
After more than 5 years	56,220	-	56,220	-
	<u>108,387</u>	<u>135,253</u>	<u>100,470</u>	<u>155,535</u>

16. Related Party Transactions

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

17. Share Capital

Authorised share capital:

	2010 £	2009 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

During the year, a Stock Incentive Plan and Employee Stock Purchase Plan were in place, whereby employees of the Company could acquire shares in the ultimate parent company, IDEXX Laboratories Inc, a company incorporated in the USA

18 Profit and Loss Account

	2010 £	2009 £
Balance brought forward	7,301,645	5,722,800
Profit for the financial year	<u>1,205,791</u>	<u>1,578,845</u>
Balance carried forward	<u>8,507,436</u>	<u>7,301,645</u>

IDEXX Laboratories Limited

Notes to the Financial Statements

Year Ended 31 December 2010

19. Reconciliation of Movements in Shareholders' Funds

	2010	2009
	£	£
Profit for the financial year	1,205,791	1,578,845
Opening shareholders' funds	<u>7,301,647</u>	<u>5,722,802</u>
Closing shareholders' funds	<u>8,507,438</u>	<u>7,301,647</u>

20. Ultimate Parent Company

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