

Registered No. 2595156

Gen-Probe Cardiff Limited

Report and Financial Statements

30 September 2013



Gen-Probe Cardiff Limited

Registered No: 2595196

Directors

M J Casey
D P Harding
G P Muir
A L Lesage

Auditor

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Bankers

Bank of America N.A.
2 King Edward Street
London
EC1A 1HQ

Registered Office

Heron House
Oaks Business Park
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Manchester
M23 9HZ

Gen-Probe Cardiff Limited

Registered No: 2595196

Strategic report

The directors present their strategic report and the audited financial statements for the year ended 30 September 2013.

Principal activity

The company's principal activity was the manufacture of nucleic acid-based biochemical test systems. In the prior period, on 1 May 2012, the company transferred its trade and operational assets to Gen-Probe Life Sciences Limited, a fellow group company, and the company ceased to trade.

Business review and review of future operations

The company's key financial and other performance indicators during the period were as follows:

	<i>Year ended</i> 30 September 2013	<i>Year ended</i> 30 September 2012
	£'000	£'000
Turnover	-	1,601
Operating profit	(76)	376
(Loss)/profit after tax	(76)	211
Average number of employees	-	8

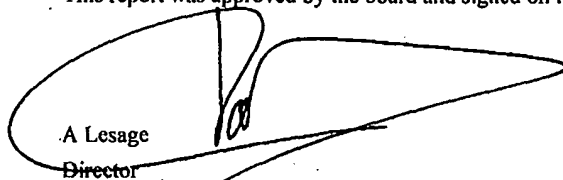
The company transferred its trade and operational assets to Gen-Probe Life Sciences Limited during the prior period and the company ceased to trade on 1 May 2012.

The Directors consider the Company's ultimate parent company to be Hologic, Inc.

Principal risks and uncertainties

It is the view of the board that no significant risks and uncertainties exist in relation to the company given its dormant status. Consideration is given to the ability of the company to continue as a going concern, and is disclosed in the directors' report.

This report was approved by the board and signed on its behalf:


A Lesage
Director
25 June 2014

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2013.

Results and dividends

The results for the period are set out in detail on page 8. The directors do not recommend the payment of a dividend (2012: £nil).

Directors

The directors who served during the period and to the date of this report were as follows:

C W Hull	(resigned 15 February 2013)
M J Casey	(appointed 3 January 2013)
D P Harding	(appointed 3 January 2013)
G P Muir	(appointed 3 January 2013)
A L Lesage	(appointed 3 January 2013)

Directors' statement as to disclosure of information to auditor

The directors who were members of the board during the period and at the time of approving the directors' report are listed on page 1. Having made enquires of fellow directors and of the company's auditor, each of these directors confirm that:

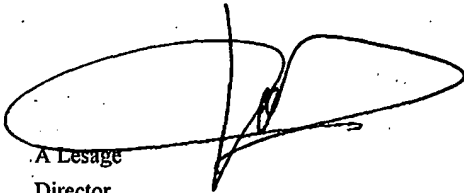
- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is not aware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board

A handwritten signature in black ink, consisting of a large, stylized loop followed by a vertical stroke and a horizontal stroke.

A. Lesage

Director

25 June 2014

Directors' responsibilities statement

The directors are responsible for preparing the report and 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 Standard 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 sustainable 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.

Independent auditor's report

to the members of Gen-Probe Cardiff Limited

We have audited the financial statements of Gen-Probe Cardiff Limited for the year ended 30 September 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains & Losses, the Balance Sheet and the related notes 1 to 16. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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, Strategic Report and financial statements 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 30 September 2013 and of its loss for the period 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 matter prescribed by the Companies Act 2006

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

Independent auditor's report

to the members of Gen-Probe Cardiff Limited (continued)

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.



Barry Flynn (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

25 June 2014

Gen-Probe Cardiff Limited

Registered No: 2595156

Profit and loss account

for the year ended 30 September 2013

	Note	2013 £	2012 £
Turnover	2	-	1,601,156
Cost of sales		-	(1,045,302)
Gross profit		-	555,854
Distribution costs		-	(1,507)
Administrative expenses		(76,489)	(248,007)
Exceptional income	3	-	69,505
Operating (loss)/profit	4	(76,489)	375,845
Profit on disposal of business	3	-	12,233
Cost of a fundamental reorganisation	3	-	(176,750)
(Loss)/profit on ordinary activities before taxation		(76,489)	211,328
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the financial period	13	(76,489)	211,328

The results above are all derived from discontinued activities.

The notes on pages 10 to 20 form part of these financial statements.

Statement of Total Recognised Gains and Losses

for the year ended 30 September 2013

	Note	2013 £	2012 £
(Loss)/profit for the financial period		(76,489)	211,328
Share based payments	14	-	16,522
Capital contribution	12	-	3,512,266
Total recognised gains and losses relating to the period		(76,489)	3,740,116

Gen-Probe Cardiff Limited

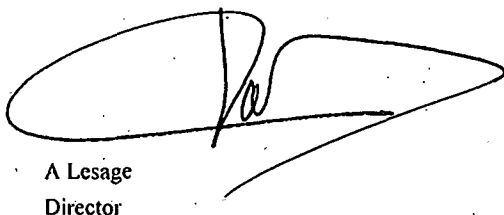
Registered No: 2595156

Balance sheet

as at 30 September 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	8	-	410,000
Current assets			
Debtors	9	-	49,675
Cash at bank and in hand		330,125	39,536
		<u>330,125</u>	<u>89,211</u>
Creditors: amounts falling due within one year	10	-	(92,597)
Net current assets/(liabilities)		<u>330,125</u>	<u>(3,386)</u>
Total assets less current liabilities		<u>330,125</u>	<u>406,614</u>
Net assets		<u>330,125</u>	<u>406,614</u>
Capital and reserves			
Called-up equity share capital	11	4,000,100	4,000,100
Capital contribution	12	4,626,048	4,626,048
Profit and loss account	12	(8,296,023)	(8,219,534)
Shareholders' funds	13	<u>330,125</u>	<u>406,614</u>

The financial statements were approved by the Board of Directors on ²⁵ June 2014 and were signed on its behalf by:



A Lesage
Director

²⁵ June 2014

Notes to the financial statements

for the year ended 30 September 2013

1. Accounting policies

Fundamental accounting concept

The company ceased to trade in the prior period as its trade, assets and liabilities were transferred to Genprobe Life Sciences Limited. As a consequence the directors have prepared the financial statements on a basis other than that of a going concern i.e. a break-up basis, in accordance with FRS 21 'Events after the balance sheet date'. This includes, where appropriate, writing down the company's assets to net realisable value and providing for any onerous contractual commitments and committed future costs relating to the termination of the business at the balance sheet date.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) under the historical cost accounting rules on a basis consistent with prior periods. The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The estimated useful lives are as follows:

Equipment & Computers	-	over 3-10 years
Freehold Property	-	over 50 years

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.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Notes to the financial statements

for the year ended 30 September 2013

1. Accounting policies (continued)

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the estimated fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using the Black-Scholes-Merton model.

No expense is recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

The company has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards so as to apply FRS 20 only to those equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2006.

Cash flow statement

The company has applied the exemption granted by paragraph 19.7(b) of Financial Reporting Standard 1 not to disclose a cash flow statement, as it is included in the consolidated financial statements of its ultimate parent company, Hologic, Inc.

Pension costs

The company operated a defined contribution pension scheme for directors and staff. Pension costs represent amounts payable on behalf of directors and staff to the scheme in respect of the accounting period.

Turnover

Turnover is derived from the sale of goods, services and licences.

Revenue from the sale of goods and services is recognised upon delivery. Revenue from the provision of licences is recognised on a royalty basis as sales are made by the licensee.

Notes to the financial statements

for the year ended 30 September 2013

2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

	2013	2012
	£	£
United Kingdom	-	2,969
United States of America	-	1,598,187
	<u>-</u>	<u>1,601,156</u>

3. Exceptional items

	2013	2012
<i>Recognised in arriving at operating profit</i>		
Exceptional income	-	69,505
	<u>-</u>	<u>69,505</u>
<i>Recognised below operating profit</i>		
Profit on disposal of business	-	12,233
Costs of a fundamental reorganisation	-	(176,750)
	<u>-</u>	<u>(164,517)</u>

During 2010 Gen-Probe Cardiff Ltd began a fundamental reorganisation of its operations which resulted in the transfer of its business to a new purpose built facility in Manchester in 2012. The exceptional income received during the prior period relates to the write back of restructuring provisions that were not utilised.

The profit on disposal of the business relates to the difference between the book value and disposal proceeds of the assets disposed of.

The charge in 2012 related to provisions for costs of the fundamental reorganisation including redundancies and fixed asset impairments.

Notes to the financial statements

for the year ended 30 September 2013

4. Operating profit

This is stated after charging:

	2013	2012
	£	£
Depreciation - owned assets	-	83,284
Auditor's remuneration	-	15,750
Operating leases	-	11,590
Loss on foreign exchange	-	56
Loss on disposal of fixed assets	-	6,664

The remuneration of the auditor is borne by Hologic Limited (formerly Gen-Probe Life Sciences Ltd), another group company.

5. Directors' emoluments

	2013	2012
	£	£
Emoluments	-	52,709
Compensation for loss of office	-	78,087
Company contributions to money purchase pension schemes	-	3,251
	-	134,047

Number of directors who received shares in respect of qualifying services	-	1
Number of directors who exercised share options	-	1
Number of directors who are members of a defined contribution benefit scheme	-	1

The above emoluments in respect of the prior year relate to the only and therefore highest paid director in the prior year, who receives remuneration directly from the Company.

The emoluments of the other directors were paid by the ultimate parent company. Their services to this company are of a non executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company.

Notes to the financial statements

for the year ended 30 September 2013

6. Staff costs

	2013	2012
	£	£
Wages and salaries	-	187,705
Social security costs	-	35,517
Other pension costs	-	21,100
	<u>-</u>	<u>244,322</u>

Included in wages and salaries is a total expense of shared-based payments of £Nil (2012: £16,522), which arises from transactions accounted for as equity-settled share-based payment transactions.

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

	2013 No.	2012 No.
Average number of employees	-	8

The Company ceased to have any direct employees from 1 May 2013.

7. Taxation

	2013 £	2012 £
<i>Current taxation</i>		
UK corporation tax on income for the period at 23.5% (2012: 24.7%)	-	-
Adjustment in respect of prior year	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	-	-
Tax credit on profit on ordinary activities	<u>-</u>	<u>-</u>

The current period taxable loss has been extinguished by group relief from related companies.

Notes to the financial statements

for the year ended 30 September 2013

7. Taxation (continued)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	(76,489)	211,328
Tax on (loss)/profit on ordinary activities before tax at 23.5% (2012: 24.7%)	(17,975)	52,198
<i>Effects of:</i>		
Expenses not deductible for tax purposes	768	3,118
Group relief	17,207	(98,673)
Capital allowances for the period less than depreciation	-	50,000
Other short term timing differences	-	(1,469)
Tax treatment of share options	-	(5,174)
Total current tax	-	-

In his Budgets for the past several years, the Chancellor of the Exchequer announced changes to the rate of UK corporation tax, to reduce the rate from 28% to 20%. As at 30 September 2013, the change in the tax rate to 20% from 1 April 2015, was 'substantively enacted' and as such, in accordance with accounting standards, these changes have been reflected in the Company's financial statements as at 30 September 2013.

The rate changes will also impact the amount of the future cash tax payment to be made by the Company. The effect on the Company of these proposed changes to the UK tax system will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

Notes to the financial statements

for the year ended 30 September 2013

8. Tangible fixed assets

	<i>Freehold property</i>	<i>Equipment and computers</i>	<i>Total</i>
	£	£	£
Cost:			
At 30 September 2012	1,912,513	154,222	2,066,735
Disposals	(1,912,513)	(154,222)	(2,066,735)
At 30 September 2013	-	-	-
Depreciation:			
At 30 September 2012	1,502,513	154,222	1,656,735
Disposals	(1,502,513)	(154,222)	(1,656,735)
At 30 September 2013	-	-	-
Net book value:			
At 30 September 2013	-	-	-
At 30 September 2012	410,000	-	410,000

Disposals in the period relate to the sale of the freehold property site at Chiltern Close, and the assets associated with that building. On 29 May 2013, the company received £410,000 for the sale of this property. There was no gain or loss on sale as the property was written down to its recoverable amount in the period ended 30 September 2012.

9. Debtors

	<i>2013</i>	<i>2012</i>
	£	£
Other debtors	-	2,580
Prepayments and accrued income	-	47,095
	-	49,675

Notes to the financial statements

for the year ended 30 September 2013

10. Creditors

Amounts falling due within one year:

	2013	2012
	£	£
Trade creditors	-	69,445
Accruals	-	23,152
	<u>-</u>	<u>92,597</u>

11. Called up share capital

	2013	2012
	£	£
<i>Authorised:</i>		
4,000,100 ordinary shares of £1 each	4,000,100	4,000,100
	<u>4,000,100</u>	<u>4,000,100</u>
<i>Called up, allotted and fully paid:</i>		
4,000,100 ordinary shares of £1 each	4,000,100	4,000,100
	<u>4,000,100</u>	<u>4,000,100</u>

12. Reserves

	Capital contribution	Profit and loss account
	£	£
At 31 December 2011	1,097,260	(8,430,862)
Profit for the period	-	211,328
Share-based payment	16,522	-
Additional capital contribution	3,512,266	-
	<u>4,626,048</u>	<u>(8,219,534)</u>
At 30 September 2012	4,626,048	(8,219,534)
Loss for the period	-	(76,489)
	<u>4,626,048</u>	<u>(8,296,023)</u>
At 30 September 2013	4,626,048	(8,296,023)

Gen-Probe Cardiff Limited

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Notes to the financial statements

for the year ended 30 September 2013

The Additional capital contribution received during the prior period arose as a result of a waiver of an intercompany balance to the write back of intercompany balances which have been waived by Molecular Light Technology Limited, Gen-Probe Cardiff Limited's immediate parent company.

13. Reconciliation of movement in shareholders' (deficit)/funds

	2013 £	2012 £
At 1 October 2012	406,614	(3,333,502)
(Loss)/profit for the period	(76,489)	211,328
Share based payment	-	16,522
Additional capital contribution (see note 16)	-	3,512,266
At 30 September 2013	330,125	406,614

14. Share-based payments

The company has multiple equity-based compensation plans, by which employees are granted options and restricted awards to subscribe for ordinary shares in the ultimate parent company, Gen-Probe Incorporated. The pre-tax expense recognised in the company profit and loss account for share-based payments in respect of employee services received during the period to 30 September 2013 is £Nil (2012: £16,522). The grant of these options by the parent company is shown as a capital contribution (note 12).

Following the acquisition of Gen-Probe Inc by Hologic Inc on 1 August 2012 all outstanding options vested and were paid out.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

	2013 No.	2013 WAEP	2012 No.	2012 WAEP
Outstanding at 1 October	-	-	17,677	34.86
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	(17,677)	129.61
Expired during the period	-	-	-	-
Outstanding at 30 September	-	-	-	-
Exercisable at 30 September	-	-	-	-

No share options were outstanding at 30 September 2012 or 30 September 2013.

Notes to the financial statements

for the year ended 30 September 2013

No options were granted during the period

14. Share-based payments (continued)

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, restricted shares during the period:

	2013 No.	2013 WAEP	2012 No.	2012 WAEP
Outstanding at 1 January	-	-	700	42.66
Granted during the period	-	-	-	-
Forfeited during the period	-	-	(700)	42.66
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exercisable at the end of the period	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The determination of fair value of stock-based payment awards on the date of grant using the Black-Scholes-Merton model was affected by Gen-Probe's stock price and the implied volatility on its traded options, as well as the input of other subjective assumptions. These assumptions included, but were not limited to, the expected term of stock options and Gen-Probe's expected stock price volatility over the term of the awards.

The following table lists the inputs to the model used for the years ended 30 September 2013 and 30 September 2012.

	2013	2012
Risk free interest rate	-	0.41%
Volatility	-	39.70%
Dividend yield	-	-
Expected term (years)	-	3.58
Resulting average fair value	-	\$11.20
	<u>-</u>	<u>-</u>

Gen-Probe determined the risk-free interest rate that it used in the Black-Scholes-Merton option-pricing model based upon a constant U.S. Treasury Security with a contractual life that approximated the expected term of the option award.

Notes to the financial statements

for the year ended 30 September 2013

Gen-Probe determined the expected volatility of its stock options granted by taking an average of its historical stock price changes (using daily pricing) and the implied volatility on its traded options.

Gen-Probe had never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future. Therefore, Gen-Probe used an expected dividend yield of zero in the Black-Scholes-Merton option-pricing model.

14. Share-based payments (continued)

The expected term of stock options granted represented the period of time that they were expected to be outstanding. In May 2006, Gen-Probe's stockholders approved an amendment and restatement of The 2003 Incentive Award Plan that decreased the maximum contractual term of prospective option grants from ten years to seven years. Corresponding with this change, Gen-Probe revised its determination of the expected term of options by applying a weighted-average calculation combining the average life of options that have already been exercised with the estimated life of all unexercised options.

15. Parent undertaking and controlling party

The company's immediate parent undertaking is Molecular Light Technology Limited, a company registered in the United Kingdom.

The Directors consider the Company's ultimate parent company to be Hologic, Inc, a company incorporated in the United States of America. The largest group in which the results of the Company were consolidated for the period ended 30 September 2013 was that headed by Hologic, Inc. Copies of the consolidated accounts can be obtained from its registered office at 35 Cosby Drive, Bedford, Massachusetts, MA01730, USA.

16. Related party transactions

The Company has taken advantage of the exemption within FRS8 Related Party Transactions not to disclose transactions within the Group as consolidated financial statements for the nine month period ended 30 September 2013 were prepared by the ultimate Parent Company which can be obtained from its registered office at 35 Cosby Drive, Bedford, Massachusetts, MA01730, USA.