

Biohit Limited

**Annual report
for the year ended 31 December 1999**

Registered company no: 2730769



Biohit Limited

Annual report for the year ended 31 December 1999

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Directors and advisers

Directors

R Vaughton
O Suovaniemi

Registered auditors

PricewaterhouseCoopers
Midland House
Notte Street
Plymouth
PL1 2EJ

Secretary and registered office

R Vaughton
Unit 1, Barton Hill Way
Torquay
Devon
TQ2 8JG

Bankers

Lloyds Bank plc
8 Royal Parade
Plymouth
PL1 1LX

**Directors' report
for the year ended 31 December 1999**

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activities

The principal activity of the company is bio-medical consultancy and the trading of bio-medical products. There has been no significant change in this activity during the year. On 1 May 1999, the business, assets and liabilities of Laser Laboratory Systems Limited, a subsidiary of Biohit Limited, were transferred to Biohit Limited. Until 1 May 1999, the principal activity of Laser Laboratory Systems Limited was the import and distribution of laboratory supplies.

Review of business and future developments

The profit and loss account for the year is set out on page 5.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends and transfers from reserves

The directors do not recommend the payment of a dividend. The retained profit for the year of £4,664 (1998: loss £26,166) will be transferred to reserves.

Directors

The directors of the company at 31 December 1999, all of whom have been directors for the whole of the year ended on that date, are stated on page 1.

Directors' interests

The directors' beneficial interest in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 1999	1 January 1999
	No	No
R Vaughton	-	-
O Suovaniemi	1	1

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year.

The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 1999. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.


The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company exemptions

This report has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies.

Auditors

The auditors, Pinkney Keith Gibbs, resigned on 16 December 1999. PricewaterhouseCoopers have been appointed in their place. PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board

R Vaughton
Director

6 March 2000

Report of the auditors to the members of Biohit Limited

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Special Provision of Part VII of Companies Act 1985 relating to small companies and under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes the responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 affairs of the company at 31 December 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Plymouth



2000

**Profit and loss account
for the year ended 31 December 1999**

	Notes	1999 £	1998 £
Turnover	2	2,115,530	1,269,662
Cost of sales		(1,573,412)	(972,605)
Gross profit		542,118	297,057
Administrative expenses		(524,669)	(307,017)
Operating profit/(loss)	3	17,449	(9,960)
Interest receivable and similar income	4	883	1,288
Amounts written off investments	5	-	(10,000)
Interest payable and similar charges		(13,091)	(5,896)
Profit/(loss) on ordinary activities before taxation		5,241	(24,568)
Tax on loss on ordinary activities	6	(577)	(1,598)
Profit/(loss) on ordinary activities after taxation		4,664	(26,166)
Losses brought forward		(39,267)	(13,101)
Losses carried forward		(34,603)	(39,267)

All figures relate to continuing operations.

The company has no recognised gains and losses other than those presented in the profit and loss account above and, therefore, no separate statement of total recognised gains and losses has been presented.

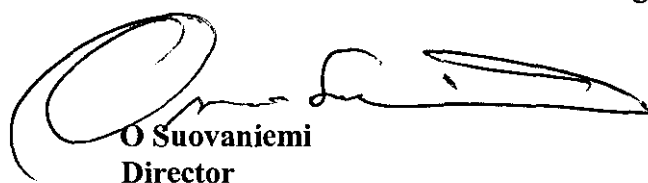
There is no difference between the loss on ordinary activities before taxation and the loss for the period as stated above, and their historical cost equivalents.

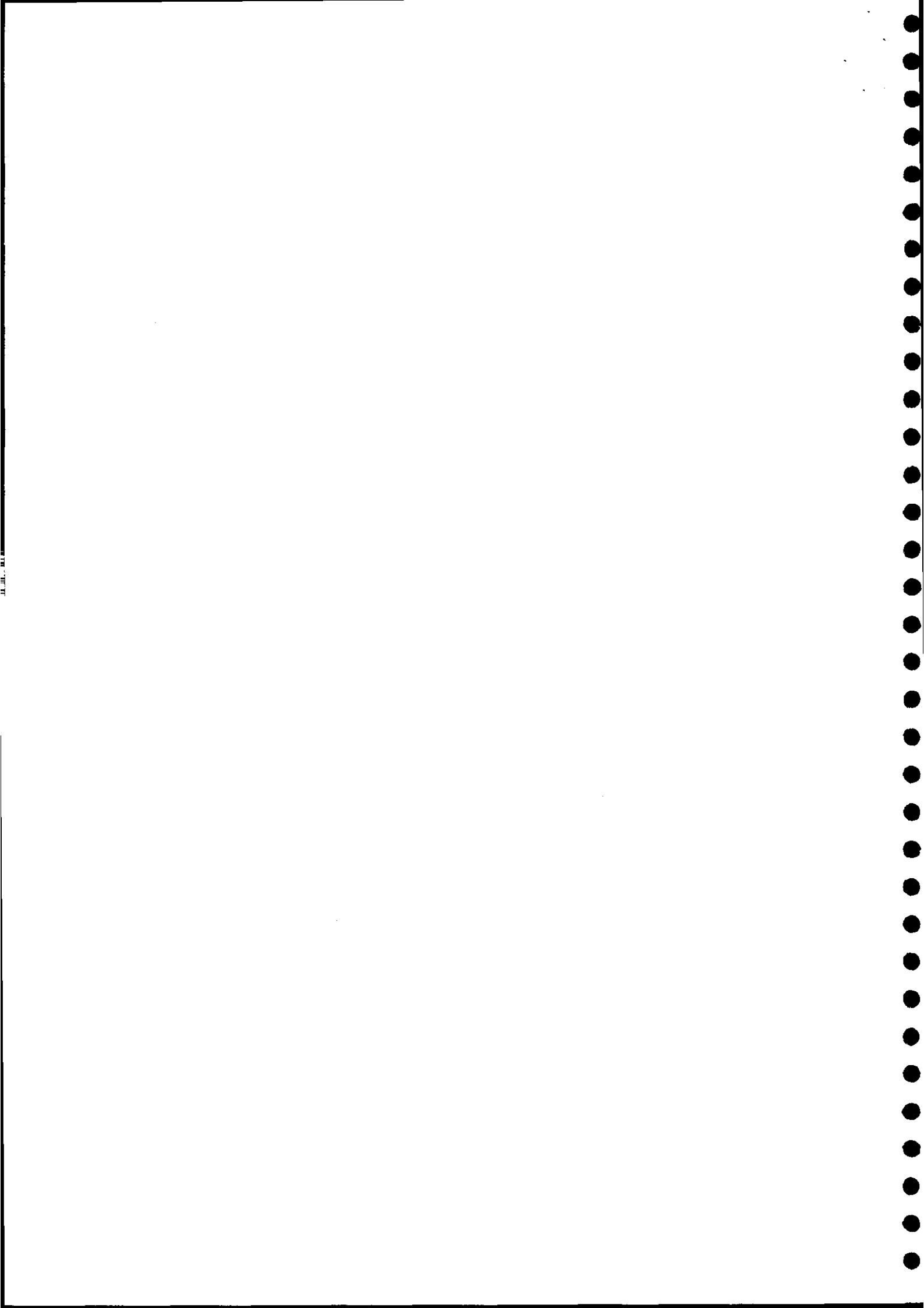
**Balance sheet
at 31 December 1999**

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	7	29,845	18,470
Investments	8	41,059	41,059
		<u>70,904</u>	<u>59,529</u>
Current assets			
Stocks		290,258	218,110
Debtors	9	503,420	311,372
Cash at bank and in hand		21,333	33,709
		<u>815,011</u>	<u>563,191</u>
Creditors: amounts falling due within one year	10	<u>(708,643)</u>	<u>(475,623)</u>
Net current assets		<u>106,368</u>	<u>87,568</u>
Total assets less current liabilities		<u>177,272</u>	<u>147,097</u>
Creditors: amounts falling due after more than one year	11	-	(66,364)
Net assets		<u>177,272</u>	<u>80,733</u>
Capital and reserves			
Called up share capital	13	211,875	120,000
Profit and loss account		(34,603)	(39,267)
Equity shareholders' funds		<u>177,272</u>	<u>80,733</u>

These financial statement have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 6 to 12 were approved by the board of directors on
6 March 2000 and were signed on its behalf by:


O Suovaniemi
Director



**Notes to the financial statements
for the year ended 31 December 1999****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	15% on cost
Office equipment	15% on cost
Motor vehicles	25% on cost

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Stock

Stock is valued at the lower of cost and net realisable value.

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. The pension cost charge represents contributions payable by the company to the fund.

Foreign currency translation

Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. Gains and losses on foreign currency transactions are recognised in the profit and loss account as they arise.

Consolidation

The financial statements of the trading subsidiary companies are not consolidated as the company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985.

2 Turnover

In the year to 31 December 1999, 27.58% (1998: 15.50%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit/(loss)

	1999	1998
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	6,366	6,089
Auditors' remuneration	9,700	6,000
Directors' emoluments	<u>58,188</u>	<u>53,923</u>

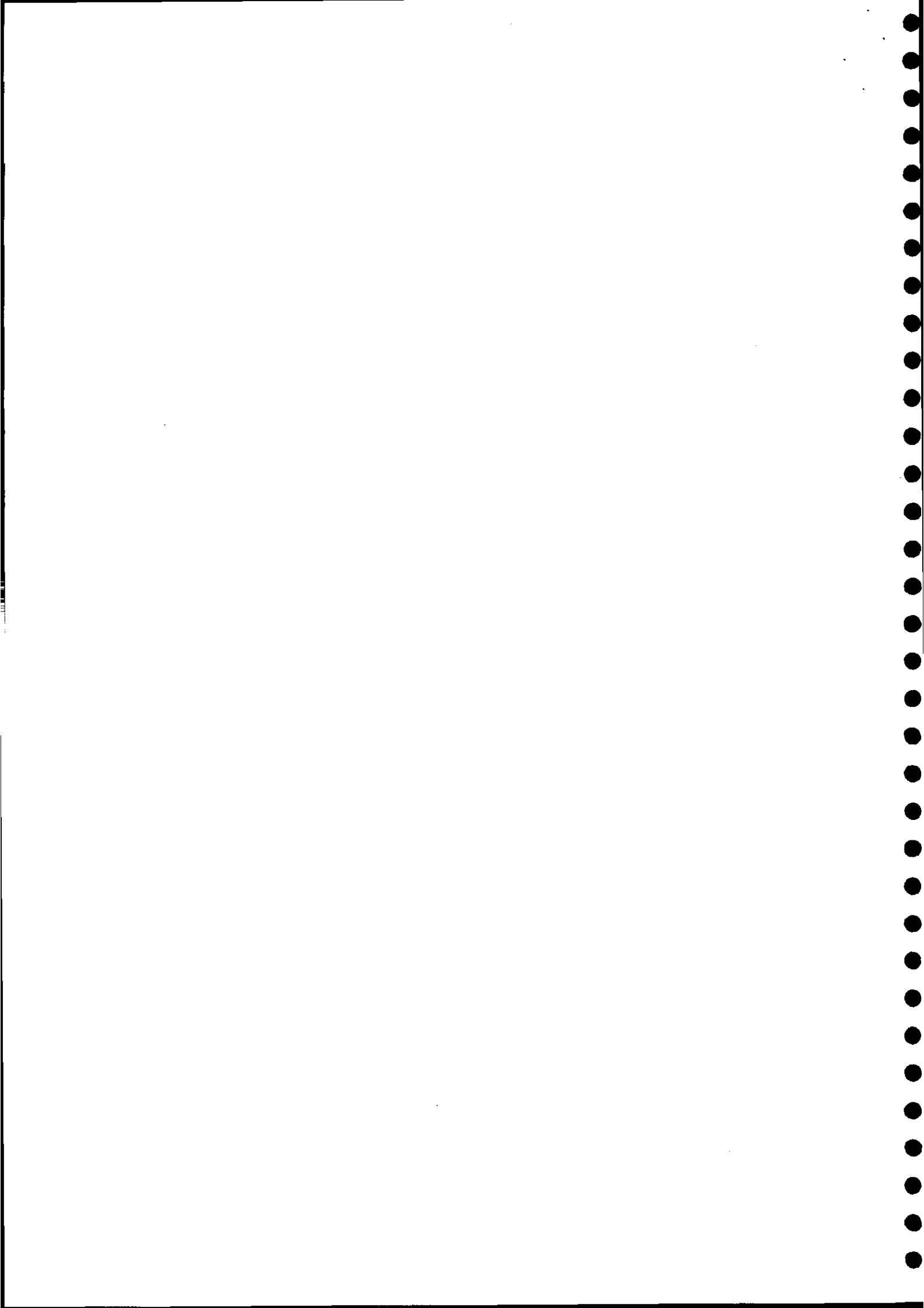
The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (1998: 1).

4 Interest receivable and similar income

	1999	1998
	£	£
Bank interest	<u>883</u>	<u>1,288</u>

5 Amounts written off investments

	1999	1998
	£	£
Amounts written off fixed asset investments:		
- diminution in value	<u>-</u>	<u>10,000</u>

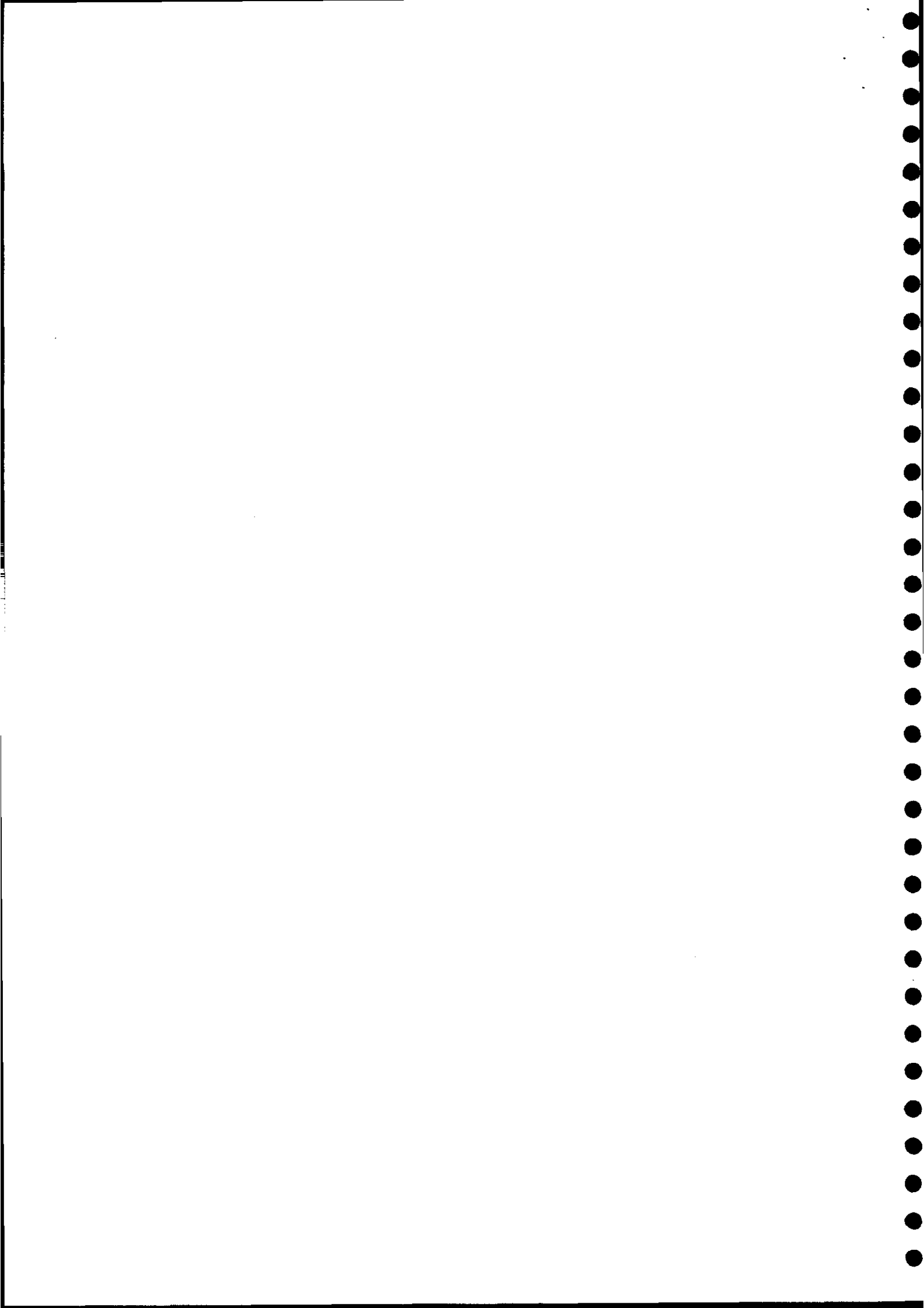


6 Taxation

	1999	1998
	£	£
United Kingdom current year taxation		
United Kingdom corporation tax at 20% (1998: 21%) – current	(2,387)	-
Prior years		
UK corporation tax	1,810	(1,598)
	<u>(577)</u>	<u>(1,598)</u>

7 Tangible fixed assets

	Total
	£
Cost	
At 1 January 1999	59,171
Transferred from Laser Laboratory Systems Limited	17,798
Additions	15,548
Disposals	(33,231)
At 31 December 1999	<u>59,286</u>
Depreciation	
At 1 January 1999	40,701
Charge for year	6,366
Disposals	(17,626)
At 31 December 1999	<u>29,441</u>
Net book value	
At 31 December 1999	<u>29,845</u>
At 31 December 1998	<u>18,470</u>



8 Fixed asset investments

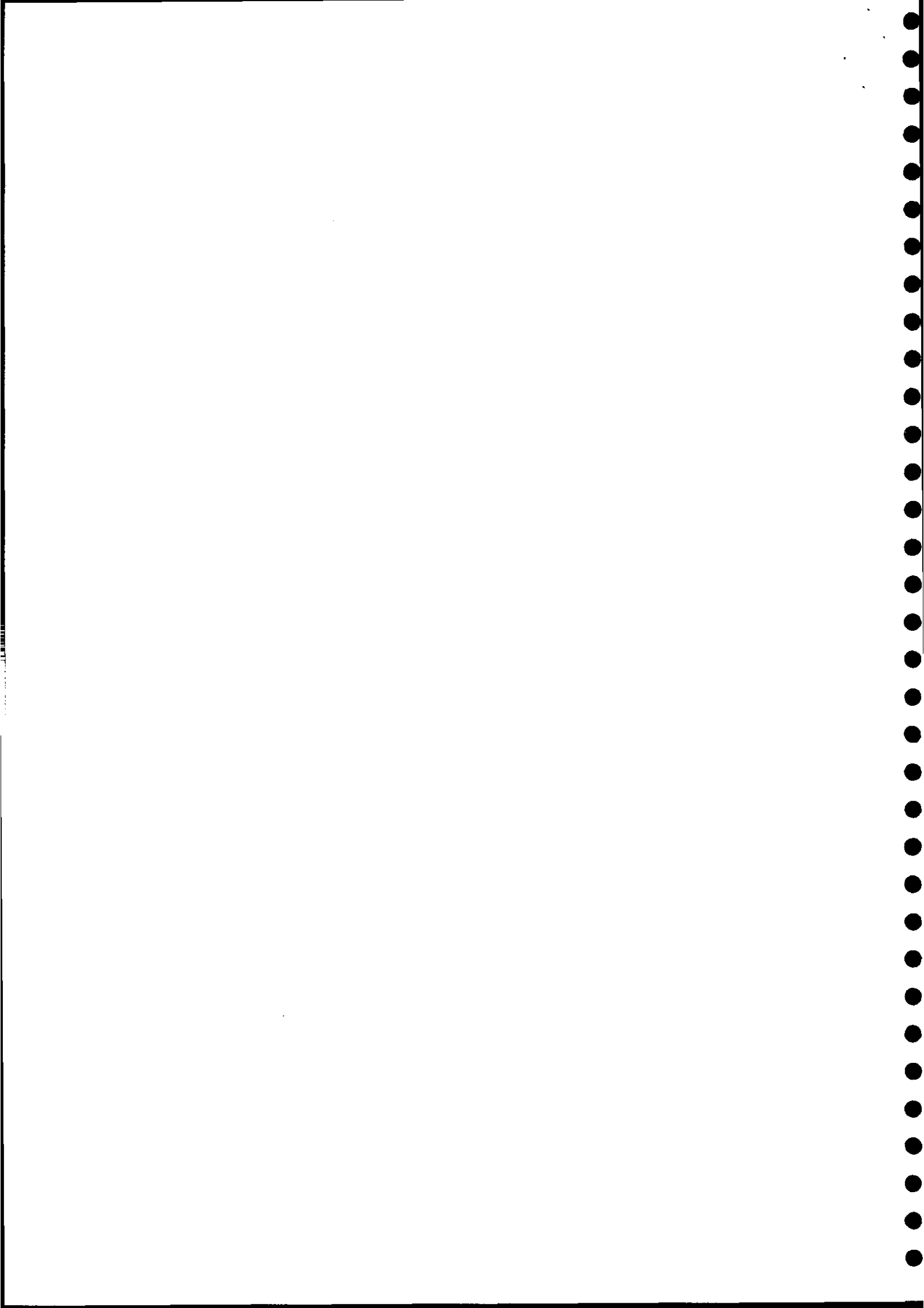
	£
Cost	
At 1 January 1999 – as previously stated	40,400
Prior year adjustment (see note 15)	10,659
At 1 January 1999 – restated	<u>51,059</u>
At 31 December 1999	<u>51,059</u>
Provisions for diminution in value	
At 1 January 1999	10,000
Net book value at 1 January 1999 – restated	<u>41,059</u>
Net book value at 31 December 1999	<u>41,059</u>

The company holds more than 20% of the share capital of the following companies:

Name of company	Country of registration or incorporation	Class of shares held	%
Wolf Laboratories Limited	England	Ordinary	51
Laser Laboratories Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Loss for the year
	£	£
Wolf Laboratories Limited (31 December 1999)	11,977	11,300
Laser Laboratories Limited (31 December 1999)	<u>(1,753)</u>	<u>4,110</u>



9 Debtors

	1999	1998
	£	£
Trade debtors	416,551	223,674
Amounts owed by parent and fellow subsidiary undertakings	72,944	70,537
Other debtors	13,925	17,161
	<u>503,420</u>	<u>311,372</u>

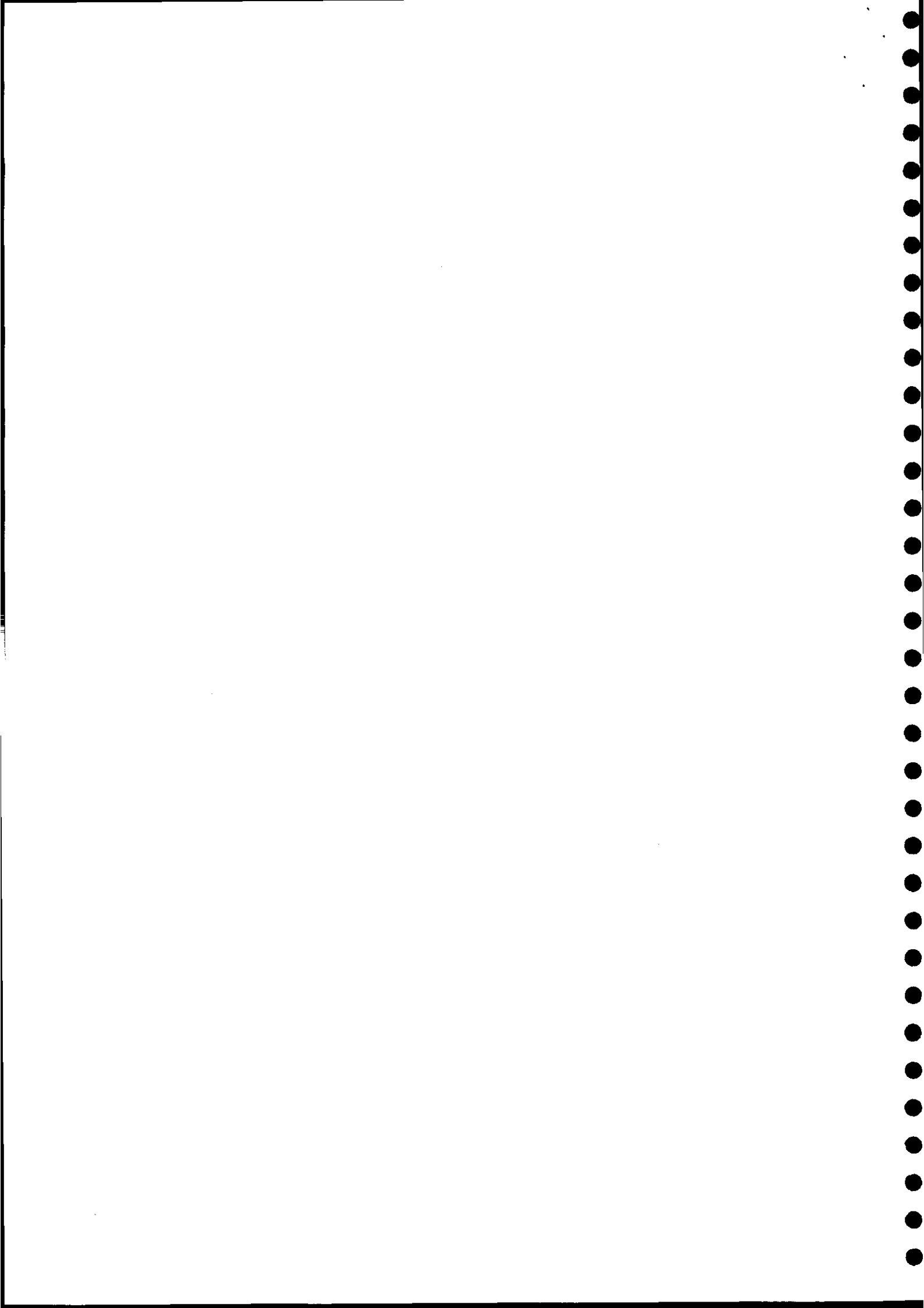
10 Creditors: amounts falling due within one year

	1999	1998
	£	£
Bank overdraft	23,309	-
Trade creditors	24,186	76,529
Amounts owed to parent and fellow subsidiary undertakings	596,338	337,982
UK corporation tax	2,387	-
Other taxation and social security	50,284	43,444
Other creditors	12,139	7,009
	<u>708,643</u>	<u>464,964</u>
Prior year adjustment (see note 15)	-	10,659
	<u>708,643</u>	<u>475,623</u>

On 1 August 1998, the company entered into a debenture (incorporating fixed and floating charges over all of the assets and undertakings of the company) in favour of Lloyds TSB Bank plc ('the Bank') to secure the repayment of all sums due to the Bank.

11 Creditors: amounts falling due after more than one year

	1999	1998
	£	£
Loan from holding company	-	66,364
Analysis of loans		
Wholly repayable within five years	-	66,364



12 Pensions costs

The company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,681 (1998: £8,273). There was an amount of £Nil outstanding to the scheme as at 31 December 1999 (1998: £Nil).

13 Called up share capital

	1999	1998
	£	£
Authorised		
211,875 ordinary shares of £1 each	<u>211,875</u>	<u>120,000</u>
Allotted, called up and fully paid		
211,875 ordinary shares of £1 each	<u>211,875</u>	<u>120,000</u>

14 Financial commitments

At 31 December 1999, the company had annual commitments under non-cancellable operating leases as follows:

	Plant and equipment	
	1999	1998
	£	£
Expiring between two and five years	<u>158,235</u>	<u>14,751</u>

15 Prior year adjustment

On 6 July 1998, Biohit acquired 100% of the ordinary share capital of Laser Laboratories Limited. The consideration given for the shares was £20,000 cash and 10,000 B-shares of Biohit Oyj valued at 10 Finnish Marks each (£10,659).

The signed 1998 financial statements only reflected the cash element of the transaction. A prior year adjustment has been processed to increase the cost of the investment and the associated creditor as at 31 December 1998.

16 Ultimate parent company

The company is 100% beneficially owned by Biohit Oyj, a company incorporated in Finland. Copies of the parents' consolidated financial statements may be obtained from Laipattie 1, 00880 Helsinki, Finland.

