

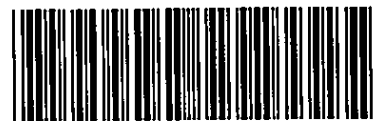
**Company Registration No. 3044694**

**Bio-Rad Laboratories Limited**

**Report and Financial Statements**

**31 December 2011**

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COMPANIES HOUSE

# **Bio-Rad Laboratories Limited**

## **Report and financial statements 2011**

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# **Bio-Rad Laboratories Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

N Schwartz  
D W Forrester

#### **Secretary**

S J Lawrence

#### **Registered office**

Bio-Rad House  
Maxted Road  
Hemel Hempstead  
Hertfordshire  
HP2 7DX

#### **Bankers**

Lloyds TSB Bank PLC  
City office  
11-15 Monument Street  
London  
EC3V 9JA

#### **Solicitors**

Baker & McKenzie  
100 New Bridge Street  
London  
EC4V 6JA

Paul Linton & Co  
17 King Street  
Watford  
Herts  
WD1 8BT

#### **Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU

# **Bio-Rad Laboratories Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

### **Business review and principal activities**

The company is a wholly owned subsidiary of Bio-Metrics (UK) Limited, registered in England and Wales, which is in turn a wholly owned subsidiary of Bio-Rad Laboratories, Inc, an entity incorporated in the United States of America

The principal activities of the company are sales of chemicals, infra-red spectra of chemical compounds and equipment for medical and research purposes. It sells directly to medical establishments in the UK, and indirectly in the UK and worldwide through its fellow-subsidaries and through its one branch in Israel. The directors are not aware of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 7, the company's sales remain flat year on year, but cost of sales has increased by 3%, which had the effect of reducing gross profit by 6% compared to the prior year. Operating expenses reduced by 4% mainly because of a significant reduction in net intercompany commissions and cross-charges offset by increases in staff-related costs. The net effect of these movements resulted in a 9% reduction in pre-tax profit compared to 2010.

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end remains strong with significant current and net assets. The strength of the company and group ensure that the company is well placed to service customers and develop the business. The net assets as at 31 December 2011 were £20,104,000 (2010 £18,798,000).

The directors do not recommend payment of a dividend (2010 £nil)

The audited financial statements for the year ended 31 December 2011 are set out on pages 7 to 20.

### **Directors**

The directors who served throughout the year and subsequently were as follows

D. Schwartz (Deceased)

D. W. Forrester

N. Schwartz

### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of Accounting Policies per note 1 to the financial statements.

# Bio-Rad Laboratories Limited

## Directors' report

### Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, credit risk, currency risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, with many of these due from other group companies who are able to repay them if required plus the UK NHS, a UK public organisation.

### Principal risks and uncertainties

The current recession is still impacting on NHS budgets, in particular with regard to capital expenditure on instruments. BioRad is continuing to focus on providing flexible solutions to retain its competitive advantage.

Much of the company's business is transacted with the NHS either directly or indirectly, where significant long term relationships have been built, and overall indications are that the market for the company's products will continue into the foreseeable future.

### Environment

The company's activities are considered by the directors to have no environmental impact.

### Employees

Details of the number of employees and related costs can be found in note 6 to the financial statements on page 12.

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms 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 auditors are unaware, 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 auditors are aware of that information.

### Auditors

A resolution to re-appoint Ernst & Young LLP will be submitted at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



N Schwartz  
Director

24 Jan 2013

# **Bio-Rad Laboratories Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 that 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 auditors' report to the members of Bio-Rad Laboratories Limited**

We have audited the financial statements of Bio-Rad Laboratories Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 31 December 2011 and of the company's 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.

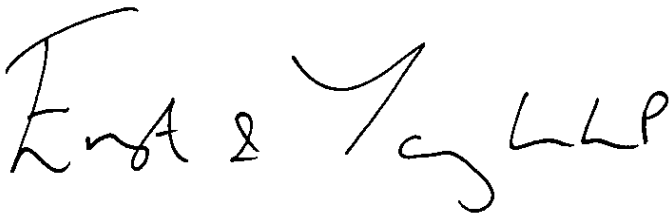
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

**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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company's 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

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', written in a cursive, stylized script.

Fraser Bull (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditors)

Luton

24<sup>th</sup> January 2013



## Bio-Rad Laboratories Limited

### Profit and loss account

Year ended 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Turnover</b>	1,2	52,716	52,793
Cost of sales		(36,943)	(35,981)
Gross profit		15,773	16,812
Other operating expenses	3	(14,818)	(15,369)
<b>Operating profit</b>		955	1,443
Interest receivable / (payable) (net)	4	184	(187)
<b>Profit on ordinary activities before taxation</b>	5	1,139	1,256
Tax on profit on ordinary activities	7	22	(88)
<b>Retained profit for the financial year</b>	16	1,161	1,168

All results were derived from continuing operations

There are no recognised gains or losses in either year other than as stated above. Accordingly no statement of total recognised gains and losses is presented.

# Bio-Rad Laboratories Limited

## Balance sheet 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Fixed asset investment	8	12,060	12,060
Tangible assets	9	703	737
		<u>12,763</u>	<u>12,797</u>
<b>Current assets</b>			
Stock	10	3,608	3,216
Debtors - due within one year	11	13,134	16,603
- due after more than one year	11	600	9,094
Cash at bank and in hand		4,239	1,916
		<u>21,581</u>	<u>30,829</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(10,556)</u>	<u>(21,180)</u>
<b>Net current assets</b>		<u>11,025</u>	<u>9,649</u>
<b>Total assets less current liabilities</b>		<u>23,788</u>	<u>22,446</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(2,960)	(2,960)
<b>Provisions for liabilities</b>	14	<u>(724)</u>	<u>(688)</u>
<b>Net assets</b>		<u>20,104</u>	<u>18,798</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account	16	20,004	18,698
<b>Total shareholders' funds</b>	17	<u>20,104</u>	<u>18,798</u>

These financial statements were approved and authorised for issue by the Board of Directors on 24 Jan 2013

Signed on behalf of the Board of Directors



N Schwartz  
Director

Company Registration No: 3044694

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2011

### 1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, all of which, with the exception of the policy for share-based payments, have been applied consistently throughout the year and the preceding year, are as follows

#### Accounting convention

The financial statements are prepared under the historical cost convention except for share-based payments where a valuation model is used

#### Going concern

The company's business activity is described in the directors' report, which also describes its financial position and its exposure to financial risks. The company is financed by share capital and two loans from group undertakings and has no third party debt. The loan payable to a dormant fellow-subsiary is interest-free with a period of settlement after five years. The loan from the subsidiary bears interest at 0.5% per annum and is repayable after one year. The loans are guaranteed by Bio-Rad Laboratories, Inc., the ultimate parent company of Bio-Rad Laboratories Ltd, so that Bio-Rad Laboratories, Inc. will guarantee any and all obligations of the borrower under the loan agreement.

Bio-Rad Laboratories Limited has considerable financial resources and as a consequence the directors believe that the company is well placed to manage its business successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### Cash flow statements

A cash flow statement has not been presented as the company has taken advantage of the exemption available to companies within Financial Reporting Standard 1 (Revised) whereby a subsidiary undertaking, whose rights are controlled within the group, need not produce cash flow statements if the consolidated accounts of its parent undertaking are publicly available.

#### Basis of consolidation

The directors have not prepared consolidated financial statements as permitted by sections 400-402 of Companies Act 2006, as the results of the group are consolidated in the publicly available financial statements of Bio-Rad Laboratories, Inc., a company incorporated in the USA.

#### Investments

Fixed asset investments are stated at cost, less provision for impairment.

#### Tangible fixed assets

Tangible fixed assets are stated at original cost net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis at rates calculated to write off the costs of assets, less estimated residual value, over their expected useful lives as follows:

Leasehold improvements	Over the life of the lease
Fixtures, fittings and equipment	10%-33.33%

Residual values are calculated at the prices prevailing at the date of acquisition.

#### Stocks

Stocks consist of goods held for resale and are valued at the lower of cost and net realisable value. Cost comprises purchase price from suppliers determined on a first-in, first-out basis plus freight and duty charges. Net realisable value is based on estimated normal selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

# **Bio-Rad Laboratories Limited**

## **Notes to the accounts**

### **Year ended 31 December 2011**

#### **1. Accounting policies (continued)**

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 a non-discounted basis

##### **Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Revenue is recognised upon provision of goods and services to customers

##### **Foreign currency**

Transactions in foreign currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account

##### **Pension costs**

The company participates in a defined contribution pension scheme. The amount charged to the profit and loss account represents the amount of contributions payable by the company to the pension scheme in respect of the period. The assets are held separately from those of the company in an independently administered fund

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

##### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

##### **Related party transactions**

The company has taken advantage of the exemption available in Financial Reporting Standard 8, whereby a subsidiary undertaking, 90% of whose voting rights are controlled within the group, need not disclose transactions with entities which are part of the same group

##### **Share-based payments**

The company has applied the requirements of FRS 20 Share-based Payments. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2011

### Share-based payments (continued)

The company's US parent, Bio-Rad Laboratories, Inc, issued equity-settled share-based payments (share options and restricted stock units) to certain employees under its 2003 Stock Option Plan and its 2007 Incentive Award Plan. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

### 2. Turnover

The turnover and profit on ordinary activities before taxation related to one activity, the sale of chemicals and equipment for medical and research purposes. All turnover was generated in the United Kingdom. The analysis of turnover by destination is given below.

	2011 £'000	2010 £'000
United Kingdom	22,701	25,047
Europe	28,101	25,537
Middle East	1,914	2,175
	<u>52,716</u>	<u>52,759</u>

### 3. Other operating expenses

	2011 £'000	2010 £'000
Distribution costs	12,347	12,683
Administrative expenses	2,471	2,686
	<u>14,818</u>	<u>15,369</u>

### 4. Interest receivable/ (payable) (net)

	2011 £'000	2010 £'000
<b>Interest receivable and similar income:</b>		
Bank interest income	11	1
Other interest income	93	-
Interest receivable from other group undertakings	126	65
<b>Interest payable and similar charges:</b>		
Interest payable to other group undertakings	(46)	(253)
	<u>184</u>	<u>(187)</u>

# Bio-Rad Laboratories Limited

## Notes to the accounts

### Year ended 31 December 2011

#### 5. Profit on ordinary activities before taxation

Stated after charging / (crediting)

	2011 £'000	2010 £'000
Depreciation and amounts written off owned tangible fixed assets	446	334
Operating lease rentals		
- plant and machinery	399	366
- property	300	310
Exchange (gains) / losses	(15)	40
Auditors' remuneration		
- audit	41	38
- other services	12	46

#### 6. Information regarding directors and employees

	2011 No.	2010 No.
<b>Average number of persons employed (including executive directors)</b>		
Administration	47	48
Sales and distribution	87	85
	134	133
	£'000	£'000
<b>Staff costs during the year (including executive directors)</b>		
Wages and salaries	6,120	5,310
Social security costs	744	619
Pension costs (see note 18)	288	300
	7,152	6,199
	£'000	£'000
<b>Directors' remuneration</b>		
Emoluments	258	287
Company contributions to money purchase pension schemes	14	16
	272	303
	No.	No.
Number of directors who are members of money purchase pension schemes	1	1
	£'000	£'000
Emoluments of highest paid director	258	287

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2011

### 7 Tax on profit on ordinary activities

	2011 £'000	2010 £'000
Current year tax charge/(credit)	67	(10)
Current year deferred tax (credit) / charge ( <i>see note 11</i> )	(113)	15
Adjustments in respect of prior years - current taxation	24	83
	<u>(22)</u>	<u>88</u>

The differences between the current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	2011 £'000	2010 (restated) £'000
Profit on ordinary activities before tax	1,139	1,256
Tax at 26.5% thereon (2010 28%)	302	352
Expenses not deductible for tax purposes	(16)	23
Other short term timing differences	27	36
Group relief	(246)	(421)
Current tax charge / (credit) for year	<u>67</u>	<u>(10)</u>

### 8. Fixed asset investment

Company	2011 £'000	2010 £'000
DiaMed (G B ) Limited	<u>12,060</u>	<u>12,060</u>

In December 2008 the company acquired 100% of the share capital of the Scotland-based company DiaMed (G B ) Limited, registered in England and Wales, which acts as a distributor for the products of the Swiss group DiaMed AG acquired in 2007 by Bio-Rad Laboratories, Inc. No revaluation nor provision for depreciation or diminution in value has been applied to the purchase price of this investment



# Bio-Rad Laboratories Limited

## Notes to the accounts Year ended 31 December 2011

### 9 Tangible fixed assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2011	402	2,828	3,230
Additions	45	367	412
Disposals	-	(83)	(83)
At 31 December 2011	447	3,112	3,559
<b>Accumulated depreciation</b>			
At 1 January 2011	278	2,215	2,493
Charge for the year	116	330	446
Disposals	-	(83)	(83)
At 31 December 2011	394	2,462	2,856
<b>Net book value</b>			
At 31 December 2011	53	650	703
At 31 December 2010	124	613	737

### 10. Stock

	2011 £'000	2010 £'000
Finished goods and goods for resale	3,608	3,216

The directors consider there to be no material difference between the balance sheet value of stock and its replacement cost



# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2011

### 11. Debtors

	2011 £'000	2010 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	7,817	8,141
Amounts owed by other group undertakings	4,245	7,001
UK corporation tax	295	410
Value added tax	-	106
Prepayments and accrued income	364	645
Deferred tax	413	300
	<u>13,134</u>	<u>16,603</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>600</u>	<u>9,094</u>
	<u>13,734</u>	<u>25,697</u>

All receivables and payables falling due within one year from group undertakings are interest-free with the exception of any part which remains outstanding for over 90 days, which did not occur in either year  
Receivables over one year comprise interest-free loans to fellow-subidiaries

Deferred taxation assets have been recognised in full and relate to timing differences in fixed assets and current assets and liabilities

The movements on the deferred tax asset comprise

	£'000	£'000
Beginning of year	300	315
Credited / (charged) to profit and loss account		
Current year movement	<u>113</u>	<u>(15)</u>
End of year	<u>413</u>	<u>300</u>

## Bio-Rad Laboratories Limited

### Notes to the accounts

#### Year ended 31 December 2011

##### 12. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	200	311
Amounts owed to other group undertakings	8,363	18,655
Value added tax	357	-
Other taxes and social security	240	215
Other creditors	491	281
Accruals and deferred income	905	1,718
	<u>10,556</u>	<u>21,180</u>

The above amount owed to other group undertakings at end 2010 included a loan of £2.6 million from DiaMed AG to finance the acquisition of the DiaMed investment, plus accrued interest at 3% per annum totalling £51,000. This loan was paid off during 2011.

##### 13. Creditors: amounts falling due after more than one year

	2011 £'000	2010 £'000
Loan from dormant fellow-subsiary	2,260	2,260
Loan from subsidiary	700	700
	<u>2,960</u>	<u>2,960</u>

The loan payable to a dormant fellow-subsiary is interest-free with a period of settlement after five years. The loan from the subsidiary bears interest at 0.5% per annum and is repayable after one year.

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2011

### 14. Provisions for liabilities

	2011 £'000	2010 £'000
Provision for warranties	219	219
Provision for dilapidations	461	413
Provision for sales returns	44	56
	<u>724</u>	<u>688</u>

#### Warranty provision

The movement on the warranty provision during the year was as follows

	£'000	£'000
Beginning of year	219	126
Utilisation of provision	(200)	(199)
Provided during the year	<u>200</u>	<u>292</u>
End of year	<u>219</u>	<u>219</u>

Warranties are for a period of one year. No utilisation took place during the year in order to make up a deficiency in the provision.

The provision for dilapidations is now considered long-term.

### 15. Called up share capital

	2011 £'000	2010 £'000
Authorised, allotted, called up and fully paid: 100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 16. Profit and loss account

	£'000
At 1 January 2011	18,698
Profit for the financial year	1,161
Additional capital contribution (share-based payments)	145
At 31 December 2011	<u>20,004</u>

### 17. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit on ordinary activities after taxation	1,161	1,168
Additional capital contribution (share-based payments)	145	150
Opening shareholders' funds	<u>18,798</u>	<u>17,480</u>
Closing shareholders' funds	<u>20,104</u>	<u>18,798</u>

# Bio-Rad Laboratories Limited

## Notes to the accounts

### Year ended 31 December 2011

#### 18. Guarantees and financial commitments

##### Capital commitments

There were no outstanding capital commitments at either year end

##### Operating lease commitments

Future annual commitments under non-cancellable operating leases are as follows

	2011		2010	
	Plant and machinery £'000	Property £'000	Plant and machinery £'000	Property £'000
Expiry date				
- within 1 year	132	180	348	360
- within 2-5 years	326	-	352	180

##### Contingent liabilities

The company has made a Duty Deferment Guarantee to HM Revenue and Customs of £60,000, (2010 £30,000)

##### Pension arrangements

The company participates in a defined contribution pension scheme. The pension charge for the year was £287,832 (2010 £269,900). At the end of the year the accrued pension contributions were £61,410 (2010 £49,843).

#### 19. Share-based payments

The company participates in a equity-settled share option scheme administered by the ultimate parent undertaking. Options are exercisable at a price equal to the average quoted market price of the company shares on the date of grant. The vesting period is five years. If the options remain unexercisable after a period of ten years from the grant date the options expire. Options are forfeited if the employee leaves the company before the options vest.

The 2007 Incentive Award Plan was approved in April 2007. The plan authorises the grant to employees of stock options, restricted stock awards, stock appreciation rights and other types of equity awards. Generally stock awards issued under this plan vest in increments of 20% per year over a five-year period on the yearly anniversary date of the grant. Only restricted stock units ("RSU's") were granted to company's employees during the year under this plan.

The share-based payments charge for the year was £145,000 (2010 £150,000).

# Bio-Rad Laboratories Limited

## Notes to the accounts

### Year ended 31 December 2011

#### 19. Share-based payments (continued)

Details of the options outstanding during the year are as follows

	2011		2010	
	Number of options	Weighted average exercise price (\$)	Number of options	Weighted average exercise price (\$)
Outstanding at the beginning of the period	1,600	62.47	3,500	61.3317
Forfeited during the period	-	-	(100)	62.4700
Exercised during the period	(1,600)	62.47	(1,800)	60.2567
Outstanding at the end of the period	-	-	1,600	62.4700
Exercisable at the end of the period	-	-	500	62.4700

#### Fair value

The fair value of share options is estimated using the Black-Scholes option pricing model, which takes into account assumptions such as dividend yield, risk-free interest rate, expected stock price volatility and the expected life of the options

The weighted average fair value of share options granted was \$27.69 and \$19.66 for the years ended 31 December, 2006 and 2005 respectively. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model, utilising the following weighted average assumptions

	2006	2005
Dividend yield	-	-
Expected volatility	35.57%	36.81%
Risk-free interest rate	4.43%	3.408%
Expected life	6.5 years	4.25 years

The dividend yield assumption is excluded from the calculation, as it is the present intention to retain all earnings. The expected volatility is based on a combination of the historical stock price and implied volatility.

The selection of implied volatility data to estimate expected volatility is based upon the availability of actively traded options on the stock. The risk-free interest rate is based upon the US Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the options.

Share options are 100% of fair market value on the date of grant. The share options outstanding during the year were granted as follows

#### 2005

On 9 February 2005 options in Bio-Rad Laboratories, Inc. were granted with an exercisable price of \$57.49. The options become exercisable with respect to 20% of the shares on the first, second, third, fourth and fifth anniversaries of the date of grant. The share options expire ten years from the date of grant and are subject to earlier termination under certain conditions.

# Bio-Rad Laboratories Limited

## Notes to the accounts

Year ended 31 December 2011

### 19. Share-based payments (continued)

#### 2006

On 3 April 2006 options in Bio-Rad Laboratories, Inc. were granted with an exercisable price of \$62.47. The options become exercisable with respect to 20% of the shares on the first, second, third, fourth and fifth anniversaries of the date of grant. The share options expire ten years from the date of grant and are subject to earlier termination under certain conditions.

Details of the RSU's outstanding during the year are as follows:

	2011		2010	
	Number of units	Weighted average purchase price (\$)	Number of units	Weighted average purchase price (\$)
Outstanding at the beginning of the period	10,192	-	9,646	-
Granted during the period	3,390	-	4,440	-
Forfeited during the period	(1,149)	-	(1,594)	-
Released during the period	(2,703)	-	(2,300)	-
Outstanding at the end of the period	9,730	-	10,192	-
Exercisable at the end of the period	-	-	-	-

### 20. Ultimate controlling party

The company is a subsidiary undertaking of Bio-Metrics (UK) Limited, registered in England and Wales.

The ultimate parent company and largest and smallest group in which the results of the company are consolidated is that headed by Bio-Rad Laboratories, Inc., incorporated in the United States of America. The consolidated accounts of this group are available to the public and may be obtained from 1000 Alfred Nobel Drive, Hercules, California 94547, USA.

The ultimate controlling party of the group is N. Schwartz.