

Registration number 3044694

Bio-Rad Laboratories Limited

Director's Report and Financial Statements

for the Year Ended 31 December 2012



Bio-Rad Laboratories Limited

Company Information

Director	N Schwartz
Company secretary	S J Lawrence
Registered office	Bio-Rad House Maxted Road Hemel Hempstead Hertfordshire HP2 7DX
Solicitors	Baker & McKenzie 100 New Bridge Street London EC4V 6JA Paul Linton & Co 17 King Street Watford Herts WD1 8BT
Bankers	Lloyds TSB Bank PLC City Office 11-15 Monument Street London EC3V 9JA
Auditors	Ernst & Young LLP 400 Capability Green Luton LU1 3LU

Bio-Rad Laboratories Limited

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company is the sale of chemicals, infra-red spectra of chemical compounds and equipment for medical and research purposes

Business review

The company is a wholly owned subsidiary of Bio-Metrix 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 company sells directly to medical establishments in the UK, and indirectly in the UK and worldwide through its fellow subsidiaries 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, the company's sales decreased by 2% due in the main to the economic climate and cost of sales decreased by 1% year on year, which had the effect of reducing gross profit by 1% compared to the prior year. Operating expenses reduced by 1% mainly because of a significant reduction in distribution costs. The net effect of these movements resulted in an increase in pre-tax profit compared to 2011

The balance sheet shows that the company financial position at the end of the year 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 2012 were £21,620,000 (2011 £20,104,000)

Principal risks and uncertainties

The business is impacted by constraints on NHS budgets, in particular with regard to capital expenditure on instruments. Bio-Rad 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.

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. 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 risk 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.

Bio-Rad Laboratories Limited

Directors' Report for the Year Ended 31 December 2012

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Future developments

The company projects sales to grow by 3% in 2013 through continued development of its product range and entering new markets. Clinical Diagnostics plan to develop by entering new markets such as NAT testing for HPV and TB and also developing the strong market leadership positions we have in both Immunohaematology and quality control products. We also envisage continued double digit growth in BioPlex 2200 sales as we not only grow the existing customer base in UK and Israel, but also enter in Belgium and Holland. New instrumentation is planned in the near future to help growth in other key areas such as Diabetes, Haemoglobin, A1c testing and virology. In the Life Science Group the new products from NGC (Chromatography system) and S3 (Flow Cytometry System) have resonated well with our customers indicating opportunity for better than expected results.

Directors of the company

The directors who held office during the year and to the date of this report were as follows

N Schwartz

D Schwartz (Deceased 1 April 2012)

D W Forrester (Resigned 28 February 2013)

P Howard (appointed 8 August 2013)

Going concern

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues 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.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. There is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on **15 Nov 2013** and signed on its behalf by



N Schwartz
Director

Bio-Rad Laboratories Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 Bio-Rad Laboratories Limited

We have audited the financial statements of Bio-Rad Laboratories Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. 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 auditors

As explained more fully in the Statement of Director's Responsibilities (set out on page 4), the director is 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 Director's 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 the 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 2012 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

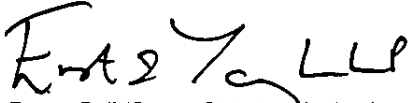
Independent Auditor's Report to the Members of Bio-Rad Laboratories Limited

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



Fraser Bull (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

Date 18 Nov 2013

Bio-Rad Laboratories Limited

Profit and Loss Account for the Year Ended 31 December 2012

	Note	2012 £ 000	2011 £ 000
Turnover	2	51,860	52,716
Cost of sales		<u>(36,435)</u>	<u>(36,943)</u>
Gross profit		15,425	15,773
Distribution costs		(11,308)	(12,347)
Administrative expenses		<u>(2,322)</u>	<u>(2,471)</u>
Operating profit	3	1,795	955
Other interest receivable and similar income	7	14	230
Interest payable and similar charges	8	<u>-</u>	<u>(46)</u>
Profit on ordinary activities before taxation		1,809	1,139
Tax on profit on ordinary activities	9	<u>(328)</u>	<u>22</u>
Profit for the financial year	18	<u>1,481</u>	<u>1,161</u>

Turnover and operating profit derive wholly from continuing operations

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

Bio-Rad Laboratories Limited (Registration number: 3044694)
Balance Sheet at 31 December 2012

	Note	2012 £ 000	2011 £ 000
Fixed assets			
Tangible fixed assets	10	1,054	703
Investments	11	12,060	12,060
		<u>13,114</u>	<u>12,763</u>
Current assets			
Stocks	12	3,955	3,608
Debtors- amounts due within one year	13	16,073	13,134
Debtors - amounts due after more than one year	13	729	600
Cash at bank and in hand		2,172	4,239
		<u>22,929</u>	<u>21,581</u>
Creditors- Amounts falling due within one year	14	<u>(9,586)</u>	<u>(10,556)</u>
Net current assets		<u>13,343</u>	<u>11,025</u>
Total assets less current liabilities		<u>26,457</u>	<u>23,788</u>
Creditors- Amounts falling due after more than one year	15	(4,160)	(2,960)
Provisions for liabilities	16	<u>(677)</u>	<u>(724)</u>
Net assets		<u>21,620</u>	<u>20,104</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	21,520	20,004
Shareholders' funds	19	<u>21,620</u>	<u>20,104</u>

The financial statements were approved and authorised for issue by the director on **15 Nov 2013**



N Schwartz
Director

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group

Basis of consolidation

The director has 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

Going concern

The company's business activity is described in the director's 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 subsidiary is interest free with a period of settlement of 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 Limited, 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 director believes that the company is well placed to manage its business successfully despite the current uncertain economic outlook.

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

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.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Leasehold improvements	over the life of the lease
Fixtures, fittings and equipment	10% to 33 33%

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

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value

Stock

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.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

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.

Foreign currency

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

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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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.

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Turnover

An analysis of turnover by geographical location is given below.

	2012 £ 000	2011 £ 000
Sales - UK	23,091	22,701
Sales - Europe	27,001	28,101
Sales - Rest of world	1,768	1,914
	<u>51,860</u>	<u>52,716</u>

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31

December 2012

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3 Operating profit

Operating profit is stated after charging/(crediting)

	2012 £ 000	2011 £ 000
Operating leases - plant and machinery	550	399
Operating leases - other assets	339	300
Foreign currency (gains)/losses	61	(15)
Depreciation of owned assets	559	446
Auditor's remuneration - audit of the financial statements	<u>75</u>	<u>53</u>

4 Auditor's remuneration

	2012 £ 000	2011 £ 000
Audit of the financial statements	42	41
Other fees to auditors		
Tax services	<u>33</u>	<u>12</u>
	<u>75</u>	<u>53</u>

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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5 Particulars of employees

The average number of persons employed by the company (including director) during the year, analysed by category was as follows

	2012 No	2011 No.
Administration and support	54	47
Sales, marketing and distribution	82	87
	<u>136</u>	<u>134</u>

The aggregate payroll costs were as follows

	2012 £ 000	2011 £ 000
Wages and salaries	6,859	6,120
Social security costs	772	744
Staff pensions	356	288
	<u>7,987</u>	<u>7,152</u>

The wages and salaries charge above also includes £153,000 (2011 - £145,000) in respect of share based payments

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31

December 2012

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6 Director's remuneration

The directors' remuneration for the year was as follows

	2012 £ 000	2011 £ 000
Remuneration	133	258
Company contributions paid to money purchase schemes	<u>10</u>	<u>14</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012 No	2011 No
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director

	2012 £ 000	2011 £ 000
Remuneration	133	258
Company contributions to money purchase pension schemes	10	14
	<u>143</u>	<u>272</u>

7 Other interest receivable and similar income

	2012 £ 000	2011 £ 000
Bank interest receivable	2	11
Other interest receivable	4	93
Interest receivable from group undertakings	<u>8</u>	<u>126</u>
	<u>14</u>	<u>230</u>

Bio-Rad Laboratories Limited
Notes to the Financial Statements for the Year Ended 31
December 2012

continued

8 Interest payable and similar charges

	2012 £ 000	2011 £ 000
Interest on loans from group undertakings	<u>-</u>	<u>46</u>

9 Taxation

Tax on profit on ordinary activities

	2012 £ 000	2011 £ 000
Current tax		
Corporation tax charge	489	67
Adjustments in respect of previous years	<u>(55)</u>	<u>24</u>
UK Corporation tax	434	91
Deferred tax		
Origination and reversal of timing differences	<u>(106)</u>	<u>(113)</u>
Total tax on profit on ordinary activities	<u>328</u>	<u>(22)</u>

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

continued

9 Taxation (continued)

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)

The differences are reconciled below

	2012 £ 000	2011 £ 000
Profit on ordinary activities before taxation	1,809	1,139
Corporation tax at standard rate	443	302
Expenses not deductible for tax purposes	71	(16)
Depreciation in excess of capital allowances	49	-
Other short term timing differences	(12)	27
Adjustment in respect of prior year	(55)	24
Double taxation relief	(18)	-
Tax deduction arising from vesting of employee share schemes	(44)	-
Group relief	-	(246)
Total current tax	434	91

Factors that may affect future tax charges

In his budget of 2010, 2011 and 2012, the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 26% to 21% falling by 2% pt in 2012 and a further 1% pt in 2013 and 2% pt in 2014. The 1%pt reduction to 23% for 2013 was substantively enacted on 3 July 2012 and, in accordance with accounting standards, has been reflected in the company's financial statements. Further proposed changes will only be reflected once the reductions are substantively enacted.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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10 Tangible fixed assets

	Short leasehold land and buildings £ 000	Fixtures, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2012	447	3,112	3,559
Additions	15	906	921
Disposals	-	(231)	(231)
At 31 December 2012	462	3,787	4,249
Depreciation			
At 1 January 2012	394	2,462	2,856
Charge for the year	54	505	559
Eliminated on disposals	-	(220)	(220)
At 31 December 2012	448	2,747	3,195
Net book value			
At 31 December 2012	14	1,040	1,054
At 31 December 2011	53	650	703

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

continued

11 Investments held as fixed assets

	2012 £ 000	2011 £ 000
Shares in group undertakings	<u>12,060</u>	<u>12,060</u>
Shares in group undertakings		
		Subsidiary undertakings £ 000
Cost		
At 1 January 2012 and 31 December 2012		<u>12,060</u>
Net book value		
At 31 December 2012 and 31 December 2011		<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

12 Stocks

	2012 £ 000	2011 £ 000
Finished goods	<u>3,955</u>	<u>3,608</u>

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 Financial Statements for the Year Ended 31 December 2012

continued

13 Debtors

Debtors - amounts falling due within one year

	2012 £ 000	2011 £ 000
Trade debtors	8,840	7,817
Amounts owed by group undertakings	6,412	4,245
Other debtors	-	295
Deferred tax	519	413
Prepayments and accrued income	302	364
	<u>16,073</u>	<u>13,134</u>

Debtors - amounts falling due after more than one year

	2012 £ 000	2011 £ 000
Amounts owed by group undertakings	<u>729</u>	<u>600</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-subsidaries.

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£ 000
At 1 January 2012	413
Deferred tax credited to the profit and loss account	<u>106</u>
At 31 December 2012	<u>519</u>

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

continued

13 Debtors (continued)

Analysis of deferred tax

	2012 £ 000	2011 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	215	200
Other timing differences	304	213
	<u>519</u>	<u>413</u>

14 Creditors Amounts falling due within one year

	2012 £ 000	2011 £ 000
Trade creditors	266	200
Amounts owed to group undertakings	6,937	8,363
Corporation tax	271	-
Other taxes and social security	424	597
Other creditors	195	491
Accruals and deferred income	1,493	905
	<u>9,586</u>	<u>10,556</u>

Other creditors includes £59,470 (2011 - £61,410) in respect of unpaid pensions at the year end

15 Creditors Amounts falling due after more than one year

	2012 £ 000	2011 £ 000
Amounts owed to group undertakings	<u>4,160</u>	<u>2,960</u>

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

continued

16 Provisions

	Warranty provision £ 000	Dilapidations provision £ 000	Sales returns provision £ 000	Total £ 000
At 1 January 2012	219	461	44	724
(Credited)/charged to the profit and loss account	(53)	24	(18)	(47)
At 31 December 2012	<u>166</u>	<u>485</u>	<u>26</u>	<u>677</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.

17 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No 000	£ 000	No 000	£ 000
Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

18 Reserves

	Profit and loss account £ 000
At 1 January 2012	20,004
Profit for the year	1,481
Additional capital contribution (share based payment)	<u>35</u>
At 31 December 2012	<u>21,520</u>

Total share based payments for the year amounted to £153,000. The equity contribution of £153,000 is reduced by £118,000 which is a recharge from Bio-Rad Laboratories Inc. in respect of share based payments.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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19 Reconciliation of movement in shareholders' funds

	2012 £ 000	2011 £ 000
Profit attributable to the members of the company	1,481	1,161
Additional capital contribution (share based payment)	35	145
Net addition to shareholders' funds	1,516	1,306
Shareholders' funds at 1 January	20,104	18,798
Shareholders' funds at 31 December	21,620	20,104

20 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £ 000	2011 £ 000
Land and buildings		
Within two and five years	240	180
Other		
Within one year	169	132
Within two and five years	193	326
	362	458

Other commitments

The company has made a Duty Deferment Guarantee to HM Revenue and Customs of £60,000 (2011 £60,000)

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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21 Share-based payments

The ultimate parent company has various share-based compensation plans in place to help attract and retain personnel, to reward employees and directors for past services and to motivate such individuals through added incentives to further contribute to the success of the Group. Share options have been granted in prior years to certain employees of the company, under these compensation plans, to purchase shares at the market price prevailing at the date of the grant. In all cases the options vest at the rate of 20% per year for five years. The contractual life for each option is 10 years. The share options are all equity settled. No such options were outstanding at the end of the current or prior year.

Restricted Stock Units

In addition, Restricted Stock Units (RSUs) in the parent company are granted to certain employees with a vesting period of 5 years at the rate of 20% per completed year, provided that employment continues beyond the date of the award. The RSUs are forfeited if this condition is not met.

The cost of an RSU is determined using the fair value of the parent company's common stock on the date of grant. An RSU award entitles the holder to receive shares of the parent company's common stock as the award vests. The total expense related to RSUs is amortised on a straight line basis over the vesting period. The expense for 2012 amounted to £153,000 (2011 £145,000).

The following table summarises information about awarded RSUs.

	2012		2011	
	Number of RSUs	Weighted average grant date fair value \$	Number of RSUs	Weighted average grant date fair value \$
Outstanding at 1 January	9,730	87.10	10,192	87.10
Awarded	3,425	107.32	3,390	98.04
Forfeited	(1,070)	93.12	(1,149)	87.10
Released	(2,863)	84.21	(2,703)	87.10
Outstanding at 31 December	<u>9,222</u>	<u>94.81</u>	<u>9,730</u>	<u>87.10</u>

The weighted average remaining service period for outstanding RSUs at 31 December 2012 was 2.03 years (2011 - 1.91 years).

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

continued

22 Ultimate parent undertaking and controlling entity

The company is controlled by N Schwartz. The company is a subsidiary undertaking of Bio-Metrix (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.