

Immunodiagnostic Systems Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2008

THURSDAY



A54
"AAI7B6XN"
29/01/2009 607
COMPANIES HOUSE

Immunodiagnostic Systems Limited

FINANCIAL STATEMENTS

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Statement of directors' responsibilities	4
Independent auditor's report to the members	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 to 29
The following pages do not form part of the financial statements	
Detailed profit and loss account	31
Notes to the detailed profit and loss account	32 to 33

Immunodiagnostic Systems Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Dr R T Duggan
Mr P Hailes
Mr D E Evans

SECRETARY

Mr P Hailes

REGISTERED OFFICE

10 Didcot Way
Boldon Business Park
Boldon
Tyne & Wear
NE35 9PD

AUDITORS

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

BANKERS

Barclays Bank plc
PO Box 378
71 Grey Street
Newcastle upon Tyne
NE99 7JP

SOLICITORS

Watson Burton LLP
1 St James' Gate
Newcastle upon Tyne
NE99 1YQ

Immunodiagnostic Systems Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Immunodiagnostic Systems Limited for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of manufacturing and distributing medical diagnostic products. The Company is also actively involved in research and development projects.

REVIEW OF THE BUSINESS

Turnover increased by 30% to £10,702,623, benefiting from growth in all the key markets. Gross margin decreased by 1.1% to 62.4%.

The Company has seen sales increase significantly in both mainland Europe and the USA and has benefited from the general increase in demand for its Vitamin D products. As an example, the European Diagnostics Manufacturers Association recently reported a 57% growth in Vitamin D testing in France for the year ended 31st March 2008.

DIVIDENDS

An interim dividend of £400,000 was paid during the year. The directors have not recommended the payment of a final dividend.

FINANCIAL INSTRUMENTS

As sales through our 100% owned subsidiary companies continue to positively impact on turnover, profitability and cash flow we continue to monitor and manage our exposure to external pressures that may affect our performance by monitoring our customer and key supplier contracts as well as looking to off-set any exchange risk through matching liabilities with corresponding assets.

This report shows the Company has had a very good year with record sales and operating profit, a major contributor to this success has been the increase in both the number of orders received and the number of active customers that purchase product. As we develop and introduce new products we expect this growth to continue.

There are of course always risks associated with a business and as the in-vitro diagnostic market develops there is the possibility that increasing competition from larger companies with greater financial and other resources than those directly available to the Company will appear. The directors are aware of this and are looking to work closely with these larger companies in an attempt to make them customers for the Company's products rather than direct competitors.

Our progress on our strategic objectives is monitored by reference to key performance indicators. The Company's performance for 2008 and 2007 is shown in the table below:

Financial KPI	2008	2007	Variance
Annual increase in sales:	30.4%	21.0%	9.4%
Number of net invoices issued	4,401	4,503	(2.3%)
Gross margin	62.4%	63.5%	(1.1%)

Immunodiagnostic Systems Limited

DIRECTORS' REPORT (CONTINUED)

RESEARCH AND DEVELOPMENT

The Company believes that having the most comprehensive panel of bone and growth markers supported where possible by IP rights will generate a significant competitive advantage. Our R&D programme continues to concentrate on the introduction of new analytes as well as developing our existing clinical range of markers onto our newly acquired automated platform.

FUTURE DEVELOPMENTS

The Company exists in a competitive environment and a changing technological landscape and it will continue to defend its existing positions with improved versions of its existing products as well as looking to automate some of its products as described above.

DIRECTORS

The directors who served the Company during the year were as follows:

Dr R T Duggan
Mr P Hailes
Mr D E Evans

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

DONATIONS

Donations to charitable organisations amounted to £853 (2007: £1,617).

AUDITORS

A resolution to re-appoint Baker Tilly UK Audit LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all requisite steps to make themselves and their auditors aware of relevant audit information. This includes information of which the directors are aware, but which the auditors have not specifically requested, or of which they may indeed have no knowledge.

By order of the board



Mr P Hailes

Company Secretary

28 January 2009

Immunodiagnostic Systems Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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 IMMUNODIAGNOSTIC SYSTEMS LIMITED

We have audited the financial statements on pages 6 to 29.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

28 January 2009

Immunodiagnostic Systems Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER	2	10,702,623	8,205,404
Cost of sales		4,027,596	2,997,995
Gross profit		6,675,027	5,207,409
Distribution costs		930,695	812,937
Administrative expenses		2,946,498	2,376,904
OPERATING PROFIT	3	2,797,834	2,017,568
Interest receivable		81,364	14,673
		2,879,198	2,032,241
Interest payable and similar charges	7	2,151,440	30,004
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		727,758	2,002,237
Taxation	8	110,852	537,528
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		616,906	1,464,709

The operating profit for the year arises from the Company's continuing operations.

There were no recognised gains and losses other than those shown above.

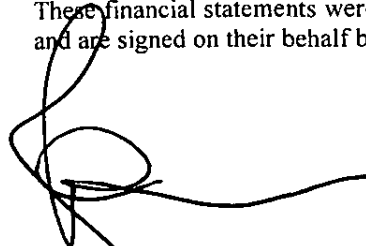
Immunodiagnostic Systems Limited

BALANCE SHEET

for the year ended 31 March 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	9	979,153	1,092,664
Tangible assets	10	1,247,593	1,063,369
Investments	11	982,009	981,313
		<u>3,208,755</u>	<u>3,137,346</u>
CURRENT ASSETS			
Stocks	12	1,201,227	861,395
Debtors due within one year	13	1,400,429	1,433,703
Debtors due after one year	13	9,743,999	735,565
Cash at bank and in hand		1,871,391	731,155
		<u>14,217,046</u>	<u>3,761,818</u>
CREDITORS			
Amounts falling due within one year	14	3,741,885	2,720,737
NET CURRENT ASSETS		<u>10,475,161</u>	<u>1,041,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,683,916</u>	<u>4,178,427</u>
CREDITORS			
Amounts falling due after more than one year	15	9,360,980	72,521
		<u>4,322,936</u>	<u>4,105,906</u>
Provisions for liabilities:			
Deferred tax	19	44,340	54,537
Government grants	20	16,439	20,378
		<u>4,262,157</u>	<u>4,030,991</u>
CAPITAL AND RESERVES			
Called up share capital	24	139,666	139,666
Share premium account	25	577,170	577,170
Other reserves	26	5,829	5,829
Capital contribution from IDS PLC	27	61,147	46,887
Profit and loss account	28	3,478,345	3,261,439
SHAREHOLDERS' FUNDS	28	<u>4,262,157</u>	<u>4,030,991</u>

These financial statements were approved by the board of directors and authorised for issue on 28 January 2009 and are signed on their behalf by:



Dr R T Duggan
Director

Immunodiagnostic Systems Limited

CASH FLOW STATEMENT

for the year ended 31 March 2008

	Notes	2008 £	2007 £
Net cash flow from operating activities	30 (a)	(6,868,922)	2,045,413
Returns on investments and servicing of finance	30 (b)	(365,599)	(15,331)
Taxation	30 (b)	(404,726)	(362,337)
Capital expenditure and financial investment	30 (b)	(259,954)	(746,510)
Equity dividends paid		(400,000)	(200,000)
CASH OUTFLOW BEFORE FINANCING		(8,299,201)	721,235
Financing	30 (b)	9,439,437	(688,740)
INCREASE/(DECREASE) IN CASH IN THE PERIOD	<i>See below</i>	<u>1,140,236</u>	<u>32,495</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2008 £	2007 £
Increase in cash in the period		1,140,236	32,495
Net cash outflow/(inflow) from bank loans		(9,549,450)	589,906
Cash outflow in respect of hire purchase		110,013	98,834
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	30 (c)	(8,299,201)	721,235
New hire purchase		(209,490)	(57,929)
Exchange loss on foreign currency borrowings		(1,704,477)	-
MOVEMENT IN NET DEBT IN THE PERIOD		<u>(10,213,168)</u>	<u>663,306</u>
NET FUNDS/(DEBT) AT 1 APRIL	30 (c)	<u>646,351</u>	<u>(16,955)</u>
NET FUNDS AT 31 MARCH	30 (c)	<u>(9,566,817)</u>	<u>646,351</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

CONSOLIDATION

The Company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EU and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts. The accounts present information about the Company as an individual undertaking and not about its group.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

RESEARCH AND DEVELOPMENT

Expenditure on research and development incurred in the year other than on fixed assets is charged against profits.

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 10 years straight line
Patents/Product technology	- 20 years straight line or over the life of the patent if less

FIXED ASSETS

All fixed assets are initially recorded at cost.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

1 ACCOUNTING POLICIES *(continued)*

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	over the life of the lease
Plant & Machinery	-	over 7 years
Fixtures & Fittings	-	over 5 years
Motor Vehicles	-	over 4 years

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on estimated selling price less estimated cost of disposal.

WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

1 ACCOUNTING POLICIES *(continued)*

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising from operating activities are taken into account in arriving at operating profit, those arising from finance arrangements are included as part of interest receivable or payable, as appropriate.

SUBSIDIARY UNDERTAKINGS

Subsidiary undertakings are entities in which the Company holds a long term controlling equity interest. The investments are shown at cost less any appropriate diminution in value.

ASSOCIATED UNDERTAKINGS

Associated undertakings are entities in which the Company holds a long term minority equity interest, and over which it exerts a significant influence. The investments are shown at cost less any appropriate diminution in value.

DEFERRED INCOME - GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the Company.

An analysis of turnover is given below:

	2008	2007
	£	£
United Kingdom	2,582,349	2,851,869
Overseas	8,120,274	5,353,535
	<u>10,702,623</u>	<u>8,205,404</u>

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2008	2007
	£	£
Amortisation of government grants re fixed assets	(3,939)	(3,939)
Amortisation of intangible fixed assets	127,057	125,931
Research and development expenditure	578,334	306,620
Depreciation of owned fixed assets	216,345	164,462
Depreciation of assets held under hire purchase agreements	54,633	34,682
Loss on disposal of tangible fixed assets	739	-
Amounts payable to Baker Tilly UK Audit LLP for audit services:		
- statutory audit	52,000	25,000
Amounts payable to Baker Tilly Tax and Advisory Services LLP:		
- Corporation tax compliance services	11,400	-
Operating lease costs:		
- Plant and equipment	5,600	13,033
- Vehicles	55,174	38,849
Net (profit)/loss on foreign currency translation	<u>(277,939)</u>	<u>98,003</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

4 DIVIDENDS

An interim dividend of £400,000 (2007: £200,000) was paid during the year. The directors have not recommended the payment of a final dividend.

5 PARTICULARS OF EMPLOYEES

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

	2008	2007
	No	No
Number of production staff	23	20
Number of distribution staff	16	14
Number of administrative staff	20	17
	<u>59</u>	<u>51</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	1,504,742	1,262,645
Social security costs	157,705	134,613
Other pension costs	47,550	46,609
	<u>1,709,997</u>	<u>1,443,867</u>

6 DIRECTORS' EMOLUMENTS

No director received any remuneration for their services as a director during the year.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	432,946	21,285
Finance charges	12,789	11,306
Exchange loss on foreign currency bank loan	1,704,477	-
Other similar charges payable	1,228	(2,587)
	<u>2,151,440</u>	<u>30,004</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

8 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2007 - 30%)	121,049	534,837
Under provision in prior year	-	-
Total current tax	121,049	534,837
Deferred tax:		
Origination and reversal of timing differences (note 19)		
Capital allowances	73,177	22,101
Other	(83,374)	(19,410)
Total deferred tax (note 19)	(10,197)	2,691
Tax on profit on ordinary activities	110,852	537,528

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	727,758	2,002,237
Profit/(loss) on ordinary activities by rate of tax	218,327	600,671
Expenses not deductible for tax purposes	90,857	49,105
Capital allowances in excess of depreciation	(84,836)	(21,295)
Group relief claimed before payment	-	(3,483)
Additional relief for R & D expenditure	(144,040)	(84,484)
Tax adjustments and other short term timing differences	43,358	(315)
Relief for foreign tax	-	(5,362)
Relief for employee share award	(2,617)	-
Total current tax (note 8(a))	121,049	534,837

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

9 INTANGIBLE FIXED ASSETS

	Goodwill £	Patents & product technology £	Total £
Cost			
At 1 April 2007	1,126,229	549,747	1,675,976
Additions	-	13,546	13,546
At 31 March 2008	<u>1,126,229</u>	<u>563,293</u>	<u>1,689,522</u>
Amortisation			
At 1 April 2007	563,114	20,198	583,312
Charge for the year	<u>112,623</u>	<u>14,434</u>	<u>127,057</u>
At 31 March 2008	<u>675,737</u>	<u>34,632</u>	<u>710,369</u>
Net book value			
At 31 March 2008	<u>450,492</u>	<u>528,661</u>	<u>979,153</u>
At 31 March 2007	<u>563,115</u>	<u>529,549</u>	<u>1,092,664</u>

On 1 April 2002 a subsidiary, Briefvision Limited (formerly Immunodiagnostic Systems Limited) transferred its trade and net assets to the Company at their book value. The cost of the Company's investment in that subsidiary reflected the underlying fair value of its net assets and goodwill at the time of acquisition. As a result of this transfer the value of its investment fell below the carrying value in the accounting records. The Companies Act 1985 requires that the investment be written down and charged as a loss in the Company's profit and loss account. However, the directors consider that, as there has been no overall loss to the group, it would fail to give a true and fair view to charge this diminution to the profit and loss account and it should instead be transferred to goodwill.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

10 TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2007	488,221	1,008,553	174,602	42,852	1,714,228
Additions	3,115	358,450	94,051	-	455,616
Disposals	-	-	(735)	-	(735)
At 31 March 2008	<u>491,336</u>	<u>1,367,003</u>	<u>267,918</u>	<u>42,852</u>	<u>2,169,109</u>
Depreciation					
At 1 April 2007	117,002	437,757	73,835	22,265	650,859
Charge for the year	58,813	161,615	42,032	8,518	270,978
On Disposals	-	-	(321)	-	(321)
At 31 March 2008	<u>175,815</u>	<u>599,372</u>	<u>115,546</u>	<u>30,783</u>	<u>921,516</u>
Net book value					
At 31 March 2008	<u>315,521</u>	<u>767,631</u>	<u>152,372</u>	<u>12,069</u>	<u>1,247,593</u>
At 31 March 2007	<u>371,219</u>	<u>570,796</u>	<u>100,767</u>	<u>20,587</u>	<u>1,063,369</u>

Hire purchase agreements

Included within the net book value of £1,247,593 is £325,439 (2007 - £170,582) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £54,633 (2007 - £34,682).

11 INVESTMENTS

	Investment in subsidiary undertakings £	Investment in associated undertakings £	Total £
Cost			
At 1 April 2007	978,313	344,575	1,322,888
Additions	-	696	696
At 31 March 2008	<u>978,313</u>	<u>345,271</u>	<u>1,323,584</u>
Amounts written off			
At 1 April 2007 and 31 March 2008	<u>-</u>	<u>341,575</u>	<u>341,575</u>
Net book value			
At 31 March 2008	<u>978,313</u>	<u>3,696</u>	<u>982,009</u>
At 31 March 2007	<u>978,313</u>	<u>3,000</u>	<u>981,313</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

11 INVESTMENTS *(continued)*

Subsidiaries

The Company owns 100% of the issued share capital of Briefvision Limited (formerly Immunodiagnostic Systems Limited), a company incorporated in England. The company does not trade and is unlisted.

The Company owns 100% of the share capital in Immunodiagnostic Systems Inc., a company incorporated and registered in the USA. The principal activity of Immunodiagnostic Systems Inc is that of a distribution channel.

The Company owns 100% of the share capital of IDS GmbH, a company incorporated and registered in Germany. The principal activity of IDS GmbH is that of a distribution channel.

The Company owns 100% of the issued share capital in Suomen Bioanalytiikka Oy (SBA Sciences Ltd), a company incorporated and registered in Finland. The purchase agreement included contingent consideration of €600,000, payment of which will become due following the outcome of certain future events. At present the directors believe the outcome cannot be reliably estimated.

1. €300,000 following approval of 510k status from the US Federal Drug Administration for TRAP products.
2. €300,000 following receipt of reimbursement status from US Medicare for the TRAP products.

The Company owns 100% of the issued share capital of IDS Eurl, a company incorporated and registered in France. The principal activity of IDS Eurl is that of a distribution channel.

The Company owns 100% of the share capital of Phabia Limited, a private limited company which is a non trading and unlisted entity.

<i>Aggregate capital and reserves</i>	2008	2007
	£	£
Briefvision Limited	10,000	10,000
Immunodiagnostic Systems Inc.	437,210	184,147
Phabia Limited	—	—
IDS GmbH	(228,888)	(210,216)
Suomen Bioanalytiikka Oy	206,490	154,439
IDS EURL	23,829	(52,551)
<i>Profit/(loss) for the year</i>	2008	2007
	£	£
Briefvision Limited	—	—
Immunodiagnostic Systems Inc	269,417	103,184
Phabia Limited	—	—
IDS GmbH	10,880	(60,853)
Suomen Bioanalytiikka Oy	24,391	21,311
IDS EURL	79,393	17,515

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

11 INVESTMENTS *(continued)*

Associates

The Company also owns 30% of the issued share capital of Perinatal Diagnostics Limited, a company incorporated in England. The company has not traded during the period. The company's loss for the period was £3,433 with capital and reserves of Perinatal Diagnostics Limited at £2,891 as at 31 March 2008.

The Company also owns 33% of the issued share capital of Pyrronostics Limited, a company incorporated in England. The principal activity of Pyrronostics Limited is that of a biomarker discovery company. The loss for the year ended 31 March 2008 was £5,038. The deficiency in capital and reserves of Pyrronostics Limited is £12,464 as at 31 March 2008.

The Company also owns a 18.75% shareholding in Palindromx Limited, a company incorporated in England. The principal activity of Palindromx Limited is that of research and development. The loss for the year ended 31 March 2008 was £35,881. The deficiency in capital and reserves of Palindromx Limited is £20,879 as at 31 March 2008.

12 STOCKS

	2008	2007
	£	£
Raw materials	589,813	476,939
Work in progress	158,764	95,977
Finished goods	452,650	288,479
	<u>1,201,227</u>	<u>861,395</u>

13 DEBTORS

	2008	2007
	£	£
Trade debtors	1,090,769	1,037,633
Amounts owed by group undertakings	9,704,189	695,785
Amounts owed by associated undertakings	39,810	39,780
Corporation tax recoverable	167,814	-
VAT recoverable	32,700	-
Other debtors	506	146,801
Prepayments and accrued income	108,640	249,269
	<u>11,144,428</u>	<u>2,169,268</u>

The debtors above include the following amounts falling due after more than one year:

	2008	2007
	£	£
Amounts owed by group undertakings	9,704,189	695,785
Amounts owed by associated undertakings	39,810	39,780
	<u>9,743,999</u>	<u>735,565</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

14 CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	2,500,871	-
Trade creditors	339,791	532,684
Amounts owed to group undertakings	-	1,189,838
Corporation tax	-	283,677
Other tax and social security	72,416	59,920
Hire purchase agreements	85,355	69,283
Other creditors	95,065	115,319
Accruals and deferred income	648,387	368,027
Liability for license fee	-	101,989
	<u>3,741,885</u>	<u>2,720,737</u>

The following liabilities disclosed under creditors falling due within one year are secured by the Company:

	2008	2007
	£	£
Bank loans and overdrafts	2,500,871	-
Hire purchase agreements	85,355	69,283
	<u>2,586,226</u>	<u>69,283</u>

Amounts due under hire purchase agreements are secured over the assets financed.

The bank holds an unlimited multilateral guarantee in respect of all group companies, together with a debenture and fixed and floating charges over all tangible and intangible assets and uncalled share capital of the Company, both present and future.

15 CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Bank loans and overdrafts	8,753,056	-
Hire purchase agreements	98,926	15,521
Shares classified as financial liabilities	57,000	57,000
Amounts owed to group undertakings	451,998	0
	<u>9,360,980</u>	<u>72,521</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the Company:

	2008	2007
	£	£
Bank loans and overdrafts	8,753,056	-
Hire purchase agreements	98,926	15,521
	<u>8,851,982</u>	<u>15,521</u>

The bank holds an unlimited multilateral guarantee in respect of all group companies, together with a debenture and fixed and floating charges over all tangible and intangible assets and uncalled share capital of the Company, both present and future.

Amounts due under hire purchase agreements are secured over the assets financed.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

16 BORROWINGS

Borrowings include bank loans and overdrafts, which are due for repayment as follows:

	2008	2007
	£	£
Amounts repayable:		
In one year or less or on demand	2,500,871	—
In more than one year but not more than two years	2,500,871	—
In more than two years but not more than five years	6,252,185	—
	<u>11,253,927</u>	<u>—</u>

17 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	85,355	69,283
Amounts payable between 2 to 5 years	98,926	15,521
	<u>184,281</u>	<u>84,804</u>

18 PENSIONS

The Company operates a defined contribution 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 and amounted to £47,550 (2007 - £46,609).

19 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	54,537	48,798
Profit and loss account movement arising during the year	(10,197)	5,739
Provision carried forward	<u>44,340</u>	<u>54,537</u>

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

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	73,177	48,798
Other timing differences	(83,374)	5,739
	<u>(10,197)</u>	<u>54,537</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

20 GOVERNMENT GRANTS

	2008 £	2007 £
Received and receivable: At 1 April and 31 March	<u>40,946</u>	<u>40,946</u>
Amortisation: At 1 April	20,568	16,629
Credit to profit and loss account	<u>3,939</u>	<u>3,939</u>
At 31 March	<u>24,507</u>	<u>20,568</u>
Net balance at 31 March	<u>16,439</u>	<u>20,378</u>

21 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2008 the Company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	-	4,677	-	10,559
Within 2 to 5 years	89,217	43,487	-	37,290
After more than 5 years	-	-	89,217	-
	<u>89,217</u>	<u>48,164</u>	<u>89,217</u>	<u>47,849</u>

22 CONTINGENCIES

At the balance sheet date the Group had a guarantee dated 23 September 1996 in favour of HM Revenue and Customs for £20,000. This has since been replaced by a new guarantee dated 9 October 2008 for £30,000.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

23 RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Immunodiagnostic Systems Holdings plc, the consolidated accounts of which are publicly available. Accordingly, the Company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the group.

Transactions and balances with associated undertakings are as follows:

	2008 £	2007 £
Pyrronostics Limited:		
Amount due to Immunodiagnostic Systems Limited	5,821	5,791
Palindromx Limited:		
Sales to Immunodiagnostic Limited	28,490	35,922
Amount due to Immunodiagnostics Systems Limited	31,844	31,844
Amount due from Immunodiagnostics Systems Limited (included in trade creditors)	7,403	-
Perinatal Diagnostics Limited:		
Amount due to Immunodiagnostics Systems Limited	2,145	2,145

24 SHARE CAPITAL

	2008 £	2007 £
Authorised:		
120,000 Ordinary shares of £1 each	120,000	120,000
57,000 'A' ordinary shares of £1 each	57,000	57,000
19,666 Non voting ordinary shares of £1 each	19,666	19,666
583,000 8.5% cumulative preference shares of £0.01 each	5,830	5,830
	<u>202,496</u>	<u>202,496</u>
Allotted, called up and fully paid:		
120,000 Ordinary shares of £1 each	120,000	120,000
57,000 'A' ordinary shares of £1 each	57,000	57,000
19,666 Non voting ordinary shares of £1 each	19,666	19,666
	<u>196,666</u>	<u>196,666</u>
Equity shares		
120,000 Ordinary shares of £1 each	120,000	120,000
19,666 Non voting shares of £1 each	19,666	19,666
	<u>139,666</u>	<u>139,666</u>
Shares classed as financial liabilities		
57,000 'A' ordinary shares of £1 each (note 15)	<u>57,000</u>	<u>57,000</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

24 SHARE CAPITAL *(continued)*

'A' ordinary shares

These shares bear a right to a participating dividend based upon 7% of net consolidated profit in the relevant year. They also have a right to a net cash compensatory dividend payable on each share the sum of which equals the total emoluments paid to shareholding directors and connected persons in excess of one hundred and fifty thousand pounds divided by the number of ordinary shares they hold. The shareholder waived the right to a dividend in both the year ended 31 March 2008 and 31 March 2007. The shares carry no rights to redemption. The shares rank second to the preference shares in the event of winding up, shareholders receiving one pound per share. The shares carry the right to one vote per share ranking *pari passu* with the ordinary shares.

Non-voting ordinary shares

The shares carry no right to dividends. In the event of a winding up the shares rank last with the ordinary shares, the balance of assets being distributed in proportion to the amounts paid up on both classes of share. The shares carry no right to redemption.

25 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

26 OTHER RESERVES

	2008	2007
	£	£
Capital redemption reserve	<u>5,829</u>	<u>5,829</u>

27 CAPITAL CONTRIBUTION FROM IDS PLC

The Black Scholes method was used to calculate the reserve attributable to share options due to employees of Immunodiagnostic Systems Limited.

28 PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
Balance brought forward	3,261,439	1,996,730
Profit for the financial year	616,906	1,464,709
Dividends paid	(400,000)	(200,000)
At 31 March 2008	<u>3,478,345</u>	<u>3,261,439</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

29 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year (note 28)	616,906	1,464,709
Dividends paid	(400,000)	(200,000)
Capital contributions from Immunodiagnostic Systems Holdings PLC	14,260	23,835
Net addition to funds	231,166	1,288,544
Opening shareholders' equity funds	4,030,991	2,742,447
Closing shareholders' equity funds	<u>4,262,157</u>	<u>4,030,991</u>

30 CASH FLOWS

a Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	2,797,834	2,017,568
Amortisation of intangible fixed assets	127,057	125,931
Depreciation	270,978	199,144
Amortisation of government grants	(3,939)	(3,939)
Increase in stocks	(339,832)	(151,888)
Increase in debtors	(8,975,160)	(271,066)
(Decrease)/increase in creditors	(760,120)	105,828
Increase in share option provisions	14,260	23,835
Net cash inflow from operating activities	<u>(6,868,922)</u>	<u>2,045,413</u>

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	2008	2007
	£	£
Interest received	81,364	14,673
Interest paid	(434,174)	(18,698)
Interest element of hire purchase	(12,789)	(11,306)
Net cash outflow from returns on investments and servicing of finance	<u>(365,599)</u>	<u>(15,331)</u>

Taxation

	2008	2007
	£	£
Taxation	<u>(404,726)</u>	<u>(362,337)</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

30 CASH FLOWS (*continued*)

Capital expenditure and financial investment

	2008	2007
	£	£
Payments to acquire intangible fixed assets	(13,546)	(261,468)
Payments to acquire tangible fixed assets	(246,126)	(485,042)
Payments to acquire fixed asset investments	(696)	-
Receipts from sale of tangible fixed assets	414	-
Net cash outflow for capital expenditure and financial investment	(259,954)	(746,510)

Financing

	2008	2007
	£	£
Receipt/(repayment) of bank loans	9,549,450	(589,906)
Capital element of hire purchase payments	(110,013)	(98,834)
Net cash (outflow)/inflow from financing	9,439,437	(688,740)

c Analysis of net debt

	At 1 Apr 2007	Cash flows	Other changes	At 31 Mar 2008
	£	£	£	£
Cash in hand and at bank	731,155	1,140,236	-	1,871,391
	731,155	1,140,236	-	1,871,391
Debt due within 1 year	-	(2,122,099)	(378,772)	(2,500,871)
Debt due after 1 year	-	(7,427,351)	(1,325,705)	(8,753,056)
Hire purchase agreements	(84,804)	110,013	(209,490)	(184,281)
	(84,804)	(9,439,437)	(1,913,967)	(11,438,208)
Total	646,351	(8,299,201)	(1,913,967)	(9,566,817)

31 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £nil (2007 - £148,733).

32 ULTIMATE PARENT COMPANY

The ultimate parent company is Immunodiagnostic Systems Holdings plc. The group accounts prepared by Immunodiagnostic Systems Holdings plc are available from 10 Didcot Way, Boldon Business Park, Boldon, Tyne and Wear, NE35 9PD.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

33 SHARE OPTIONS

The Company has granted options, which remain exercisable, to subscribe for ordinary shares of £0.02 each in Immunodiagnostic Systems Holdings plc, as follows:

	Grant Date	Exercise Price	Period within which options are exercisable		Number of shares for which rights are exercisable	
			From	To	2007	2008
EMI Share Scheme	2005	51p	22.12.07	22.12.14	233,529	166,806
	2007	116.5p	29.09.09	29.09.16	40,000	40,000
SAYE	2006	65p	01.07.08	01.01.11	132,558	132,558
	2007	212p	01.02.10	01.08.10	37,166	37,166
Total					443,253	376,530

The market price of the shares at 31 March 2008 was 173p and the range during the year was 173p to 300p.

Options may normally be exercised in whole or part within the period of three to ten years after the date of the grant, and then only if the performance conditions attached to the options have been satisfied.

The share options granted will only be exercisable upon the achievement of the performance criteria.

Performance conditions in relation to the EMI scheme are:

Exercise of an option will be dependent upon the achievement by the Company of a specified threshold of earnings per share ("EPS") growth (calculated after excluding amortisation of goodwill, gains and losses on the disposal of assets, changes resulting from the expensing of options through the profit and loss account and any extraordinary or exceptional items at the discretion of the Remuneration Committee) in excess of the growth in Retail Price Index over a three or more years performance period (the "Performance Period"). For an option to become exercisable in full, the growth in EPS of the Company over the Performance Period must exceed the growth in Retail Price Index over the same period by a specified percentage. If the excess is 15 percent or greater in respect of the first three years of the Performance Period then the performance condition is met. Where the performance condition is not met then the Performance Period is extended one financial year at a time and the growth in EPS is increased by five percent for each financial year while the options remain in existence until the performance condition as so increased has been met. As soon as the performance condition is met the options vest in their entirety and become exercisable in whole or in part at any time, subject to the rules of the IDS Approved Share Option Scheme.

SAYE Share Option Scheme

The SAYE Share Option Scheme is an all employee share scheme; no share options were granted under this scheme during the year.

All UK employees who have worked for a minimum period as the Board determines are eligible to participate in the IDS SAYE Share Option Scheme, as long as they do not have a material interest in the Company or a participating company.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

33 SHARE OPTIONS *(continued)*

The number of share options in existence during the year was as follows:-

	2008		2007	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At 1 April	443,253	57p	432,810	57p
Granted during the year	-	-	77,166	162p
Lapsed during the year	66,723	51p	66,723	95p
Exercised during the year	-	-	-	-
Oustanding at 31 March	376,530	58p	443,253	57p
Exercisable at 31 March	166,806	51p	-	-

The weighted average fair value of options granted in the year was calculated using the Black-Scholes option pricing model, with the following assumptions and inputs:

	2008	2007
Risk free interest rate	-	5.5%
Expected volatility	-	40.1%
Expected option life in years	-	3 years
Expected dividend yield	-	3%
Weighted average share price	-	183p
Weighted average exercise price	-	162p
Weighted average fair value of options granted	-	59p

Expected volatility was determined by calculating the historical volatility of the Holding Company's share price over the previous 3 years. 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.

During 2008, the Company recognised total share-based payment expenses of £14,261 (2007 - £23,835) of which £14,261 (2007 - £23,835) related to equity-settled share-based payment transactions.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

34 FINANCIAL INSTRUMENTS

The Company's financial instruments comprise bank loans, overdraft facility, hire purchase agreements, cash and short-term deposits. The Company has various other financial instruments, such as trade debtors and creditors that arise directly from its operations, which have been excluded from the disclosures, other than the currency disclosures.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The policies for managing these are regularly reviewed and agreed by the Board.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

Interest rate risk

The Company finances its operations by a mixture of retained profits, bank borrowings and hire purchase agreements. The Company's policy on interest rate management is agreed at Board level and is reviewed on an ongoing basis. The interest rates applying to the existing hire purchase commitments of £184,281 are fixed at between 8% and 13%. The interest rate applying to the bank borrowings of £11,253,927 is variable; the rate as at 31 March 2008 was 5.89%.

Interest rate profile

The Company has no financial assets, excluding short-term debtors, other than sterling cash deposits of £1,424,763 (2007 - £72,637), euro cash deposits of £70,288 (2007 - £208,183) and USD cash deposits of £373,758 (2007 - £446,307) which are part of the financing arrangements of the Group.

The interest rate profile of the Company's financial liabilities at 31 March 2008 was as follows:

Currency	2008 Total £000	Floating £000	Fixed £000	2007 Total £000	Floating £000	Fixed £000
Sterling - Borrowings	184	—	184	85	—	85
Euro - Borrowings	11,254	—	11,254	—	—	—
	<u>11,438</u>	<u>—</u>	<u>11,438</u>	<u>85</u>	<u>—</u>	<u>85</u>

Liquidity risk

As regards liquidity, the Company's policy throughout the year has been to ensure continuity of funding by means of generated funds supported by the Company's bankers and raising capital. The Company is cash positive in its operating activities and is expected to be for the foreseeable future. Facilities are reviewed regularly by the Board, which will consider carefully liquidity risk for any future acquisitions.

Short term flexibility is achieved by overdraft facilities.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

34 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk

The Company has subsidiaries, which operate in the USA and continental Europe. Their revenues and expenses are denominated substantially in US dollars and euros. In order to protect the Company's sterling balance sheet from the movements in these currencies and the sterling exchange rate, the Company finances its net investment in these subsidiaries by means of borrowings in their respective functional currencies.

The table below shows the Company's currency exposure, being those transactional exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Company that are not denominated in the operating (or 'functional') currency of the operating unit involved. The net exposure in Euros represents a loan taken out to finance the parent company's investment in a sister company; the resulting exposure is hedged at the Group level, but represents a risk to the Company. At 31 March 2008 these exposures are as follows:

Functional currency of Company operation	Net foreign currency monetary assets/(liabilities)			
	Sterling £000	US Dollar £000	Euro £000	Total £000
Sterling	–	76	(11,010)	(10,934)
	<u>–</u>	<u>76</u>	<u>(11,010)</u>	<u>(10,934)</u>

The exposures at 31 March 2007 for comparison purposes were as follows:

Functional currency of Company operation	Net foreign currency monetary assets/(liabilities)			
	Sterling £000	US Dollar £000	Euro £000	Total £000
Sterling	–	289	195	484
	<u>–</u>	<u>289</u>	<u>195</u>	<u>484</u>

The Maturity profile of the Company's financial liabilities at 31 March 2008 was as follows:

	Borrowings 2008 £	Total 2007 £
In one year or less	2,586,226	69,283
In more than one year but not more than two years	2,559,676	15,521
In more than two years but not more than five years	6,292,306	–
	<u>11,438,208</u>	<u>84,804</u>

Borrowing Facilities

The Company had no undrawn committed borrowing facilities at 31 March 2008.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

34 FINANCIAL INSTRUMENTS (*continued*)

Fair values

Fair values of financial instruments equate to the book value as disclosed in the financial information. There are no material differences between the fair value of financial instruments and the amount at which they are stated in the financial statements.

Immunodiagnostic Systems Limited

MANAGEMENT INFORMATION

for the year ended 31 March 2008

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on page 5.

Immunodiagnostic Systems Limited

DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2008

	2008 £	2007 £
TURNOVER	10,702,623	8,205,404
COST OF SALES		
Opening raw material stock	476,939	380,179
Opening work-in-progress	95,977	57,636
Opening stock - finished goods	288,479	271,692
Purchases	2,979,472	2,064,816
Duty payable	5,429	1,043
Royalties payable	313,526	277,506
Direct Wages	474,266	400,380
National insurance contributions on direct labour	46,030	38,973
Pension Contributions – direct labour	16,862	15,409
Freight	375,089	245,154
Other Direct Costs	156,754	106,602
	<u>5,228,823</u>	<u>3,859,390</u>
Closing stock	(1,201,227)	(861,395)
	<u>4,027,596</u>	<u>2,997,995</u>
Gross profit	6,675,027	5,207,409
OVERHEADS		
Distribution costs	930,695	812,937
Administrative expenses	2,946,498	2,376,904
	<u>3,877,196</u>	<u>3,189,841</u>
OPERATING PROFIT	2,797,834	2,017,568
Bank interest receivable	81,364	14,673
	<u>2,879,198</u>	<u>2,032,241</u>
Amounts written off investments	-	-
Interest payable and similar charges	2,151,440	30,004
PROFIT ON ORDINARY ACTIVITIES	<u>727,758</u>	<u>2,002,237</u>

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 200832

Immunodiagnostic Systems Limited

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 March 2008

	2008 £	2007 £
ADMINISTRATIVE EXPENSES <i>(continued)</i>		
Brought forward	2,018,310	1,329,341
Depreciation	270,978	199,144
Amortisation of government grants	(3,939)	(3,939)
	<u>2,285,349</u>	<u>1,524,546</u>
Financial costs		
Bad debts written off	-	6,070
Factoring charges	-	-
Bank charges	13,497	8,759
Foreign currency (gains)/losses	(277,939)	98,003
	<u>(264,442)</u>	<u>112,832</u>
	<u>2,946,498</u>	<u>2,376,904</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>81,364</u>	<u>14,673</u>
INTEREST PAYABLE AND SIMILAR CHARGES		
Bank interest payable	432,946	21,285
Hire purchase and finance lease charges	12,789	11,306
Exchange loss on foreign currency bank loan	1,704,477	-
Other similar charges	1,228	(2,587)
	<u>2,151,440</u>	<u>30,004</u>