

REGISTERED NUMBER 04251014 (England and Wales)

**Report of the Director and
Financial Statements
for the Year Ended 30 September 2011
for
BATTELLE UK LIMITED**

TUESDAY



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BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)

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for the Year Ended 30 September 2011**

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BATTELLE UK LIMITED

**Company Information
for the Year Ended 30 September 2011**

DIRECTOR	A G Shimp
REGISTERED OFFICE	Highlands House Basingstoke Road Spencers Wood Reading Berkshire RG7 1NT
REGISTERED NUMBER	04251014 (England and Wales)
AUDITOR	KPMG LLP Arlington Business Park Theale Reading Berkshire RG7 4SD

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)**Report of the Director
for the Year Ended 30 September 2011**

The director presents his report with the financial statements of the company for the year ended 30 September 2011

PRINCIPAL ACTIVITY

A principal activity of the company is the conduct under contract of environmental fate, plant metabolism, risk assessment and formulation development and testing studies to assist the development and registration of customers' crop protection products

REVIEW OF BUSINESS

The Company's key financial indicators during the period were as follows

	2011 £	2010 £
Net current assets	2,742,101	3,001,735
Net assets	3,282,884	2,460,608
Turnover	7,044,940	6,559,416
Operating profit before taxation	1,174,496	852,774
Profit after tax	822,276	539,820
Average number of employees	53	48

Net current assets decreased in fiscal 2011 due to the reduction in cash of £288,115, this was due to the significant level of capital expenditure in the year

Net assets increased mainly due to the increase in fixed assets mentioned above of £682,580

Turnover increased by 7.4% during the year due primarily to an increase in demand of the company's services in 2011

The total average number of employees also increased in 2011 due to increased resources required in both research and development and management and office support

PRINCIPAL RISKS AND UNCERTAINTIES**Competitive risks**

The Company has developed strong long term partnerships with multiple customers. There are significant financial and reputational barriers of entry into the markets in which the Company operates and while new competitors are expected demand for the Company's services is foreseen to remain strong

Legislative risks

The Company is a member of the Good Laboratory Practice Compliance program and the majority of its customers require studies to be conducted within this quality standard. Membership of the program is reviewed every 2 years but the Company's reputation is excellent and the risk that membership would be excluded in future is seen as very low

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The company does not consider that it is materially exposed to price risk

Credit risk is the risk that one party of a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require customers to satisfy credit worthiness procedures prior to acceptance of contracts

Liquidity risk is the risk that the company will encounter difficulties in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection procedures

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments. The company's long-term debts are payable to its parent company, Battelle Memorial Institute, at the Huntingdon Bank rate plus 1%

DIVIDENDS

The director does not recommend the payment of a dividend (2010: £nil)

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)

**Report of the Director
for the Year Ended 30 September 2011**

RESEARCH AND DEVELOPMENT

The Company conducts contract R&D on behalf of its customers in the chemical, agrochemical and pharmaceutical industries. The Company also conducts a small amount of internal R&D to promote new technologies and increase its attractiveness to customers in the above industries.

FUTURE DEVELOPMENTS

The director is optimistic that the company will continue at its current level of performance.

DIRECTOR

The director who held office during the year was as follows:

AG Shimp

POLITICAL AND CHARITABLE CONTRIBUTIONS

Donations to UK charities amounted to £3,677 (2010: £6,912).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD



A G Shimp - Director

Date

3/24/12

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)

**Report of the Director
for the Year Ended 30 September 2011**

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS

The director is responsible for preparing the Report of the Director 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 then 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 has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent auditor's report to the members of Battelle UK Limited

We have audited the financial statements of Battelle UK Limited for the year ended 30 September 2011 set out on pages 6 to 13. The financial reporting framework that has been applied in their presentation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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.

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

N Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

3 April 2012

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)

**Profit and Loss Account
for the Year Ended 30 September 2011**

	Notes	2011 £	2010 £
TURNOVER	2	7,044,940	6,559,416
Cost of sales		<u>(3,871,302)</u>	<u>(4,076,708)</u>
GROSS PROFIT		3,173,638	2,482,708
Administrative expenses		<u>(1,999,142)</u>	<u>(1,629,934)</u>
OPERATING PROFIT	5	1,174,496	852,774
Interest receivable and similar income	6	8,461	20,983
Interest payable and similar charges	7	<u>(93,478)</u>	<u>(173,347)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,089,479	700,410
Tax on profit on ordinary activities	8	<u>(267,203)</u>	<u>(160,590)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u>822,276</u>	<u>539,820</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous year. There is no difference between the results reported above and their historical equivalents.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)**Balance Sheet
At 30 September 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	9	1,581,750	899,170
CURRENT ASSETS			
Debtors	10	1,942,895	1,903,701
Cash at bank		<u>2,466,143</u>	<u>2,754,258</u>
		4,409,038	4,657,959
CREDITORS			
Amounts falling due within one year	11	<u>(1,666,937)</u>	<u>(1,656,224)</u>
NET CURRENT ASSETS		<u>2,742,101</u>	<u>3,001,735</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,323,851	3,900,905
CREDITORS			
Amounts falling due after more than one year	12	(750,000)	(1,295,352)
PROVISIONS FOR LIABILITIES	14	<u>(290,967)</u>	<u>(144,945)</u>
NET ASSETS		<u>3,282,884</u>	<u>2,460,608</u>
CAPITAL AND RESERVES			
Called up share capital	15	10,000	10,000
Profit and loss account	16	<u>3,272,884</u>	<u>2,450,608</u>
SHAREHOLDERS' FUNDS	22	<u>3,282,884</u>	<u>2,460,608</u>

The financial statements were approved by the director on 14th Feb, 2012 and were signed by



A G Shimp - Director

The notes form part of these financial statements

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)

**Notes to the Financial Statements
for the Year Ended 30 September 2011**

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparing the financial statements

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

The directors have a reasonable expectation that the company has adequate resources (taking account of among other things its net assets position and cash balances) to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing these financial statements

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers. Turnover is recognised on a timesheet basis and is accrued based on time spent

Tangible fixed assets

Tangible fixed assets are recorded at historical cost less accumulated depreciation. Cost comprises the purchase price and any costs directly attributable to bringing the asset to its working condition and location for its intended use

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Technical equipment	- 20% per annum
Non technical equipment	- 33% per annum
Computer equipment	- 33% per annum
Office furniture, fittings and equipment	- 10-33% per annum

Taxation

The charge for taxation is based upon the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all material 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 otherwise required by FRS19

Research and development

Expenditure on research and development is written off against profits in the year in which it is incurred

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities (including long term assets and liabilities) denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme whereby contributions are made to the personal pension schemes held by the individual employees. The pension cost charge for the year represents contributions payable by the company to the schemes

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)**Notes to the Financial Statements - continued
for the Year Ended 30 September 2011****2 TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2011	2010
	£	£
United Kingdom	1,889,181	1,336,037
Rest of Europe	2,767,178	2,672,803
United States of America	1,385,773	2,195,219
Rest of the world	<u>1,002,808</u>	<u>355,357</u>
	<u>7,044,940</u>	<u>6,559,416</u>

3 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	2,019,529	1,845,696
Social security costs	227,335	196,619
Other pension costs	<u>240,564</u>	<u>202,977</u>
	<u>2,487,428</u>	<u>2,245,292</u>

The average monthly number of employees during the year was as follows

	2011	2010
Research and development	49	45
Office and management	<u>4</u>	<u>3</u>
	<u>53</u>	<u>48</u>

4 DIRECTORS' EMOLUMENTS

All director's remuneration has been borne by the parent company, Battelle Memorial Institute, as the director is also a director of the parent company. The director's services to the company do not occupy a significant amount of his time and as such he does not consider that he has received any remuneration for his incidental services to the company for the years ended 30 September 2011 or 30 September 2010.

5 OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Other operating leases	274,961	269,430
Depreciation - owned assets	266,072	201,046
Loss on sale of tangible fixed assets	28,104	-
Auditors' remuneration	14,750	14,000
Other services relating to taxation	<u>8,200</u>	<u>7,400</u>

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£	£
Bank account interest	<u>8,461</u>	<u>20,983</u>

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)**Notes to the Financial Statements - continued
for the Year Ended 30 September 2011****7 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011	2010
	£	£
Inter-company interest	18,570	56,293
Foreign exchange losses	<u>74,908</u>	<u>117,054</u>
	<u>93,478</u>	<u>173,347</u>

8 TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2011	2010
	£	£
Current tax		
UK corporation tax	250,078	136,773
Adjustment in respect of prior years	<u>9,975</u>	<u>-</u>
Total current tax	260,053	136,773
Deferred tax (see note 14)		
Charge/(credit) to profit and loss account in respect of the origination and reversal of temporary differences	14,561	17,962
Effect of tax rate change	(10,052)	-
Adjustments in respect of prior periods	<u>2,641</u>	<u>5,855</u>
Tax on profit on ordinary activities	<u>267,203</u>	<u>160,590</u>

Factors affecting the tax charge

The tax assessed for the year is lower (2010 lower) than the standard rate of corporation tax in the UK. The difference is explained below

	2011	2010
	£	£
Profit on ordinary activities before tax	<u>1,089,479</u>	<u>700,410</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27% (2010 - 28%)	294,159	196,115
Effects of		
Expenses not deductible for tax purposes	35,407	16,534
Provisions deductible when utilised	(12,782)	3,396
Depreciation less capital allowances	(1,779)	(21,358)
R & D credit	(64,927)	(57,914)
Prior year under provision	<u>9,975</u>	<u>-</u>
Current tax charge	<u>260,053</u>	<u>136,773</u>

Factors that may affect future tax charges

On the 23 March 2011 the Chancellor announced that the main rate of UK corporation tax would reduce from 28% to 26% from 1 April 2011. He also proposed changes to reduce the rate by 1% per annum to 23% by 1 April 2014.

At the date of this report only a reduction to 25% had been substantively enacted and therefore deferred tax has been calculated at this rate. The overall effect of the further reductions from 25% to 23%, if these were applied to the deferred tax balance at 30 September 2011, would be to further reduce the deferred tax asset by approximately £8,078.

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2011**

9 TANGIBLE FIXED ASSETS

	Assets in course of construction £	Computers and Non-technical equipment £	Fixtures, fittings and office equipment £	Technical equipment £	Totals £
COST					
At 1 October 2010	70,550	352,703	1,109,904	1,318,877	2,852,034
Additions	579,128	4,219	-	394,411	977,758
Disposals	-	(84,530)	(19,252)	(142,065)	(245,847)
At 30 September 2011	<u>649,678</u>	<u>272,392</u>	<u>1,090,652</u>	<u>1,571,223</u>	<u>3,583,945</u>
DEPRECIATION					
At 1 October 2010	-	315,155	781,514	856,195	1,952,864
Charge for year	-	14,321	93,227	158,524	266,072
Eliminated on disposal	-	(75,730)	(13,211)	(127,800)	(216,741)
At 30 September 2011	-	<u>253,746</u>	<u>861,530</u>	<u>886,919</u>	<u>2,002,195</u>
NET BOOK VALUE					
At 30 September 2011	<u>649,678</u>	<u>18,646</u>	<u>229,122</u>	<u>684,304</u>	<u>1,581,750</u>
At 30 September 2010	<u>70,550</u>	<u>37,548</u>	<u>328,390</u>	<u>462,682</u>	<u>899,170</u>

10 DEBTORS

	2011 £	2010 £
Amounts falling due within one year		
Trade debtors	740,848	693,084
Amounts owed by group undertakings	33,603	378,647
Other debtors	74,415	61,954
Prepayments and accrued income	<u>1,076,404</u>	<u>752,391</u>
	<u>1,925,270</u>	<u>1,886,076</u>
Amounts falling due after more than one year		
Other debtors	<u>17,625</u>	<u>17,625</u>
Aggregate amounts	<u>1,942,895</u>	<u>1,903,701</u>

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	190,567	426,675
Corporation tax	209,115	13,482
Social security and other taxes	54,522	50,000
Accruals and deferred income	<u>1,212,733</u>	<u>1,166,067</u>
	<u>1,666,937</u>	<u>1,656,224</u>

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Amounts owed to group undertakings	<u>750,000</u>	<u>1,295,352</u>

Interest is payable on cash advances from the parent company, Battelle Memorial Institute, at the Huntingdon Bank rate plus 1%

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2011**

13 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2011 £	2010 £
Expiring		
Within one year	-	205,840
Between one and five years	<u>312,502</u>	<u>100,162</u>
	<u>312,502</u>	<u>306,002</u>

14 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	<u>100,967</u>	<u>93,817</u>
Other provisions		
Other provisions	<u>190,000</u>	<u>51,128</u>
Aggregate amounts	<u>290,967</u>	<u>144,945</u>

	Deferred tax £	Dilapidation provision £	Other provisions £
Balance at 1 October 2010	93,817	-	51,128
Movement in profit and loss	7,150	190,000	-
Utilised	-	-	(51,128)
Balance at 30 September 2011	<u>100,967</u>	<u>190,000</u>	<u>-</u>

The deferred tax liability is analysed as follows

	2011 £	2010 £
Future deductible capital allowances	100,967	108,132
Provisions deductible when utilised	-	(14,315)
	<u>100,967</u>	<u>93,817</u>

The dilapidation provision relates to the renovations that will be required when the company vacates its premises in Ongar in 2013

The dispute with the utility company that existed in the prior year has now been resolved and the provision of £51,128 has been released against the final costs as invoiced by the utility company

BATTELLE UK LIMITED (REGISTERED NUMBER 04251014)**Notes to the Financial Statements - continued
for the Year Ended 30 September 2011****15 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

16 RESERVES

	Profit and loss account £
At 1 October 2010	2,450,608
Profit for the year	<u>822,276</u>
At 30 September 2011	<u>3,272,884</u>

17 PENSION COMMITMENTS

There are no pension contribution payable or prepaid at year end (2010 £nil)

18 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of the Battelle Memorial Institute, a charitable organisation in the United States of America. The financial statements of Battelle Memorial Institute are available to the public at the following address: 505 King Avenue, Columbus, Ohio, 43201-2693, USA.

19 CONTINGENT LIABILITIES

The company did not have any contingent liabilities at year end (2010 £nil)

20 CAPITAL COMMITMENTS

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>700,000</u>	<u>-</u>

21 RELATED PARTY DISCLOSURES

The company is exempt, in terms of Financial Reporting Standard 8 Related party disclosures, from the requirement to disclose transactions with group companies as it is a wholly owned consolidated subsidiary of Battelle Memorial Institute and has therefore not disclosed transactions or balances with entities which form part of the group.

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	<u>822,276</u>	<u>539,820</u>
Net addition to shareholders' funds	822,276	539,820
Opening shareholders' funds	<u>2,460,608</u>	<u>1,920,788</u>
Closing shareholders' funds	<u>3,282,884</u>	<u>2,460,608</u>