

Registration number: 3044694

Bio-Rad Laboratories Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014

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Bio-Rad Laboratories Limited

Company Information

Directors	N Schwartz P Howard
Company secretary	S J Lawrence
Registered office	Bio-Rad House Maxted Road Hemel Hempstead Hertfordshire HP2 7DX
Solicitors	Taylor Wessing LLP 5 New Street Square London EC4A 3TW
Bankers	Citibank Canada Square Canary Wharf 33 London E14 5LB
Auditors	KPMG LLP 58 Clarendon Road Watford Hertfordshire WD17 1DE

Bio-Rad Laboratories Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their Strategic Report and the audited financial statements for the year ended 31 December 2014.

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

Fair review of the business

The company is a wholly owned subsidiary of Bio-Metrics 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 UK, Belgium and Holland, 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

The company's key financial and other performance indicators during the year were as follows:

	Unit	2014	2013
Turnover	£000	56,578	55,309
Gross profit	%	31	34
Operating profit	£000	1,228	1,490
Net assets	£000	23,851	23,025

During the year the company has continued to develop its product range and make advances into new markets, which has delivered improvements in turnover, however the mix of sales has impacted the overall gross margin for the year.

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.

No dividend was paid during the year to 31 December 2014 (2013:£nil).

Principal risks and uncertainties

The industries and market segments in which we operate are highly competitive

The clinical diagnostics market is highly competitive. Some of our competitors have consolidated, and some of our competitors have greater financial resources than the Bio-Rad group does and are less leveraged, making them better equipped to licence technologies and intellectual property from third parties or to fund research and development, manufacturing and marketing efforts

Our competitors can be expected to continue to improve the design and performance of their products and to introduce new products with competitive price and performance characteristics. Maintaining these advantages will require the Bio-Rad group to continue to invest in research and development, sales and marketing and customer service and support.

Bio-Rad Laboratories Limited

Strategic Report for the Year Ended 31 December 2014

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Principal risks and uncertainties (continued)

We need to continually improve our product offerings and develop and introduce new products to maintain pace with technological advancements

Our future success depends on the ability of the Bio-Rad group to continue to improve our product offerings and develop and introduce new product lines and extensions that integrate new technological advances. The Bio-Rad group continues to invest heavily in new product development, however there remains a risk that such products will not receive timely market acceptance.

We are dependent on government funding and the capital spending programmes of our customers

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. A large proportion 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.

The capital spending plans of our other customers can also have a significant impact on the future demand for our products.

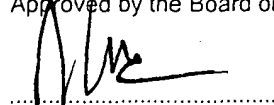
Financial risk management

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.

Future developments

The company anticipates the outlook for 2015 to be similar to 2014 as it continues to further develop its product range.

Approved by the Board on ~~18 November 2014~~ and signed on its behalf by:



N Schwartz
Director

18th November 2015

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

Bio-Rad Laboratories Limited

Directors' Report for the Year Ended 31 December 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

Directors of the company

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

N Schwartz

P Howard

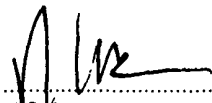
Disclosure of information to the auditors

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.

Reappointment of auditors

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

Approved by the Board on ~~18 November 2015~~ and signed on its behalf by:



N Schwartz
Director

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

Bio-Rad Laboratories Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are 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 directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent 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 2014 set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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 Statement of Directors' Responsibilities set out on page 5, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

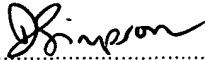
Independent Auditor's Report to the Members of Bio-Rad Laboratories Limited

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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.



.....
David Simpson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
Hertfordshire
WD17 1DE

Date: 26 November 2015

Bio-Rad Laboratories Limited

Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Turnover	2	56,578	55,309
Cost of sales		<u>(39,067)</u>	<u>(36,343)</u>
Gross profit		17,511	18,966
Distribution costs		(13,420)	(15,145)
Administrative expenses		<u>(2,863)</u>	<u>(2,331)</u>
Operating profit	3	1,228	1,490
Other interest receivable and similar income	7	13	10
Interest payable and similar charges	8	<u>(67)</u>	<u>(56)</u>
Profit on ordinary activities before taxation		1,174	1,444
Tax on (loss)/profit on ordinary activities	9	<u>(500)</u>	<u>(21)</u>
Profit for the financial year	18	<u>674</u>	<u>1,423</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.

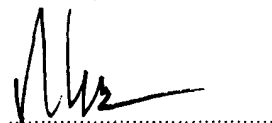
The notes on pages 10 to 26 form part of the financial statements.

Bio-Rad Laboratories Limited (Registration number: 3044694)
Balance Sheet at 31 December 2014

	Note	2014 £ 000	2013 £ 000
Fixed assets			
Tangible fixed assets	10	928	1,114
Investments	11	12,060	12,060
		<u>12,988</u>	<u>13,174</u>
Current assets			
Stocks	12	3,456	4,325
Debtors - amounts due within one year	13	19,387	14,124
Debtors - amounts due after more than one year	13	600	2,224
Cash at bank and in hand		9,642	7,859
		<u>33,085</u>	<u>28,532</u>
Creditors: Amounts falling due within one year	14	<u>(17,554)</u>	<u>(8,261)</u>
Net current assets		<u>15,531</u>	<u>20,271</u>
Total assets less current liabilities		28,519	33,445
Creditors: Amounts falling due after more than one year	15	(3,460)	(9,460)
Provisions for liabilities	16	<u>(1,208)</u>	<u>(960)</u>
Net assets		<u>23,851</u>	<u>23,025</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	<u>23,751</u>	<u>22,925</u>
Shareholders' funds	19	<u>23,851</u>	<u>23,025</u>

The notes on pages 10 to 26 form part of the financial statements.

The financial statements were approved and authorised for issue by the Board on 18 July 2015 and signed on its behalf by:



N Schwartz
Director

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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 strategic report, which also describes its financial position and its exposure to financial risks. The company is financed by share capital and three 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 loans from the fellow subsidiaries 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 directors believe that the company is well placed to manage its business successfully despite the current uncertain economic outlook.

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

Operating leases

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

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.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31

December 2014

..... continued

1 Accounting policies (continued)

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services, and the hiring of equipment to customers under operating leases.

Revenue in respect of the sales of goods is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which normally occurs upon dispatch.

Revenue for the provision of services is recognised over the period in which the service is provided.

Reagent agreements are a diagnostic industry sales method that provides use of an instrument and consumables (reagents) to a customer on a per test basis. Our reagent agreements represent one unit of accounting as the instrument and consumables are interdependent in producing a diagnostic result that neither has a stand-alone value with respect to these agreements. All revenues that we earn under our reagent agreements are recognised pursuant to the terms of each agreement and are based and entirely contingent upon either (i) when the consumables to conduct a fixed number of tests are delivered or (ii) as reported by the customer on a per test basis.

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.

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.

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.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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1 Accounting policies (continued)

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.

Share based payments

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.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with a corresponding entry in equity in accordance with UITF 44: FRS 20 Group and Treasury Share Transactions.

Intercompany recharges in relation to share-based payments are shown as a distribution to the parent and are offset in equity against amounts recognised in relation to share-based payments calculated in accordance with FRS 20: Share-based payments.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31

December 2014

..... continued

1 Accounting policies (continued)

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.

2 Turnover

An analysis of turnover by geographical location is given below:

	2014 £ 000	2013 £ 000
Sales - UK	25,994	24,589
Sales - Europe	24,092	24,794
Sales - Rest of world	6,492	5,926
	<u>56,578</u>	<u>55,309</u>

3 Operating profit

Operating profit is stated after charging/(crediting):

	2014 £ 000	2013 £ 000
Operating leases - plant and machinery	215	520
Operating leases - other assets	240	240
Foreign currency losses/(gains)	90	(12)
Depreciation of owned assets	695	475
	<u>695</u>	<u>475</u>

4 Auditor's remuneration

	2014 £ 000	2013 £ 000
Audit of the financial statements	<u>50</u>	<u>50</u>

Bio-Rad Laboratories Limited
Notes to the Financial Statements for the Year Ended 31
December 2014

..... continued

5 Particulars of employees

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

	2014 No.	2013 No.
Administration and support	52	58
Sales, marketing and distribution	82	75
	<u>134</u>	<u>133</u>

The aggregate payroll costs were as follows:

	2014 £ 000	2013 £ 000
Wages and salaries	7,480	6,975
Social security costs	803	820
Staff pensions	347	379
	<u>8,630</u>	<u>8,174</u>

The wages and salaries charge above also includes £257,000 (2013 - £132,000) in respect of share based payments.

Bio-Rad Laboratories Limited
Notes to the Financial Statements for the Year Ended 31
December 2014

..... continued

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £ 000	2013 £ 000
Remuneration	128	57
Company contributions paid to money purchase schemes	<u>6</u>	<u>3</u>

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

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>2</u>

In respect of the highest paid director:

	2014 £ 000	2013 £ 000
Remuneration	128	32
Company contributions to money purchase pension schemes	6	2
	<u>134</u>	<u>34</u>

7 Other interest receivable and similar income

	2014 £ 000	2013 £ 000
Bank interest receivable	-	3
Other interest receivable	-	1
Interest receivable from group undertakings	<u>13</u>	<u>6</u>
	<u>13</u>	<u>10</u>

Bio-Rad Laboratories Limited
Notes to the Financial Statements for the Year Ended 31
December 2014

..... continued

8 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Interest on loans from group undertakings	<u>67</u>	<u>56</u>

9 Taxation

Tax on profit on ordinary activities

	2014 £ 000	2013 £ 000
Current tax		
Corporation tax charge	289	156
Adjustments in respect of previous years	<u>117</u>	<u>(254)</u>
UK Corporation tax	406	(98)
Deferred tax		
Origination and reversal of timing differences	<u>94</u>	<u>119</u>
Total tax on profit on ordinary activities	<u>500</u>	<u>21</u>

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

9 Taxation (continued)

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2013: lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%).

The differences are reconciled below:

	2014 £ 000	2013 £ 000
Profit on ordinary activities before taxation	1,174	1,444
Corporation tax at standard rate	252	336
Expenses not deductible for tax purposes	62	41
Depreciation in excess of capital allowances	13	19
Other short term timing differences	6	55
Adjustment in respect of prior year	117	(254)
Double taxation relief	(20)	(18)
Tax deduction arising from vesting of employee share schemes	(24)	(41)
Group relief	-	(236)
Total current tax	406	(98)

Factors that may affect future tax charges

In his budget of 2014, the Chancellor of the Exchequer proposed a decrease in the rate of main UK corporation tax to 20% from 1 April 2015. The reduction to 21% for 2014 was substantively enacted on 17 July 2014 and, in accordance with accounting standards, has been reflected in the company's financial statements in the current year ended 31 December 2014. 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 2014

..... continued

10 Tangible fixed assets

	Short leasehold land and buildings £ 000	Fixtures, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2014	469	4,155	4,624
Additions	14	540	554
Disposals	-	(182)	(182)
At 31 December 2014	<u>483</u>	<u>4,513</u>	<u>4,996</u>
Depreciation			
At 1 January 2014	451	3,059	3,510
Charge for the year	9	686	695
Eliminated on disposals	-	(137)	(137)
At 31 December 2014	<u>460</u>	<u>3,608</u>	<u>4,068</u>
Net book value			
At 31 December 2014	<u>23</u>	<u>905</u>	<u>928</u>
At 31 December 2013	<u>18</u>	<u>1,096</u>	<u>1,114</u>

Included in Fixtures, fittings and equipment above are reagent rental assets at 31 December 2014 with a cost of £3,906,000 (2013: £3,556,000), accumulated depreciation of £3,019,000 (2013: £2,480,000) and net book value of £887,000 (2013: £1,076,000). These relate to assets owned by the company which are rented by third parties under operating leases.

Bio-Rad Laboratories Limited
Notes to the Financial Statements for the Year Ended 31
December 2014

..... continued

11 Investments held as fixed assets

	2014 £ 000	2013 £ 000
Shares in group undertakings	<u>12,060</u>	<u>12,060</u>
Shares in group undertakings		Subsidiary undertakings £ 000
Cost		
At 1 January 2014 and 31 December 2014		<u>12,060</u>
Net book value		
At 31 December 2014 and 31 December 2013		<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

	2014 £ 000	2013 £ 000
Finished goods	<u>3,456</u>	<u>4,325</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 2014

..... continued

13 Debtors

Debtors - amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade debtors	9,865	10,825
Amounts owed by group undertakings	8,313	2,395
Other debtors	-	99
Deferred tax	306	400
Prepayments and accrued income	903	405
	<u>19,387</u>	<u>14,124</u>

Debtors - amounts falling due after more than one year

	2014 £ 000	2013 £ 000
Amounts owed by group undertakings	<u>600</u>	<u>2,224</u>

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

Deferred tax

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

	£ 000
At 1 January 2014	400
Deferred tax charged to the profit and loss account	<u>(94)</u>
At 31 December 2014	<u>306</u>

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31

December 2014

..... continued

13 Debtors (continued)

Analysis of deferred tax

	2014 £ 000	2013 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	165	145
Other timing differences	141	255
	<u>306</u>	<u>400</u>

14 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade creditors	560	732
Amounts owed to group undertakings	12,582	4,828
Corporation tax	57	-
Other taxes and social security	834	828
Other creditors	213	182
Accruals and deferred income	3,308	1,691
	<u>17,554</u>	<u>8,261</u>

Other creditors includes £51,202 (2013 - £57,907) in respect of unpaid pensions at the year end.

All payables to group undertakings falling due within one year are interest-free with the exception of any part which remains outstanding for over 90 days, which did not occur in either accounting period.

Bio-Rad Laboratories Limited

Notes to the Financial Statements for the Year Ended 31

December 2014

..... continued

15 Creditors: Amounts falling due after more than one year

	2014 £ 000	2013 £ 000
Amounts owed to group undertakings	<u>3,460</u>	<u>9,460</u>

The amounts owed to group undertakings above comprise of three loans: a £2,260,000 (2013: £2,260,000) loan payable to a dormant fellow subsidiary is interest-free with a period of settlement after five years and a £1,200,000 (2013: £1,200,000) loan and £nil (2013: £6,000,000) loan from fellow subsidiaries bear interest at 0.5% per annum and are repayable after one year.

16 Provisions

	Warranty provision £ 000	Dilapidations provision £ 000	Sales returns provision £ 000	Total £ 000
At 1 January 2014	441	485	34	960
Charged to the profit and loss account	<u>246</u>	<u>-</u>	<u>2</u>	<u>248</u>
At 31 December 2014	<u>687</u>	<u>485</u>	<u>36</u>	<u>1,208</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 expected to be utilised within the next 5 years.

17 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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18 Reserves

	Profit and loss account £ 000
At 1 January 2014	22,925
Profit for the year	674
Additional capital contribution (share based payment)	<u>152</u>
At 31 December 2014	<u><u>23,751</u></u>

Total share based payments for the year amounted to £257,000. The equity contribution of £257,000 is reduced by £105,000 which is a recharge from Bio-Rad Laboratories Inc. in respect of share based payments.

19 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
Profit attributable to the members of the company	674	1,423
Additional capital contribution (share based payment)	<u>152</u>	<u>(18)</u>
Net addition to shareholders' funds	826	1,405
Shareholders' funds at 1 January	<u>23,025</u>	<u>21,620</u>
Shareholders' funds at 31 December	<u><u>23,851</u></u>	<u><u>23,025</u></u>

Bio-Rad Laboratories Limited

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20 Commitments

Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £ 000	2013 £ 000
Land and buildings		
Within two and five years	<u>225</u>	<u>300</u>
Other		
Within one year	16	161
Within two and five years	<u>46</u>	<u>104</u>
	<u>62</u>	<u>265</u>

Other commitments

The company has made a Duty Deferment Guarantee to HM Revenue and Customs of £60,000 (2013: £60,000)

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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 2014 amounted to £257,000 (2013:£132,000).

The following table summarises information about awarded RSUs:

	2014		2013	
	Number of RSUs	Weighted average grant date fair value \$	Number of RSUs	Weighted average grant date fair value \$
Outstanding at 1 January	9,390	106.45	9,222	94.81
Awarded	2,985	119.54	3,900	117
Forfeited	(4,310)	105.72	(1,390)	81.34
Released	(1,471)	101.10	(2,342)	93.07
Outstanding at 31 December	<u>6,594</u>	<u>114.05</u>	<u>9,390</u>	<u>106.45</u>

The weighted average remaining service period for outstanding RSUs at 31 December 2014 was 2.23 years (2013 - 2.19 years).

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22 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

23 Ultimate parent undertaking and controlling entity

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

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