

Alpha Laboratories Limited

Registered number 01215816

Directors' report and financial statements

For the year ended 30 September 2009

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ALPHA LABORATORIES LIMITED

COMPANY INFORMATION

Directors	Mr D Giles Mrs A M Giles Mr N S Giles
Company secretary	Mrs A M Giles
Company number	01215816
Registered office	40 Parham Drive Eastleigh Hampshire SO50 4NU
Auditors	Mazars LLP Chartered accountants & Registered auditors 8 New Fields 2 Stinsford Road Nuffield Poole Dorset BH17 0NF
Bankers	Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP

ALPHA LABORATORIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

The directors present their report and the financial statements for the year ended 30 September 2009

Statement of directors' responsibilities

The directors are responsible for preparing 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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.

Principal activities

The principal activity of the company during the year continued to be the distribution of equipment, reagents and disposable plastics for laboratories.

Business review

The Company suffered from a fall in the value of the pound sterling during the year and took action, including reducing staff numbers to maintain profitability.

Results and dividends

The profit for the year, after taxation, amounted to £187,770 (2008 - £157,713).

The Director's recommend an ordinary dividend of £2.00 per ordinary share amounting to £44,000.

Directors

The directors who served during the year were

Mr D Giles
Mrs A M Giles
Mr N S Giles

Mrs A M Giles retires by rotation under article 89 and being eligible, offers herself for re-election.

ALPHA LABORATORIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Future developments

Following actions dictated by the financial crisis, the Company plans to return to normal operation during the next year. This will provide a solid base for a major investment in a new ERP system in 2010 and the maintenance of a lean approach with regard to costs.

The Company anticipates the winding down of a major contract during the year and, consequently, expects a reduction in total sales. The fall off in contract business would be partially offset by sales of Diagnostics, which can reduce the NHS's costs.

Financial risk management

As a result of normal company operations there are a variety of financial risks to which the company could be exposed. To control the possible effects of such risks, the board of directors constantly monitor the situation relying on the controls and policies that are implemented by the company's finance department.

Credit Risk

The company deals mainly with numerous quasi-government organisations so it has limited exposure to credit risk.

Liquidity risk

The company retains sufficient cash to ensure it has adequate funds available for operations.

Interest rate risk

The company earns interest at a floating rate on cash balances. The company has a mortgage of £1,307,928 secured on its freehold premises. The interest rate is fixed. The company does not have any short-term debt and therefore the directors do not consider the company to have any exposure to interest rate risks on liabilities.

Foreign exchange risk

The company has transactional currency exposures chiefly in U.S. dollars. It uses forward currency contracts to alleviate the currency exposure. At 30 September 2009 the company's forward contracts, amounting to \$3.73 million, have an average exchange rate of £1 = \$1.56. The fair value of these contracts is disclosed in note 27.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

ALPHA LABORATORIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Auditors

Under section 487(2) of the Companies Act 2006, Mazars LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf



.....
Mrs A M Giles
Secretary

Date *18 December 2009*

ALPHA LABORATORIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHA LABORATORIES LIMITED

We have audited the financial statements of Alpha Laboratories Limited for the year ended 30 September 2009, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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 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. This report, including our opinion, has been prepared for and only for the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

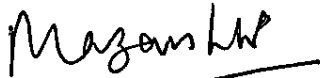
ALPHA LABORATORIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHA LABORATORIES LIMITED

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



Mazars LLP, Chartered accountants (Statutory auditors)

Brian Hutchinson (Senior Statutory Auditor)

8 New Fields
2 Stinsford Road
Nuffield
Poole
Dorset
BH17 0NF

18 December 2009

ALPHA LABORATORIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Note	2009 £	2008 £
Turnover	1,2	8,359,522	7,494,818
Cost of sales		(5,794,484)	(5,010,101)
Gross profit		2,565,038	2,484,717
Administrative expenses		(2,274,112)	(2,393,871)
Other operating income	3	37,808	166,852
Operating profit	4	328,734	257,698
Interest receivable	8	2,823	16,709
Interest payable	9	(85,314)	(43,463)
Profit on ordinary activities before taxation		246,243	230,944
Tax on profit on ordinary activities	10	(58,473)	(73,231)
Profit for the financial year	18	187,770	157,713

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and Loss Account

The notes on pages 9 to 17 form part of these financial statements

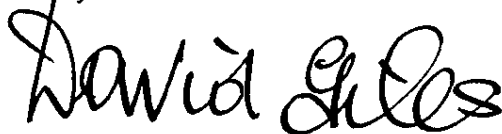
ALPHA LABORATORIES LIMITED

Registered number. 01215816

**BALANCE SHEET
AS AT 30 SEPTEMBER 2009**

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible fixed assets	12		1,857,724		1,963,430
Current assets					
Stocks	13	948,071		1,019,782	
Debtors	14	980,513		974,415	
Cash at bank and in hand		805,345		380,497	
		<u>2,733,929</u>		<u>2,374,694</u>	
Creditors: amounts falling due within one year	15	<u>(1,225,031)</u>		<u>(1,042,888)</u>	
Net current assets			<u>1,508,898</u>		<u>1,331,806</u>
Total assets less current liabilities			<u>3,366,622</u>		<u>3,295,236</u>
Creditors: amounts falling due after more than one year	16		<u>(1,283,580)</u>		<u>(1,333,964)</u>
Net assets			<u><u>2,083,042</u></u>		<u><u>1,961,272</u></u>
Capital and Reserves					
Called up share capital	17		22,000		22,000
Share premium account	18		28,966		28,966
Capital redemption reserve	18		3,000		3,000
Profit and loss account	18		<u>2,029,076</u>		<u>1,907,306</u>
Shareholders' funds	19		<u><u>2,083,042</u></u>		<u><u>1,961,272</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



Mr D Giles
Director

Date 18 December 2009

The notes on pages 9 to 17 form part of these financial statements

ALPHA LABORATORIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Note	2009 £	2008 £
Net cash flow from operating activities	21	678,898	219,641
Returns on investments and servicing of finance	22	(82,491)	(26,754)
Taxation		(70,736)	(44,818)
Capital expenditure and financial investment	22	15,561	(1,816,910)
Equity dividends paid		(66,000)	-
Cash inflow/(outflow) before financing		475,232	(1,668,841)
Financing	22	(50,384)	1,358,312
Increase/(Decrease) in cash in the year		424,848	(310,529)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 SEPTEMBER 2009

	2009 £	2008 £
Increase/(Decrease) in cash in the year	424,848	(310,529)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	50,384	(1,358,312)
Movement in net debt in the year	475,232	(1,668,841)
Net (debt)/funds at 1 October 2008	(977,815)	691,026
Net debt at 30 September 2009	(502,583)	(977,815)

The notes on pages 9 to 17 form part of these financial statements

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

The turnover and and pre-tax profit is attributable to one activity, the distribution of laboratory equipment, reagents and disposable plastics

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Premises	-	Over 50 years
Building improvements	-	Over 10 years
Motor vehicles	-	Over 4 years
Equipment	-	Over 2 to 5 years

1.4 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all costs incurred in bringing each product to its present location and condition, as follows -

Laboratory equipment, reagents and plastic disposables - purchase cost on a first-in, first-out basis

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Accounting Policies (continued)

1.7 Foreign currencies

Transactions in foreign currencies are translated at the HMRC exchange rate ruling in the month of the transaction or, where forward foreign currency contracts have been taken out, at contractual rates

Monetary assets and liabilities are retranslated at the rates of exchange ruling at the balance sheet date or at a forward contractual rate if applicable

Exchange gains and losses are recognised in the Profit and Loss account

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2 Turnover

A geographical analysis of turnover is as follows

	2009 £	2008 £
United Kingdom	7,092,587	6,471,108
Rest of world	1,266,935	1,023,710
	<u>8,359,522</u>	<u>7,494,818</u>

3 Other operating income

	2009 £	2008 £
Other operating income	<u>37,808</u>	<u>166,852</u>

4. Operating profit

The operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	89,627	107,243
Operating lease rentals		
- plant and machinery	103,929	106,620
- land and buildings	-	51,001
Difference on foreign exchange	<u>(47,405)</u>	<u>(28,517)</u>

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

5 Auditors' remuneration

	2009 £	2008 £
Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	15,000
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	2,000	5,000
	<u>12,000</u>	<u>20,000</u>

6. Staff costs

Staff costs, including directors' remuneration, were as follows

	2009 £	2008 £
Wages and salaries	1,781,833	1,709,649
Social security costs	202,199	200,103
Other pension costs	40,000	44,000
	<u>2,024,032</u>	<u>1,953,752</u>

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

	2009 No.	2008 No.
Distribution staff	38	36
Administrative staff	6	7
Management staff	6	6
	<u>50</u>	<u>49</u>

7. Directors' remuneration

	2009 £	2008 £
Emoluments	186,195	188,104
Company pension contributions to money purchase pension schemes	40,000	44,000

During the year retirement benefits were accruing to 1 director (2008 - 1) in respect of money purchase pension schemes

The highest paid director received remuneration of £131,105 (2008 - £139,821)

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

8. Interest receivable

	2009 £	2008 £
Other interest receivable	2,823	16,709

9 Interest payable

	2009 £	2008 £
On other loans	85,314	43,463

10 Taxation

	2009 £	2008 £
UK corporation tax charge on profit for the year	58,473	73,231

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2008 - higher than) the standard rate of corporation tax in the UK (21%) The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	246,243	230,944
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008 - 20 5%)	51,711	47,343
Effects of:		
Expenses not deductible for tax purposes	4,252	15,812
Capital allowances for year in excess of depreciation	2,510	7,581
Adjustments to tax charge in respect of prior periods	-	2,495
Current tax charge for the year (see note above)	58,473	73,231

11 Deferred tax asset

The deferred tax asset not recognised in the financial statements is as follows,

	2009 £	2008 £
Depreciation in advance of capital allowances	19,336	15,637

The deferred tax asset has not been recognised due to the uncertainty of recovery in the foreseeable future

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

12. Tangible fixed assets

	Premises and improvements £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 October 2008	1,843,896	157,073	745,283	2,746,252
Additions	-	-	13,439	13,439
Disposals	-	(67,470)	-	(67,470)
At 30 September 2009	1,843,896	89,603	758,722	2,692,221
Depreciation				
At 1 October 2008	19,151	94,437	669,234	782,822
Charge for the year	28,909	17,913	42,805	89,627
On disposals	-	(37,952)	-	(37,952)
At 30 September 2009	48,060	74,398	712,039	834,497
Net book value				
At 30 September 2009	1,795,836	15,205	46,683	1,857,724
At 30 September 2008	1,824,745	62,636	76,049	1,963,430

13. Stocks

	2009 £	2008 £
Laboratory equipment, reagents and plastics	948,071	1,019,782

14. Debtors

	2009 £	2008 £
Trade debtors	932,493	856,782
Other debtors	5,500	68,049
Prepayments and accrued income	42,520	49,584
	980,513	974,415

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

15. Creditors Amounts falling due within one year

	2009 £	2008 £
Mortgage on premises	24,348	24,348
Trade creditors	776,608	652,666
Corporation tax	58,473	70,736
Social security and other taxes	139,653	120,515
Other creditors	78,714	100,248
Accruals and deferred income	147,235	74,375
	<u>1,225,031</u>	<u>1,042,888</u>

16. Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Mortgage on premises	<u>1,283,580</u>	<u>1,333,964</u>

Included within the above are amounts falling due as follows

	2009 £	2008 £
Between two and five years		
Mortgage on premises	<u>97,392</u>	<u>97,392</u>
Over five years		
Mortgage on premises	<u>1,186,188</u>	<u>1,236,572</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2009 £	2008 £
Repayable by instalments	<u>1,186,188</u>	<u>1,236,572</u>

Repayment terms for the loan are 25 years from first drawdown. Interest is calculated on a Base Rate Basis at a rate equal to the aggregate of the Bank's margin and the base rate.

The mortgage is secured on the Company's freehold premises.

17. Share capital

	2009 £	2008 £
Allotted, called up and fully paid		
22,000 Ordinary shares of £1 each	<u>22,000</u>	<u>22,000</u>

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

18 Reserves

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 October 2008	28,966	3,000	1,907,306
Profit for the year			187,770
Dividends Equity capital			(66,000)
At 30 September 2009	<u>28,966</u>	<u>3,000</u>	<u>2,029,076</u>

19 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	1,961,272	1,803,559
Profit for the year	187,770	157,713
Dividends (Note 20)	(66,000)	-
Closing shareholders' funds	<u>2,083,042</u>	<u>1,961,272</u>

20 Dividends

	2009 £	2008 £
Dividends paid on equity capital	<u>66,000</u>	<u>-</u>

On 16 September 2009 the directors propose a dividend of £44,000

21 Net cash flow from operations

	2009 £	2008 £
Operating profit	328,734	257,698
Depreciation of tangible fixed assets	89,627	107,243
Loss/(profit) on disposal of tangible fixed assets	518	(550)
Decrease/(increase) in stocks	71,711	(70,341)
Increase in debtors	(6,098)	(79,315)
Increase in creditors	194,406	4,906
Net cash inflow from operations	<u>678,898</u>	<u>219,641</u>

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

22. Analysis of cash flows for headings netted in cash flow statement

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	2,823	16,709
Interest paid	(85,314)	(43,463)
Net cash outflow from returns on investments and servicing of finance	(82,491)	(26,754)
	2009 £	2008 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(13,439)	(1,818,910)
Sale of tangible fixed assets	29,000	2,000
Net cash inflow/(outflow) from capital expenditure	15,561	(1,816,910)
	2009 £	2008 £
Financing		
Other new loans	-	1,370,200
Repayment of other loans	(50,384)	(11,888)
Net cash (outflow)/inflow from financing	(50,384)	1,358,312

23. Analysis of changes in net debt

	1 October 2008 £	Cash flow £	Other non-cash changes £	30 September 2009 £
Cash at bank and in hand	380,497	424,848	-	805,345
Debt:				
Debts due within one year	(24,348)	50,384	(50,384)	(24,348)
Debts falling due after more than one year	(1,333,964)	-	50,384	(1,283,580)
Net debt	(977,815)	475,232	-	(502,583)

ALPHA LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

24 Capital commitments

At 30 September 2009 the company had capital commitments as follows

	2009 £	2008 £
Contracted for but not provided in these financial statements	-	-

25. Pension commitments

The company operates a defined contributions pension 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 £40,000 (2008 - £44,000). Contributions totalling £nil (2008 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

26 Operating lease commitments

At 30 September 2009 the company had annual commitments under non-cancellable operating leases in relation to plant and machinery as follows

	2009 £	2008 £
Expiry date:		
Within 1 year	25,740	7,210
Between 2 and 5 years	82,826	110,265

27 Derivatives

The Company purchases forward foreign currency contracts to hedge currency exposure on firm future commitments. The fair value of the derivatives held at the balance sheet date, determined by reference to their market value, are as follows

	2009 £	2008 £
Forward foreign currency contracts	(61,754)	70,044

The gains and losses on these contracts are not recognised until the contracts mature. These gains and losses are recognised in the Profit and Loss account.