

Company Registration No. 01830061 (England and Wales)

**ADVANCED INSTRUMENTS LTD.**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

TUESDAY



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# **ADVANCED INSTRUMENTS LTD.**

## **COMPANY INFORMATION**

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<b>Directors</b>	J S Smith B Selman S M Hanlon
<b>Secretary</b>	Gravitas Company Secretarial Services Limited
<b>Company number</b>	01830061
<b>Registered office</b>	5th Floor One New Change London EC4M 9AF
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG

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# **ADVANCED INSTRUMENTS LTD.**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### **Principal activities**

The principal activity of the company continued to be that of the supply of scientific instruments to pathology, pharmaceutical, and university laboratories.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J S Smith  
B Selman  
S M Hanlon

#### **Results and dividends**

Ordinary dividends were paid amounting to £nil (2019: £582,898). The directors do not recommend payment of a final dividend.

#### **Auditor**

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Strategic report**

The Company has taken advantage of section 414B of the Companies Act 2006 not to present a strategic review in these financial statements.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Going concern**

Despite the restrictions Advanced Instruments Limited achieved 11% growth for the period ended 31 December 2020.

As we move into 2021 we have had a successful first four months achieving +2.8% above planned revenues. The reduction in consumables orders that we saw during Q2 2020, as a result of reduced GP work and therefore a reduction in the number of tests being ordered through our instruments, has subsided and we remain optimistic that the current level of consumables will remain on target. We have seen an increase in consumables orders into the non-clinical sector with increased testing in laboratories in respect of Covid-19 vaccination trials.

Through April 2021 we have received 50 new instrument orders against a full year plan of 114. Our instrument opportunities pipeline is ahead of the full year target.

Our asset position remains strong with positive cash at bank and inventory levels. Receipts of goods from EU suppliers have been delayed due to Brexit restrictions although we believe that issues with processes and paperwork in this respect have now been resolved and we should start to see orders being received into the UK within the usual timeframes. Orders from our US supplier have not been affected. There has been no change in payments being received from customers. Credit Control policies remain in place.

# **ADVANCED INSTRUMENTS LTD.**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Going concern (continued)**

Office based staff continue to work from home with no more than two employees in the office at any time. This is to ensure all shipments are sent and any deliveries can be received. We have no fixed date for an expected "return to work" and this continues to be monitored in line with Government guidelines and taking into consideration employee vaccinations.

Our field service engineers continue to attend sites for any critical breakdowns and at the express request of the site. Preventative maintenance visits that were unable to be carried out due to Covid-19 have been rescheduled and most hospital sites are allowing our engineer visits. Installations and servicing of equipment into the non-clinical sector remains restricted, and we continue to take advice from the Government and laboratories to ensure the safety of our staff and customers.

The Directors are confident that Advanced Instruments Limited remains a going concern and are confident that we will achieve our projected 8% revenue growth for the 2021 financial year.

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....  
J S Smith  
Director

Date: 29.07.2021

# **ADVANCED INSTRUMENTS LTD.**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 judgements and accounting 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INSTRUMENTS LTD.**

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## **Opinion**

We have audited the financial statements of Advanced Instruments Ltd. (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INSTRUMENTS LTD. (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INSTRUMENTS LTD. (CONTINUED)

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and compliance with the Companies Act 2006 and anti-hybrid tax regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing financial statement disclosures, agreeing to supporting documentation, completion of disclosure checklists to identify areas of non-compliance, consulting RSM tax specialists to identify the disallowable expenditure in relation to anti hybrid tax legislation and agreeing the disallowable expenditure in the tax computations back to audit schedules.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgements and estimates applied in the financial statements, checking the calculations of deferred income and reperforming these to ensure service contract income is recognised correctly.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### Use of our report

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.



Geoff Wightwick BA FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex, RH10 1BG

29 July 2021



# ADVANCED INSTRUMENTS LTD.

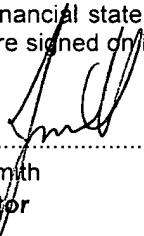
## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	as restated £
Turnover	4	6,858,695	6,183,320
Cost of sales		(3,986,620)	(3,577,915)
<b>Gross profit</b>		<b>2,872,075</b>	<b>2,605,405</b>
Distribution costs		(728,516)	(517,208)
Administrative expenses		(782,783)	(718,552)
Other operating income		8,964	-
<b>Operating profit</b>	<b>7</b>	<b>1,369,740</b>	<b>1,369,645</b>
Interest receivable and similar income	9	1,615	1,641
Interest payable and similar expenses	10	(42,963)	-
<b>Profit before taxation</b>		<b>1,328,392</b>	<b>1,371,286</b>
Tax on profit	11	(744,873)	(627,764)
<b>Profit for the financial year</b>		<b>583,519</b>	<b>743,522</b>

**ADVANCED INSTRUMENTS LTD.****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

		<b>2020</b>		<b>2019</b>	
				<b>as restated</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>13</b>		46,020		51,338
<b>Current assets</b>					
Stocks	<b>14</b>	845,934		583,476	
Debtors	<b>15</b>	1,044,643		719,097	
Cash at bank and in hand		1,777,872		1,301,747	
		<u>3,668,449</u>		<u>2,604,320</u>	
<b>Creditors: amounts falling due within one year</b>	<b>16</b>	<u>(2,403,775)</u>		<u>(1,928,483)</u>	
<b>Net current assets</b>			<u>1,264,674</u>		<u>675,837</u>
<b>Total assets less current liabilities</b>			<u>1,310,694</u>		<u>727,175</u>
<b>Provisions for liabilities</b>	<b>17</b>		<u>(8,136)</u>		<u>(8,136)</u>
<b>Net assets</b>			<u><u>1,302,558</u></u>		<u><u>719,039</u></u>
<b>Capital and reserves</b>					
Called up share capital	<b>19</b>		70		70
Capital redemption reserve			35		35
Profit and loss reserves			<u>1,302,453</u>		<u>718,934</u>
<b>Total equity</b>			<u><u>1,302,558</u></u>		<u><u>719,039</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29.07.2021 and are signed on its behalf by:

  
 J S Smith  
 Director

# ADVANCED INSTRUMENTS LTD.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>As restated for the period ended 31 December 2019:</b>					
<b>Balance at 1 January 2019</b>		70	35	1,090,097	1,090,202
Effect of change in accounting policy		-	-	(531,787)	(531,787)
<b>As restated</b>		70	35	558,310	558,415
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	743,522	743,522
Dividends	12	-	-	(582,898)	(582,898)
<b>Balance at 31 December 2019</b>		70	35	718,934	719,039
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	583,519	583,519
<b>Balance at 31 December 2020</b>		70	35	1,302,453	1,302,558

# **ADVANCED INSTRUMENTS LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Advanced Instruments Ltd. is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 5th Floor, Once New Change, London, EC4M 9AF.

#### **Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Advanced Instruments LLP. These consolidated financial statements are available from its registered office, 2 Technology Way, Norwood, MA 02062, United States.

#### **Going concern**

Management has prepared forecasts for the year ending 31 December 2021, and has considered the period to 31 May 2022 in assessing the company's basis for the adoption of the going concern assumption. The projections show that the company will continue to trade profitably and generate positive cash flows; the company's directors therefore have a reasonable expectation that the company will be able to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised as earned when, and to extent that, the company obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to customers.

Revenue in respect of maintenance support contracts are recognised straight line over the life of the contractual term.

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over 10 years
Plant and machinery	Straight line over 3 years
Office equipment	Straight line over 7 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price.

# **ADVANCED INSTRUMENTS LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies (Continued)**

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies (Continued)

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any significant judgements nor key sources of estimation uncertainty that affect the financial statements.

### 3 Prior period adjustment

#### Changes to the statement of financial position

	As previously reported	Adjustment at 1 Jan 2019	Adjustment at 31 Dec 2019	As restated at 31 Dec 2019
	£	£	£	£
<b>Creditors due within one year</b>				
Taxation	(327,359)	(531,787)	(367,039)	(1,226,185)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>				
Profit and loss	1,617,760	(531,787)	(367,039)	718,934
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Changes to the income statement

	As previously reported	Adjustment	As restated
Period ended 31 December 2019	£	£	£
Taxation	(260,725)	(367,039)	(627,764)
Profit for the financial period	1,110,561	(367,039)	743,522
	<u>          </u>	<u>          </u>	<u>          </u>

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Prior period adjustment (Continued)

#### Reconciliation of changes in equity

		1 January 2019 £	31 December 2019 £
	Notes		
<b>Adjustments to prior year</b>			
Corporation tax	1	(531,787)	(898,826)
Equity as previously reported		1,090,202	1,617,865
Equity as adjusted		<u>558,415</u>	<u>719,039</u>

#### Reconciliation of changes in profit for the previous financial period

		2019 £
	Notes	
<b>Adjustments to prior year</b>		
Corporation tax	1	(367,039)
Profit as previously reported		1,110,561
Profit as adjusted		<u>743,522</u>

#### Notes to reconciliation

##### Note 1 - Corporation tax

Following a review of the company's tax position an error was discovered whereby corporation tax has been miscalculated by £898,826 between 2017 and 2019. The directors consider that this requires adjustment and so a prior period adjustment has been made to increase the corporation tax charge by £367,039 to 31 December 2019, £531,787 to 31 December 2018 and to increase the corporation tax liability by £898,826 as at 31 December 2019.

The above adjustment had a net impact on the profit for the year end 31 December 2019 of £367,039 and net assets at 31 December 2019 of £898,826.

### 4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Revenue from goods	6,124,453	5,490,993
Revenue from services	664,651	603,754
Revenue from rental income	69,591	88,573
	<u>6,858,695</u>	<u>6,183,320</u>



# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Turnover and other revenue (Continued)

	2020 £	2019 £
<b>Other revenue</b>		
Interest income	1,615	1,641
Grants received	7,988	-
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	6,857,675	6,172,214
Rest of world	1,020	11,106
	<u>          </u>	<u>          </u>
	6,858,695	6,183,320
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Administration	1	1
Service	6	6
Sales	5	3
Material control	1	1
Directors	1	1
	<u>          </u>	<u>          </u>
Total	14	12
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	962,194	738,185
Social security costs	120,723	79,620
Pension costs	47,109	42,252
	<u>          </u>	<u>          </u>
	1,130,026	860,057
	<u>          </u>	<u>          </u>

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	210,113	209,584
Company pension contributions to defined contribution schemes	11,628	13,281
	<u>221,741</u>	<u>222,865</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	210,113	190,020
Company pension contributions to defined contribution schemes	11,628	11,563
	<u>221,741</u>	<u>201,583</u>

### 7 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	17,395	(7,234)
Government grants	(7,988)	-
Depreciation of owned tangible fixed assets	33,071	28,213
Profit on disposal of tangible fixed assets	(4,000)	-
	<u>38,478</u>	<u>20,979</u>

### 8 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	17,000	16,000
	<u>17,000</u>	<u>16,000</u>

### 9 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	1,615	1,641
	<u>1,615</u>	<u>1,641</u>

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Interest payable and similar expenses

	2020	2019
	£	£
Other interest	42,963	-

### 11 Taxation

	2020	2019 as restated
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	744,873	627,127
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	637
<b>Total tax charge</b>	<b>744,873</b>	<b>627,764</b>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	1,328,392	1,371,286
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	252,394	260,544
Tax effect of expenses that are not deductible in determining taxable profit	492,479	367,293
Changes in rate of deferred tax	-	(73)
<b>Taxation charge for the year</b>	<b>744,873</b>	<b>627,764</b>

The UK main corporation tax rate was expected to reduce to 17% from 1 April 2020, as announced in the Finance Bill 2016, which was substantively enacted on 12 September 2016.

In the Budget of 11 March 2020, the Chancellor announced the reversal of the previously enacted reduction in the rate of corporation tax. This reversal was subsequently confirmed by a resolution under the Provisional Collection of Taxes Act 1968, which set the rate at 19%. Deferred tax has been recognised at the 31 December 2020 enacted rate.

The Finance Bill 2021 included the announcement that the corporation tax rate for years starting from April 2023 would increase to 25% on profits over £250,000 and that the rate for small profits under £50,000 will remain at 19% and there will be a tapered rate for businesses with profits under £250,000 so that they pay less than the main rate.

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Dividends

	2020 £	2019 £
Interim paid	-	582,898

### 13 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2020	11,995	109,572	45,275	166,842
Additions	-	27,753	-	27,753
At 31 December 2020	11,995	137,325	45,275	194,595
<b>Depreciation</b>				
At 1 January 2020	5,988	72,666	36,850	115,504
Depreciation charged in the year	1,176	29,279	2,616	33,071
At 31 December 2020	7,164	101,945	39,466	148,575
<b>Carrying amount</b>				
At 31 December 2020	4,831	35,380	5,809	46,020
At 31 December 2019	6,007	36,906	8,425	51,338

### 14 Stocks

	2020 £	2019 £
Finished goods and goods for resale	845,934	583,476

### 15 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,023,729	675,291
Prepayments and accrued income	20,914	43,806
	1,044,643	719,097

Prepayments and accrued income include an amount of £7,500 (2019: £7,500) which is due after more than one year.

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Creditors: amounts falling due within one year

	2020	2019 as restated
	£	£
Trade creditors	11,581	99,791
Amounts owed to group undertakings	82,666	97,109
Corporation tax	1,387,943	1,039,107
Other taxation and social security	293,797	187,078
Accruals and deferred income	627,788	505,398
	<u>2,403,775</u>	<u>1,928,483</u>

### 17 Provisions - deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2020	Liabilities 2019
	£	£
<b>Balances:</b>		
Accelerated capital allowances	<u>8,136</u>	<u>8,136</u>

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 18 Retirement benefit schemes

	2020	2019
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>47,109</u>	<u>42,252</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
70 Ordinary of £1 each	<u>70</u>	<u>70</u>

The company has one class of ordinary shares which carry full voting, dividends and capital distribution (including on winding up) rights; they do not confer any rights on redemption.

# ADVANCED INSTRUMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	40,337	39,612
Between one and five years	19,279	40,576
	<u>59,616</u>	<u>80,188</u>

#### Lessor

The company owns medical instruments for rental purposes. The leases are negotiated over terms of 3 months to 7 year and rentals are fixed for the same terms. Rental income earned during the year was £69,591 (2019 - £88,573). The lessee does not have an option to purchase the medical instrument at the expiry of the lease period.

	2020 £	2019 £
Within one year	25,652	20,457
Between one and five years	29,984	14,704
In over five years	8,169	6,433
	<u>63,805</u>	<u>41,594</u>

### 21 Related party transactions

#### Remuneration of key management personnel

The aggregate compensation of key management personnel is £601,271 (2019 - £485,904) including employer's national insurance of £65,222 (2019 - £50,930).

### 22 Ultimate controlling party

The company is a subsidiary undertaking of Advanced Instruments LLC, which is the immediate parent company and is incorporated in the the United States of America.

On 28 September 2020 the ultimate parent company Windjammer Capital Investors Inc sold Advanced Instruments LLC to Patricia Industries.

Following this acquisition, the ultimate controlling party is Investor AB, a company incorporated in Sweden.

Advanced Instruments LLC is the smallest group to consolidate these financial statements. Investor AB is the largest group to consolidated these financial statements. The consolidated financial statements for Investor AB for the year ended 31 December 2020 are publicly available and can be obtained from [www.investorab.com](http://www.investorab.com).