

Research Instruments Limited
Annual Report and Financial Statements
Year Ended 31 October 2021

Registration number: 03419143

Research Instruments Limited

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Research Instruments Limited

Company Information

Directors	A Ricupati J J Calcagno B G Andrews
Registered office	Bickland Industrial Park Falmouth Cornwall TR11 4TA
Auditors	PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro Cornwall TR1 2NA

Research Instruments Limited

Strategic Report for the Year Ended 31 October 2021

The directors present their strategic report for the year ended 31 October 2021.

Principal activity

The principal activity of the company is the manufacture of medical devices for the fertility field.

Fair review of the business

Research Instruments Limited is a medical device manufacturing Company based in Falmouth, producing state-of-the-art hardware medical equipment for clinicians and ART professionals in the women's healthcare space. The Company operates as a production site for other group undertakings within the CooperSurgical group that then act as the distributor for the Company's product range, as well as products from other group companies, to third parties.

The Company has continued to generate strong operating profits of £1m (2020 - £2.7m) for the year and sales of £19m (2020 - £16.4m). The balance sheet has seen a small decline over the period from £115m to £114m.

The Company continues to invest in R&D and product development. The Board regard such investment as integral to the continuing success of the business to ensure they remain competitive in their field.

Given the straightforward nature of the business, the Company's Board are of the opinion that analysis using further KPIs is not necessary for an understanding of the development, performance and position of the business.

During the year the company disposed of intellectual property assets to Coopersurgical Inc, a fellow subsidiary, resulting in a gain on sale of intangible assets of £16m.

Research Instruments Limited

Strategic Report for the Year Ended 31 October 2021

Principal risks and uncertainties

The Company's activities and business model involve a number of general and specific commercial and financial risks, which may have negative impacts on the future growth.

Management continues to focus on the most important operational risks and to evaluate the current mitigation plans. Risk assessments are performed on a regular basis.

A substantial focus on innovation is an integral part of the company's strategy. The overall aim of improving the key treatment outcome parameter: the-baby-take-home-rate, drives the portfolio of development projects.

Regulations on ART products continue to intensify, and the Management expects these requirements to further increase in the future. The Company is part of a Group, which has established a knowledge and competencies in the regulatory area and is prepared to meet the increased regulatory demand.

Development in the Company's financial results are impacted by foreign exchange risks. The Company does not engage in speculative financial transactions.

Approved by the Board on 31 October 2022 and signed on its behalf by:

.....

J J Calcagno

Director

Research Instruments Limited

Directors' Report for the Year Ended 31 October 2021

The directors present their report and the financial statements for the year ended 31 October 2021.

Directors of the company

The directors who held office during the year were as follows:

D T Hansen (resigned 30 March 2021)

A Ricupati

J J Calcagno

B G Andrews

Financial risk management objectives and policies

The main risks facing the company are set out below:

Price risk, credit risk, liquidity risk and cash flow risk

Raw material price risk - The Company manages the risk of price rises through maintaining strong relationships with key suppliers.

Credit risk - The Company manages its credit risk through the establishment of credit limits on its customer ledger and request payments of accounts when deemed necessary.

Liquidity risk and Cash flow risk - The Company utilises a combination of short term and long term debt finance to ensure that it retains sufficient cash to fund operations.

Research Instruments Limited

Directors' Report for the Year Ended 31 October 2021

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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 31 October 2022 and signed on its behalf by:

.....

J J Calcagno

Director

Research Instruments Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

Research Instruments Limited

Independent Auditor's Report to the Members of Research Instruments Limited

Opinion

We have audited the financial statements of Research Instruments Limited (the 'company') for the year ended 31 October 2021, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 October 2021 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.

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 director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Research Instruments Limited

Independent Auditor's Report to the Members of Research Instruments Limited

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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.

Research Instruments Limited

Independent Auditor's Report to the Members of Research Instruments Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our commercial and sector experience and through discussions with the directors and other management. We discussed with the directors and other management the policies and procedures regarding compliance throughout the audit and any relevant correspondence with regulatory bodies. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies significantly.

The company is subject to laws that directly affect the financial statements including financial reporting and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures.

The company is subject to other laws and regulations where the consequences of non-compliance could have an effect on the amounts or disclosures in the financial statements, for instance the result of a litigation claim. We identified the following areas as those most likely to have an effect: licencing laws, employment law, health and safety, data protection and company legislation.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none in the year.
- Considering the filings made at Companies House, and any omissions thereon of which there were none identified.
- Discussing with management compliance with health and safety legislation.
- Reviewing the Certificates of Registration from The British Standards Institution which confirms compliance with relevant product standard and discussing with management compliance with licencing legislation.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business, of which there were none.
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Research Instruments Limited

Independent Auditor's Report to the Members of Research Instruments Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud

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We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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.

.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
Lowin House
Tregolls Road
Truro

Research Instruments Limited

Statement of Income and Retained Earnings

Year Ended 31 October 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	19,021,049	18,715,507
Cost of sales		<u>(14,370,557)</u>	<u>(12,786,418)</u>
Gross profit		4,650,492	5,929,089
Distribution costs		(555,899)	(373,489)
Administrative expenses		(3,118,412)	(2,885,741)
Other operating income	<u>4</u>	<u>-</u>	<u>5,968</u>
Operating profit	<u>5</u>	976,181	2,675,827
Provision against subsidiary investments		-	(4,415,371)
Income from shares in group undertakings		15,271,465	-
Profit on disposal of intangible assets		15,983,199	-
Other interest receivable and similar income		33,572	-
Interest payable and similar charges	<u>8</u>	<u>(21,831)</u>	<u>(201)</u>
Profit/(loss) before tax		32,242,586	(1,739,745)
Taxation	<u>9</u>	<u>(2,702,189)</u>	<u>(682,251)</u>
Profit/(loss) for the financial year		29,540,397	(2,421,996)
Retained earnings brought forward		12,355,068	15,527,064
Dividends paid		<u>(29,426,891)</u>	<u>(750,000)</u>
Retained earnings carried forward		<u><u>12,468,574</u></u>	<u><u>12,355,068</u></u>

Research Instruments Limited

Balance Sheet

31 October 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>10</u>	-	15,452
Tangible assets	<u>11</u>	914,815	983,709
Investments	<u>12</u>	106,071,980	106,071,980
		<u>106,986,795</u>	<u>107,071,141</u>
Current assets			
Stocks	<u>13</u>	10,569,134	8,475,333
Debtors	<u>14</u>	4,815,100	6,436,990
Cash at bank and in hand		<u>1,469,907</u>	<u>1,413,692</u>
		16,854,141	16,326,015
Creditors: Amounts falling due within one year	<u>16</u>	<u>(7,794,181)</u>	<u>(7,463,907)</u>
Net current assets		<u>9,059,960</u>	<u>8,862,108</u>
Total assets less current liabilities		116,046,755	115,933,249
Provisions for liabilities	<u>18</u>	<u>(1,045,094)</u>	<u>(1,045,094)</u>
Net assets		<u>115,001,661</u>	<u>114,888,155</u>
Capital and reserves			
Called up share capital		102,514,087	102,514,087
Share premium reserve		19,000	19,000
Profit and loss account		<u>12,468,574</u>	<u>12,355,068</u>
Shareholders' funds		<u>115,001,661</u>	<u>114,888,155</u>

Approved and authorised by the Board on 31 October 2022 and signed on its behalf by:

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J J Calcagno

Director

Company Registration Number: 03419143

Research Instruments Limited

Statement of Changes in Equity

Year Ended 31 October 2021

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 November 2020	102,514,087	19,000	12,355,068	114,888,155
Profit for the year	-	-	29,540,397	29,540,397
Total comprehensive income	-	-	29,540,397	29,540,397
Dividends	-	-	(29,426,891)	(29,426,891)
At 31 October 2021	102,514,087	19,000	12,468,574	115,001,661

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 November 2019	102,514,087	19,000	15,527,064	118,060,151
Loss for the year	-	-	(2,421,996)	(2,421,996)
Total comprehensive income	-	-	(2,421,996)	(2,421,996)
Dividends	-	-	(750,000)	(750,000)
At 31 October 2020	102,514,087	19,000	12,355,068	114,888,155

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is:

Bickland Industrial Park

Falmouth

Cornwall

TR11 4TA

These financial statements were authorised for issue by the Board on 31 October 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Exemption from preparing group accounts

The financial statements contain information about Research Instruments Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, The Cooper Companies, Inc., a company incorporated in The United States of America.

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions, which are subject to certain conditions being adhered to. The company has therefore taken advantage of the following exemptions:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated financial statements of The Cooper Companies Inc include the cash flows of this company;
- From the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as the information is provided in the consolidated financial statement disclosures;
- From disclosing transactions with other wholly owned members of the group, under FRS102 paragraph 33.1A;
- From disclosing the company key management personnel compensation, as required by FRS102 paragraph 33.7.

Government grants

The company has chosen to recognise government capital grants under the accruals model. The grant is released to the profit and loss account in line with the depreciation charge on the associated asset.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Not depreciated
Freehold buildings	Straight line over 50 years
Plant and machinery	Straight line over 5 to 15 years
Fixtures, fittings and equipment	Straight line over 5 years

Intangible assets

Separately acquired trademarks, licences and computer software are shown at historical cost.

Trademarks, licences and computer software have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer software	Straight line over 5 years

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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. A subset of the company's manufactured stock is held at a standard cost calculated based on the standard cost of materials, labour and overheads. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is recognised on sale of goods on the date of dispatch unless the goods are to be installed by the company in which case revenue is not recognised until the goods are installed. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

Critical accounting judgements and estimation uncertainty

Impairment of investments in subsidiaries (note 12)

The Company considers whether the investments in subsidiaries are impaired at regular intervals. The Covid-19 pandemic has negatively impacted the wider Group's operations and in turn this has been deemed a potential indicator of impairment. Where an indication of impairment is identified the Company will compare the entire carrying value of investments to the recoverable value to establish if any impairment adjustments are required.

The recoverable value will be the higher of the fair value less cost to sell the subsidiaries (if market information is readily available for the fair value) and the future value in use of the subsidiaries.

This financial year the Company has completed a value in use calculation by taking the future cash flows of the subsidiaries (including a terminal value) and discounted them using appropriate rates to establish the accumulative present value of future cash flows. Furthermore, the value in use calculations have been flexed to include the impacts of the Covid-19 pandemic to date and future expectations.

These the value in use calculations demonstrate that there is sufficient headroom between the carrying value and recoverable value, after factoring in the disposal of an obsolete subsidiary that created an impairment of £4,415,371 in the prior year. The investments in subsidiaries have been retained at a carrying value of £106,071,980 (2020 - £106,071,980).

Stock valuation (note 13)

The company values stock using a standard costing method that is updated on an regular basis using the average price for raw materials over the course of the year. Labour and overheads are absorbed into finished goods using an hourly rate. The directors believe this is an appropriate judgement for the company.

Onerous lease provision (note 18)

The Company will consider the inclusion of an onerous lease provision when a leasehold property is vacant and no longer used in the Company's day-to-day operations.

The provision will cover the anticipated lease costs that the Company will be liable for, after factoring in any deductions due to the lease being assigned, or sub-let to a third party.

The Company is actively marketing to and negotiating with third parties to assign the lease. A lease assignment is expected to be completed in the period to 31 October 2023 and in turn an onerous lease provision has been estimated using 24 months of future lease costs.

The remaining contracted lease term is substantially longer than 24 months and therefore the residual exposure to the Company could be greater than the onerous lease provision of £1,045,094. Management are however confident of completing a lease assignment with the 24 month timeframe.

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

Financial instruments

Classification

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.

All financial instruments are classified as basic.

Recognition and measurement

Financial instruments are recognised in the company's statement of financial position 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, which include trade and other receivables and cash and bank balances, are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments. Where the arrangement constitutes a financing transaction the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities, including trade and other payables are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments. Where the item constitutes a financing transaction the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	19,021,049	18,715,507

The analysis of the company's turnover for the year by market is as follows:

	2021 £	2020 £
Europe	16,819,221	15,492,341
Rest of world	2,201,828	3,223,166
	19,021,049	18,715,507

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £	2020 £
Miscellaneous other operating income	-	5,968

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

5 Operating profit/(loss)

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	116,088	96,010
Amortisation expense	15,450	19,018
Foreign exchange losses	128,173	142,706
Operating lease expense - property	667,445	1,218,882
Operating lease expense - plant and machinery	16,739	13,073
Loss on disposal of property, plant and equipment	22,068	-

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	2,367,562	2,563,712
Social security costs	213,158	190,402
Pension costs, defined contribution scheme	168,834	126,000
	2,749,554	2,880,114

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

	2021 No.	2020 No.
Administration and support	5	5
Sales, marketing and distribution	62	53
	67	58

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

7 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements	10,100	9,810
Other fees to auditors		
Taxation compliance services	1,120	1,090
All other non-audit services	10,305	12,480
	11,425	13,570

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	1,835	-
Interest expense on other finance liabilities	19,996	201
	21,831	201

9 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
UK corporation tax	2,731,564	623,540
UK corporation tax adjustment to prior periods	-	40,040
	2,731,564	663,580
Deferred taxation		
Arising from origination and reversal of timing differences	(29,375)	18,671
Tax expense in the income statement	2,702,189	682,251

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

	2021 £	2020 £
Profit/(loss) before tax	<u>32,242,586</u>	<u>(1,739,745)</u>
Corporation tax at standard rate	6,126,091	(330,551)
Effect of revenues exempt from taxation	(2,901,578)	-
Effect of expense not deductible in determining taxable profit (tax loss)	132,779	1,028,659
Decrease from effect of tax incentives	(416,669)	-
Increase in UK and foreign current tax from adjustment for prior periods	-	40,040
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(238,434)</u>	<u>(55,897)</u>
Total tax charge	<u>2,702,189</u>	<u>682,251</u>

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

Deferred tax

Deferred tax assets and liabilities

	Asset £
2021	
Other	-
Accelerated capital allowances	80,823
	<u>80,823</u>
	<u><u>80,823</u></u>
	Asset £
2020	
Other	2,020
Accelerated capital allowances	49,428
	<u>51,448</u>
	<u><u>51,448</u></u>

10 Intangible assets

	Goodwill £	Trademarks £	Computer software £	Total £
Cost or valuation				
At 1 November 2020	1	1	136,182	136,184
Disposals	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>(2)</u>
At 31 October 2021	<u>-</u>	<u>-</u>	<u>136,182</u>	<u>136,182</u>
Amortisation				
At 1 November 2020	-	-	120,732	120,732
Amortisation charge	<u>-</u>	<u>-</u>	<u>15,450</u>	<u>15,450</u>
At 31 October 2021	<u>-</u>	<u>-</u>	<u>136,182</u>	<u>136,182</u>
Carrying amount				
At 31 October 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 October 2020	<u>1</u>	<u>1</u>	<u>15,450</u>	<u>15,452</u>

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

11 Tangible assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 November 2020	1,091,232	340,577	338,035	1,769,844
Additions	-	69,263	-	69,263
Disposals	-	(75,433)	(162,162)	(237,595)
At 31 October 2021	1,091,232	334,407	175,873	1,601,512
Depreciation				
At 1 November 2020	324,882	225,668	235,585	786,135
Charge for the year	41,350	39,090	35,647	116,087
Eliminated on disposal	-	(68,839)	(146,686)	(215,525)
At 31 October 2021	366,232	195,919	124,546	686,697
Carrying amount				
At 31 October 2021	725,000	138,488	51,327	914,815
At 31 October 2020	766,350	114,909	102,450	983,709

Included within the net book value of land and buildings above is £725,000 (2020 - £766,350) in respect of freehold land and buildings.

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

12 Investments in subsidiaries, joint ventures and associates

	2021 £	2020 £
Investments in subsidiaries	106,071,980	106,071,980
Subsidiaries		£
Cost or valuation		
At 1 November 2020		106,071,980
At 31 October 2021		106,071,980
Carrying amount		
At 31 October 2021		106,071,980
At 31 October 2020		106,071,980

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Origio A/S	Denmark	Ordinary	100%	100%
Kivex Holding ApS	Denmark	Ordinary	0%	100%

The principal activity of Origio A/S is developing, manufacturing and distribution of equipment for IVF clinics.

The principal activity of Kivex Holding ApS is also developing, manufacturing and distribution of equipment for IVF clinics.

During the year Kivex Holdings ApS was dissolved. The investment was impaired to nil in the previous year.

13 Stocks

	2021 £	2020 £
Raw materials and goods for resale	10,569,134	8,475,333

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

14 Debtors

	Note	2021 £	2020 £
Trade debtors		-	2,650
Amounts due from group undertakings		2,748,109	5,581,015
Other debtors		1,699,763	581,725
Prepayments		286,405	220,152
Deferred tax assets	<u>9</u>	<u>80,823</u>	<u>51,448</u>
		<u>4,815,100</u>	<u>6,436,990</u>

15 Cash and cash equivalents

	31 October 2021 £	31 October 2020 £
Cash on hand	3,849	4,072
Cash at bank	<u>1,466,058</u>	<u>1,409,620</u>
	<u>1,469,907</u>	<u>1,413,692</u>

16 Creditors

	Note	2021 £	2020 £
Due within one year			
Trade creditors		963,201	1,221,040
Amounts due to group undertakings		2,167,758	4,676,932
Corporation tax		2,311,905	205,725
Other creditors and accruals		<u>2,351,317</u>	<u>1,360,210</u>
		<u>7,794,181</u>	<u>7,463,907</u>

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	31 October 2021 £	31 October 2020 £
Not later than one year	690,783	525,931
Later than one year and not later than five years	2,816,925	2,091,881
Later than five years	755,415	1,262,822
	<u>4,263,123</u>	<u>3,880,634</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £525,931 (2020 - £541,081).

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

18 Other provisions

	Other provisions £	Total £
At 1 November 2020	1,045,094	1,045,094
At 31 October 2021	1,045,094	1,045,094

The Company is actively marketing to and negotiating with third parties to assign the lease of the vacant property. A lease assignment is expected to be completed during the period to 31 October 2023 and in turn an onerous lease provision has been estimated using 24 months of future lease costs.

The remaining contracted lease term is substantially longer than 24 months and therefore the residual exposure to the Company could be greater than the onerous lease provision of £1,045,094. Management are however confident of completing a lease assignment with the 24 month timeframe.

19 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	102,514,087	102,514,087	102,514,087	102,514,087

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All ordinary shares have equal voting rights and rights on winding up.

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £168,834 (2020 - £126,000).

Research Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2021

21 Parent and ultimate parent undertaking

The company's immediate parent is Coopersurgical Holdings Limited, incorporated in England and Wales.

The ultimate parent is The Cooper Companies Inc., incorporated in The United States of America.

The most senior parent entity producing publicly available financial statements is The Cooper Companies Inc.. These financial statements are available upon request from The Cooper Companies Inc.

6140 Stoneridge Mall Road,

Suite 590,

Pleasanton,

CA 94588

The ultimate controlling party is the directors of The Cooper Companies Inc..

Relationship between entity and parents

The parent of the smallest group in which these financial statements are consolidated is The Cooper Companies, Inc., incorporated in The United States of America.

The address of The Cooper Companies, Inc. is:

The Cooper Companies, Inc.

6140 Stoneridge Mall Road,

Suite 590,

Pleasanton,

CA 94588

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