

**Research Instruments Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 October 2020**

**Registration number: 03419143**

# Research Instruments Limited

## Contents

Company Information	<u>1</u>
Strategic Report	<u>2</u> to <u>3</u>
Directors' Report	<u>4</u> to <u>6</u>
Statement of Directors' Responsibilities	<u>7</u>
Independent Auditor's Report	<u>8</u> to <u>10</u>
Profit and Loss Account and Statement of Retained Earnings	<u>11</u>
Balance Sheet	<u>12</u>
Statement of Changes in Equity	<u>13</u>
Notes to the Financial Statements	<u>14</u> to <u>30</u>

# Research Instruments Limited

## Company Information

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

# **Research Instruments Limited**

## **Strategic Report for the Year Ended 31 October 2020**

The directors present their strategic report for the year ended 31 October 2020.

### **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 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 £2.7m (2019 - £2.5m) for the year and sales of £18.7m (2019 - £16.4m). There was however a net loss for the year following an impairment of £4.4m against one of the subsidiary investments. The balance sheet has therefore seen a decline over the period from £118m to £115m. 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.

# Research Instruments Limited

## Strategic Report for the Year Ended 31 October 2020

### 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, who 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 18 October 2021 and signed on its behalf by:

.....

J J Calcagno

Director

# **Research Instruments Limited**

## **Directors' Report for the Year Ended 31 October 2020**

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

### **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

R L Golden (resigned 30 April 2020)

### **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 2020

### Going concern

In preparing and approving these financial statements the Board have given due consideration to going concern risks, and in particular the impact of the Coronavirus pandemic. The pandemic has led to widespread and profound economic shock. This has led to a reduction in sales demand on a CooperSurgical-wide (or Group-wide) level due to the closure, or reduced capacity of hospitals and medical facilities who are the predominate end customers for the various fertility products and consumables manufactured by Research Instruments Limited "the Company" (and other group undertakings).

In reaching a conclusion on the going concern assumption the Board considered and factored in the following matters:

i) The Board have prepared budgets and cash flow forecasts which consider a range of scenarios, in particular fluctuations in sales demands and key costs.

When comparing post year end management accounts against budget the Company and other group undertakings are seeing a return to normal trading levels seen in historic years. This is in line with the Company and Group-wide expectation of the Covid-19 pandemic having a short term impact on the trading results of the Company.

Any deficits in the interim will be supported by the ultimate parent company listed on the NYE stock exchange, The Cooper Companies Inc. (TCC), which has a robust balance sheet and the support of stakeholders. An example of the support being provided by stakeholders would be the \$2.14 billion Senior Credit Facility obtained from TCC's lenders that was announced previously in April 2020.

There is a letter of support from TCC that the Company is able to depend on to obtain financial support as required.

ii) The Board have and continue to implement various cost saving measures across the Company to minimise some of the financial impacts arising from the pandemic.

iii) Operationally, where the Company has been trading through lockdown various policies and procedures have been put in place to ensure the health and safety of the day-to-day staff that have been retained. Clearly, in some areas this does give rise to a minor financial cost, but these steps are necessary and are being adopted by the vast majority of businesses across the UK.

After due consideration of these factors the Board are satisfied that the Company will be able to operate through the utilisation of retained earnings and where required the financial support of the ultimate parent company, TCC.

The Company is therefore anticipated to continue as a going concern for the foreseeable future - being a period no less than 12 months from the date of approval of these financial statements.

## **Research Instruments Limited**

### **Directors' Report for the Year Ended 31 October 2020**

#### **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 18 October 2021 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 2020, 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 2020 and of its loss 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### 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 7, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Research Instruments Limited**

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

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  
Cornwall  
TR1 2NA

27 October 2021

# Research Instruments Limited

## Statement of Income and Retained Earnings

Year Ended 31 October 2020

	Note	2020 £	2019 £
Turnover	<u>3</u>	18,715,507	16,401,477
Cost of sales		<u>(12,786,418)</u>	<u>(11,303,233)</u>
Gross profit		5,929,089	5,098,244
Distribution costs		(373,489)	(258,610)
Administrative expenses		(2,885,741)	(2,343,038)
Other operating income	<u>4</u>	<u>5,968</u>	<u>19,134</u>
Operating profit	<u>5</u>	2,675,827	2,515,730
Provision against subsidiary investments		(4,415,371)	-
Income from shares in group undertakings		-	15,005,085
Interest payable and similar charges	<u>9</u>	<u>(201)</u>	<u>-</u>
(Loss)/profit before tax		(1,739,745)	17,520,815
Taxation	<u>10</u>	<u>(682,251)</u>	<u>(620,729)</u>
(Loss)/profit for the financial year		(2,421,996)	16,900,086
Retained earnings brought forward		15,527,064	18,676,819
Dividends paid		<u>(750,000)</u>	<u>(20,049,841)</u>
Retained earnings carried forward		<u>12,355,068</u>	<u>15,527,064</u>

# Research Instruments Limited

## Balance Sheet

31 October 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	<u>11</u>	15,452	34,470
Tangible assets	<u>12</u>	983,709	964,557
Investments	<u>13</u>	106,071,980	110,487,351
		<u>107,071,141</u>	<u>111,486,378</u>
<b>Current assets</b>			
Stocks	<u>14</u>	8,475,333	6,063,365
Debtors	<u>15</u>	6,436,991	1,861,148
Cash at bank and in hand		1,413,692	3,058,205
		<u>16,326,016</u>	<u>10,982,718</u>
<b>Creditors: Amounts falling due within one year</b>	<u>17</u>	<u>(7,463,908)</u>	<u>(3,886,398)</u>
<b>Net current assets</b>		<u>8,862,108</u>	<u>7,096,320</u>
<b>Total assets less current liabilities</b>		115,933,249	118,582,698
<b>Provisions for liabilities</b>	<u>19</u>	<u>(1,045,094)</u>	<u>(522,547)</u>
<b>Net assets</b>		<u>114,888,155</u>	<u>118,060,151</u>
<b>Capital and reserves</b>			
Called up share capital		102,514,087	102,514,087
Share premium reserve		19,000	19,000
Profit and loss account		<u>12,355,068</u>	<u>15,527,064</u>
<b>Total equity</b>		<u>114,888,155</u>	<u>118,060,151</u>

Approved and authorised by the Board on 18 October 2021 and signed on its behalf by:

.....

J J Calcagno

Director

Company Registration Number: 03419143

# Research Instruments Limited

## Statement of Changes in Equity

Year Ended 31 October 2020

	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

  

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 November 2018	102,514,087	19,000	18,676,819	121,209,906
Profit for the year	-	-	16,900,086	16,900,086
Total comprehensive income	-	-	16,900,086	16,900,086
Dividends	-	-	(20,049,841)	(20,049,841)
At 31 October 2019	102,514,087	19,000	15,527,064	118,060,151

# **Research Instruments Limited**

## **Notes to the Financial Statements**

**Year Ended 31 October 2020**

### **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 18 October 2021.

### **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 2020**

#### **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.

#### **Judgements**

The company values stock using a standard costing method that is updated on a 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.

#### **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.

#### **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.

# Research Instruments Limited

## Notes to the Financial Statements

### Year Ended 31 October 2020

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.

#### 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.

# **Research Instruments Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 October 2020**

#### **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.

#### **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.

#### **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.

# Research Instruments Limited

## Notes to the Financial Statements

Year Ended 31 October 2020

### Critical accounting judgements and estimation uncertainty

#### Impairment of investments in subsidiaries (note 13)

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 post year end which has created an impairment of £4,415,371. The investments in subsidiaries have been retained at a carrying value of £106,071,980 (2019 - £110,487,351).

#### 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 2022 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 2020

### 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 2020

### 3 Revenue

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

	2020 £	2019 £
Sale of goods	18,715,507	16,320,133
Other revenue	-	81,344
	<u>18,715,507</u>	<u>16,401,477</u>

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

	2020 £	2019 £
Europe	15,492,341	13,365,537
Rest of world	3,223,166	3,035,940
	<u>18,715,507</u>	<u>16,401,477</u>

### 4 Other operating income

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

	2020 £	2019 £
Government grants	-	11,604
Miscellaneous other operating income	5,968	7,530
	<u>5,968</u>	<u>19,134</u>

### 5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	96,010	91,841
Amortisation expense	19,018	23,401
Foreign exchange losses	142,706	42,532
Operating lease expense - property	1,218,882	541,114
Operating lease expense - plant and machinery	<u>13,073</u>	<u>26,646</u>

### 6 Government grants

The company has received government grants from the ERDF to contribute to the purchase of IT equipment. The amount of grants recognised as other operating income was £Nil (2019 - £11,604).

# Research Instruments Limited

## Notes to the Financial Statements

Year Ended 31 October 2020

### 7 Staff costs

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,563,712	2,307,649
Social security costs	190,402	197,968
Pension costs, defined contribution scheme	126,000	92,667
	<u>2,880,114</u>	<u>2,598,284</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Administration and support	5	5
Sales, marketing and distribution	53	56
	<u>58</u>	<u>61</u>

**Research Instruments Limited**

Notes to the Financial Statements

Year Ended 31 October 2020

**8 Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>9,810</u>	<u>9,525</u>
<b>Other fees to auditors</b>		
Taxation compliance services	1,090	2,555
All other non-audit services	<u>12,480</u>	<u>6,385</u>
	<u>13,570</u>	<u>8,940</u>

**9 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest expense on other finance liabilities	<u>201</u>	<u>-</u>

**10 Taxation**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	623,540	469,210
UK corporation tax adjustment to prior periods	<u>40,040</u>	<u>190,161</u>
	663,580	659,371
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>18,671</u>	<u>(38,642)</u>
Tax expense in the income statement	<u>682,251</u>	<u>620,729</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:



## Research Instruments Limited

### Notes to the Financial Statements

#### Year Ended 31 October 2020

	2020 £	2019 £
(Loss)/profit before tax	<u>(1,739,745)</u>	<u>17,520,815</u>
Corporation tax at standard rate	(330,551)	3,328,955
Effect of revenues exempt from taxation	-	(2,952,137)
Effect of expense not deductible in determining taxable profit (tax loss)	1,028,659	161,207
Increase in UK and foreign current tax from adjustment for prior periods	40,040	155,600
Tax decrease arising from group relief	-	(14,413)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(55,897)</u>	<u>(58,483)</u>
Total tax charge	<u>682,251</u>	<u>620,729</u>

# Research Instruments Limited

## Notes to the Financial Statements

Year Ended 31 October 2020

### Deferred tax

Deferred tax assets and liabilities

	<b>Asset £</b>
<b>31 October 2020</b>	
Other	2,020
Accelerated capital allowances	49,428
	<u>51,448</u>
	<b>Asset £</b>
<b>31 October 2019</b>	
Other	28,631
Accelerated capital allowances	41,488
	<u>70,119</u>

### 11 Intangible assets

	<b>Goodwill £</b>	<b>Trademarks £</b>	<b>Computer software £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 November 2019	1	1	136,182	136,184
At 31 October 2020	1	1	136,182	136,184
<b>Amortisation</b>				
At 1 November 2019	-	-	101,714	101,714
Amortisation charge	-	-	19,018	19,018
At 31 October 2020	-	-	120,732	120,732
<b>Carrying amount</b>				
At 31 October 2020	1	1	15,450	15,452
At 31 October 2019	1	1	34,468	34,470

# Research Instruments Limited

## Notes to the Financial Statements

Year Ended 31 October 2020

### 12 Tangible assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 November 2019	1,091,232	281,759	281,691	1,654,682
Additions	-	58,818	56,344	115,162
At 31 October 2020	1,091,232	340,577	338,035	1,769,844
<b>Depreciation</b>				
At 1 November 2019	294,882	196,498	198,745	690,125
Charge for the year	30,000	29,170	36,840	96,010
At 31 October 2020	324,882	225,668	235,585	786,135
<b>Carrying amount</b>				
At 31 October 2020	766,350	114,909	102,450	983,709
At 31 October 2019	796,350	85,261	82,946	964,557

Included within the net book value of land and buildings above is £766,350 (2019 - £796,350) in respect of freehold land and buildings.

# Research Instruments Limited

## Notes to the Financial Statements

Year Ended 31 October 2020

### 13 Investments in subsidiaries, joint ventures and associates

	2020 £	2019 £
Investments in subsidiaries	106,071,980	110,487,351
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 November 2019		110,487,351
At 31 October 2020		110,487,351
Provision		4,415,371
At 31 October 2020		4,415,371
<b>Carrying amount</b>		
At 31 October 2020		106,071,980
At 31 October 2019		110,487,351

### 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	
			2020	2019
Subsidiary undertakings				
Origio A/S	Denmark	Ordinary	100%	100%
Kivex Holding ApS	Denmark	Ordinary	100%	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.

### 14 Stocks

	2020 £	2019 £
Raw materials and goods for resale	8,475,333	6,063,365

**Research Instruments Limited**

Notes to the Financial Statements

Year Ended 31 October 2020

**15 Debtors**

	Note	2020 £	2019 £
Trade debtors		2,650	1,668
Amounts due from group undertakings		5,581,015	858,235
Other debtors		581,725	562,326
Prepayments		220,153	239,581
Deferred tax assets	10	51,448	70,119
Income tax asset	10	-	129,219
		<u>6,436,991</u>	<u>1,861,148</u>

**16 Cash and cash equivalents**

	31 October 2020 £	31 October 2019 £
Cash on hand	4,072	4,115
Cash at bank	<u>1,409,620</u>	<u>3,054,090</u>
	<u>1,413,692</u>	<u>3,058,205</u>

**17 Creditors**

	Note	2020 £	2019 £
<b>Due within one year</b>			
Trade creditors		1,221,040	734,700
Amounts due to group undertakings		4,676,932	1,489,835
Corporation tax		205,725	-
Social security and other taxes		47,317	50,741
Outstanding defined contribution pension costs		15,317	11,139
Other creditors		14,628	16,928
Accrued expenses		<u>1,282,949</u>	<u>1,583,055</u>
		<u>7,463,908</u>	<u>3,886,398</u>

# Research Instruments Limited

## Notes to the Financial Statements

Year Ended 31 October 2020

### 18 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	<b>31 October 2020 £</b>	<b>31 October 2019 £</b>
Not later than one year	525,931	541,081
Later than one year and not later than five years	2,091,881	2,095,265
Later than five years	1,262,822	1,785,370
	<u>3,880,634</u>	<u>4,421,716</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £541,081 (2019 - £632,512).

# Research Instruments Limited

## Notes to the Financial Statements

Year Ended 31 October 2020

### 19 Deferred tax and other provisions

	Other provisions £	Total £
At 1 November 2019	522,547	522,547
Provisions used	(522,547)	(522,547)
Additional provisions	1,045,094	1,045,094
At 31 October 2020	1,045,094	1,045,094

The previous onerous lease provision was insufficient due to an unexpected breakdown in contract negotiations. 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 2022 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.

### 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 £126,000 (2019 - £92,667).

Contributions totalling £15,317 (2019 - £11,139) were payable to the scheme at the end of the year and are included in creditors.

### 21 Share capital

#### Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
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.

## **Research Instruments Limited**

### **Notes to the Financial Statements**

**Year Ended 31 October 2020**

#### **22 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



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.