

Tocris Cookson Limited

Annual Report and financial statements

Registered number 2869577

For the year ended 30 June 2017

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Company information

Registered office

Unit 4-6 Avonbridge Trading Estate
Atlantic Road
Bristol
BS11 9QD

Directors

D Peters
C Kummeth
B Furlow
G Stapleton

Secretary

G Watson

Auditor

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

Strategic report

Principal Activity

The principal activity of the Company continues to be the manufacture and sale of chemicals used for life science research. Since the Company was acquired by Bio-Techne Ltd (a subsidiary of Bio-Techne Corporation) in April 2011, it has gradually transferred its customer facing operations to other Bio-Techne group companies. The Company still retains a small number of external customers for its custom synthesis business, with the majority of sales made to other group companies.

Business Review

The results for the year, as set out on page 9, show a profit before tax of £4,723,000 (2016: £4,172,000). Total revenue for the Company was £10,803,000 (2016: £9,572,000) which is an increase of 13% on prior year.

Tocris' catalogue of life science research products account for the majority of turnover and achieved sales revenue of £10,541,000 (2016: £9,446,000). This represents an increase of 12% compared to fiscal 2016 which is partly down to an increase in units sold but also down to the strengthening of the dollar against the pound, as a portion of the company's sales are denominated in US Dollars.

The Company's custom synthesis business contributed sales of £262,000 (2016: £126,000) which is an increase of 108% versus fiscal 2016. This area of revenue is typically unpredictable and thus represents a very small element of the company's turnover.

The shareholders' funds of the Company total £15,237,000 (2016: £18,698,000).

Business Environment

The Company has seen changes within the life science industry in recent years as some industrial customers have either consolidated or reduced research expenditure as their revenues come under pressure as patents expire. Additionally there have been an increasing number of competitors in emerging economies such as China offering similar products and services at lower prices. However the Company is itself a subsidiary in a large group and has been able to make cost savings in customer facing operations.

Strategy

The Company's success is dependent upon introducing a steady stream of new and novel compounds that are relevant to the research community. The Company has an experienced Product Management team who are continually looking for exciting new product opportunities. The company has a flexible sourcing strategy which enables it to keep up with demand through a combination of in house manufacturing and outsourcing as well as utilising licenses and supply agreements.

In addition to increasing its product range, the Company intends to drive growth by improving its presence in emerging economies, most notably China. This can be achieved through closer collaboration with the sales and marketing teams at other Bio-Techne group companies based in these locations.

Strategic report (continued)

Key Performance Indicators (KPIs)

The directors monitor the progress of the Company by reference to the following KPIs:

	<u>2017</u>	<u>2016</u>	
Group Catalogue Sales	£17.4 million	£14.5 million	Bio-Techne group revenue raised through sales of Tocris' catalogue products
Group Custom Synthesis Sales	£0.4 million	£0.1 million	Bio-Techne group revenue raised through sales in Tocris' custom synthesis business
New Product Additions	288	283	Number of new products added to Tocris' catalogue during the year

Risks and uncertainties

The Company has a diverse end user base, which is global in nature and encompasses researchers operating in a range of sectors including private industry and government laboratories as well as academia. This diversity means the Company is less exposed to the risk of a slowdown in any one industry.

The Company sources materials from a range of suppliers around the world and is not reliant upon a single supplier for products and services required for the continuance of the business.

The Company is exposed to market risk from foreign exchange rate fluctuations as sales to USA are conducted in foreign currencies. The Company does not enter into foreign exchange forward contracts to reduce its exposure to foreign currency rate changes.

The Company operates laboratory facilities, to which there is an inherent health and safety risk. In order to mitigate against this risk the Company has taken steps to ensure it is fully compliant with UK laws and regulations in this area.

Future developments

The directors remain cautiously optimistic that the Company will perform well during the following financial year as a result of the strong sales growth in emerging economies, on-going new product developments and the continued support and sales channels available to the Company as part of the Bio-Techne Corporation.

The Company considers there to be an element of uncertainty associated with the UK's forthcoming exit of the European Union. Principle concerns focus on the risk to free movement of people since the Company employs EU nationals, and free movement of goods as the Company sources a number of its products from within the EU.

By order of the board



G Stapleton
Director

Unit 4-6 Avonbridge Trading Estate
Atlantic Road
Bristol
BS11 9QD

02 May 2018

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2017.

Financial Instruments

As a wholly owned subsidiary, the working capital of the Company is monitored in accordance with the overall capital management policy of the ultimate parent company Bio-Techne Corporation and the primary objective of Bio-Techne's capital management policy is to be consistent with the requirements of the ultimate parent.

Cash levels are monitored to ensure the Company is able to fulfil its day to day obligations as they fall due. The Company does not participate in derivative financial instruments or hedging. The Company has taken advantage of certain exemptions relating to the disclosure of financial instruments, as detailed in note 1.

Dividends

A dividend of £7,250,308 (2016: £nil) was declared and paid in the current year. Subsequent to the balance sheet date, total dividends of £3,000,000, equivalent to 9,833p per qualifying ordinary share, have been declared and paid.

Environmental policy

The Company takes steps to ensure it does not harm the environment, by optimising the efficiency of processes, minimising the use of energy and other resources and the amount of waste generated.

Political donations

The Company made no political donations and incurred no political expenditure during the year (2016: £nil).

Research and development activities

The Company undertakes an element of research and development in the production of chemicals. Research and development activities are identified separately in the production process and are charged to the profit and loss account as incurred. The total cost during the year was £482,000 (2016: £433,000).

Directors

The directors who served during the year and up to the date of the signing of this report were as follows:

D Peters
C Kummeth (resigned 1st September 2017)
B Furlow
G Stapleton

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

Directors' report *(continued)*

By order of the board



G Stapleton
Director

Unit 4-6 Avonbridge Trading Estate
Atlantic Road
Bristol
BS11 9QD

02 May 2018

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent auditor's report to the members of Tocris Cookson Limited

Opinion

We have audited the financial statements of Tocris Cookson Limited ("the company") for the year ended 30 June 2017 which comprise the Profit and loss account, Other comprehensive income, Balance sheet and Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Tocris Cookson Limited

(continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 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.



Andrew Overton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
United Kingdom
RG7 4SD

03 May 2018

Profit and loss account
for the year ended 30 June 2017

	<i>Note</i>	2017	2016
		£000	£000
Turnover	2	10,803	9,572
Cost of sales		(3,086)	(2,767)
Gross profit		7,717	6,805
Administrative expenses		(3,075)	(2,796)
Other operating income	5	53	50
Operating profit		4,695	4,059
Interest receivable and similar income	7	28	114
Interest payable and similar expenses	8	-	(1)
Profit before taxation		4,723	4,172
Tax on profit	9	(934)	(828)
Profit for the financial year		3,789	3,344

Other comprehensive income
for the year ended 30 June 2017

	<i>Note</i>	2017	2016
		£000	£000
Profit for the year		3,789	3,344
Total comprehensive income for the year		3,789	3,344

All activities derive from continuing operations.

The notes on pages 12 – 23 form part of these financial statements.

Balance sheet
at 30 June 2017

	<i>Note</i>	2017		2016	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		6,748		6,820
Current assets					
Stocks	11	4,865		4,648	
Debtors	12	4,847		8,289	
Cash at bank and in hand		455		552	
			<hr/>		<hr/>
			10,167		13,489
Creditors: amounts falling due within one year	13	(1,432)		(1,432)	
			<hr/>		<hr/>
Net current assets			8,735		12,057
			<hr/>		<hr/>
Total assets less current liabilities			15,483		18,877
Provisions for liabilities and charges					
Deferred tax liability	14		(246)		(179)
			<hr/>		<hr/>
Net assets			15,237		18,698
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	17		31		31
Share premium account			4,933		4,933
Profit and loss account			10,225		13,686
Capital contribution reserve			48		48
			<hr/>		<hr/>
Shareholder's funds			15,237		18,698
			<hr/> <hr/>		<hr/> <hr/>

The notes on pages 12 to 23 form part of these financial statements.

These financial statements were approved by the board of directors on 02 May 2018 and were signed on its behalf by:



G Stapleton
Director

Statement of changes in equity

For the year ended 30 June 2017

	Called up share capital	Share Premium account	Capital contribution	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000
Balance at 1 July 2015	31	4,933	48	10,342	15,354
Total comprehensive income for the period Profit or loss	-	-	-	3,344	3,344
Total comprehensive income for the period	-	-	-	3,344	3,344
Balance at 30 June 2016	31	4,933	48	13,686	18,698
Total comprehensive income for the period Profit or loss	-	-	-	3,789	3,789
Total comprehensive income for the period	-	-	-	3,789	3,789
Dividends	-	-	-	(7,250)	(7,250)
Total contributions by and distributions to owners	-	-	-	(7,250)	(7,250)
Balance at 30 June 2017	31	4,933	48	10,225	15,237

The notes on pages 12-23 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Tocris Cookson Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Lease arrangements – in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at 1 July 2015 rather than commencement date of the arrangement.
- Lease incentives – for leases commenced before 1 July 2015 the Company continued to account for lease incentives under previous UK GAAP.

The Company’s ultimate parent undertaking, Bio-Techne Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Bio-Techne Corporation are available to the public and may be obtained from 614 McKinley Place NE, Minneapolis, MN 55413, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Bio-Techne Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

On the basis of their assessment of the Company's financial position and resources, the directors believe that the Company is well placed to manage its business risk. Therefore the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Improvements to leased property 25 years
- Plant and machinery 10 years
- Computer equipment 4 years
- Motor vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. In the case of the manufactured product, cost includes all direct expenditure and an appropriate share of overhead based on a normal operating capacity. Stock is stated after making due allowance for obsolete and slow moving items.

Work in progress is stated on the basis of direct costs plus an appropriate share of overhead based on a normal operating capacity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Employee benefits

Defined contribution plans and other long term employee benefits

The company operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of the consideration takes into account trade discounts, settlement discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer (on delivery of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits of the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes *(continued)*

1.10 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.12 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

Stock obsolescence

Stocks are held at the lower of cost vs net realisable value. The directors have considered obsolescence and the nature of the Company's manufacturing process to the degree that a provision is held against finished goods stock which is likely to remain unsold more than five years from the balance sheet date. This process is considered to require a significant degree of judgement and may depend on assumptions made in its evaluation. The directors have concluded that the valuation of stocks at year end is appropriate.

Notes *(continued)*

2 Analysis of turnover

The turnover and profit before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below:

	2017 £000	2016 £000
By activity		
Catalogue	10,541	9,446
Custom synthesis	262	126
	10,803	9,572
	10,803	9,572
By geographical market		
United Kingdom	3,002	2,965
North America	7,794	6,600
Other	7	7
	10,803	9,572
	10,803	9,572

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2017 £000	2016 £000
Research and development expenditure	482	433
	482	433

Auditor's remuneration

	2017 £000	2016 £000
Amounts receivable by the auditor in respect of:		
Audit of these financial statements	71	48
Taxation related services	14	14
	85	62

4 Staff numbers and costs

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

	2017 No.	2016 No.
Scientific staff	25	24
Administrative staff	26	29
	51	53
	51	53

Notes *(continued)*

4 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	1,927	1,794
Social security costs	181	171
Contributions to defined contribution plans	164	185
	2,272	2,150
	2,272	2,150

5 Other operating income

	2017 £000	2016 £000
R&D tax credit	53	50
	53	50
	53	50

6 Directors' remuneration

One director received emoluments from the company, and as such the emoluments for the highest paid director are equivalent to the total Directors' emoluments. These emoluments are as follows:

	2017 £000	2016 £000
Directors' emoluments	104	87
Company contributions to money purchase pension plans	35	39
	139	126
	139	126

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £104,000 (2016: £87,000), and company pension contributions of £35,000 (2016: £39,000) were made to a money purchase scheme on his behalf. Retirement benefits are accruing under a money purchase pension scheme for one director.

The remaining directors are remunerated by the ultimate parent company, Bio-Techne Corporation. These directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended June 2017 (2016: nil).

Notes (continued)

7 Other interest receivable and similar income

	2017	2016
	£000	£000
Bank interest receivable	1	2
Net foreign exchange gain	27	112
	<hr/>	<hr/>
Total interest receivable and similar income	28	114
	<hr/> <hr/>	<hr/> <hr/>

8 Interest payable and similar expenses

	2017	2016
	£000	£000
Interest payable on corporation tax	-	1
	<hr/>	<hr/>

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity:

	2017	2017	2016	2016
	£000	£000	£000	£000
<i>Current tax</i>				
UK corporation tax on income for the period	867		720	
Adjustments in respect of prior periods	-		15	
	<hr/>		<hr/>	
Total current tax		867		735
<i>Deferred tax (see note 14)</i>				
Origination and reversal of timing differences	55		118	
Adjustments in respect of prior periods	28		(5)	
Change in tax rate	(16)		(20)	
	<hr/>		<hr/>	
Total deferred tax		67		93
		<hr/>		<hr/>
Total tax		934		828
		<hr/> <hr/>		<hr/> <hr/>

Notes *(continued)*

9 Taxation *(continued)*

Reconciliation of effective tax rate

	2017	2016
	£000	£000
Profit for the year	3,789	3,344
Total tax expense	934	828
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Profit excluding taxation	4,723	4,172
Tax using the UK corporation tax rate of 19.75% <i>(2016: 20%)</i>	933	834
Reduction of tax rate on deferred tax balance	(16)	(20)
Non-deductible expenses	5	19
Tax exempt revenues	(16)	-
Under / (over) provided in prior years	28	(5)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total tax expense included in profit and loss	934	828
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

A reduction in the UK corporation tax rate to 17% with effect from 1 April 2020 was substantively enacted in September 2016. The deferred tax liability has been calculated based on the rate of 17% which is the rate at which items are expected to reverse.

Notes (continued)

10 Tangible fixed assets

	Plant and machinery	Motor vehicles	Computer equipment	Improvements to leased property	Total
	£000	£000	£000	£000	£000
Cost					
Balance at 1 July 2016	3,216	11	397	5,203	8,827
Additions	307	-	32	129	468
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	3,523	11	429	5,332	9,295
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation					
Balance at 1 July 2016	1,631	11	231	134	2,007
Charge for the year	273	-	66	201	540
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	1,904	11	297	335	2,547
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value					
At 1 July 2016	1,585	-	166	5,069	6,820
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2017	1,619	-	132	4,997	6,748
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 Stocks

	2017 £000	2016 £000
Work in progress	1,567	1,203
Finished goods	3,298	3,445
	<hr/>	<hr/>
	4,865	4,648
	<hr/> <hr/>	<hr/> <hr/>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £2,474,000 (2016: £2,073,000). The write-down of stocks to net realisable value amounted to £510,000 (2016: £403,000). The write-down is included in cost of sales.

Notes (continued)

12 Debtors

	2017 £000	2016 £000
Amounts owed by Group undertakings	4,244	7,823
Prepayments and accrued income	201	64
Other debtors	402	402
	<u>4,847</u>	<u>8,289</u>
Due within one year	<u>4,847</u>	<u>8,289</u>
	<u>4,847</u>	<u>8,289</u>

13 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	267	235
Corporation tax	75	262
Other taxation and social security	29	128
Accruals	1,061	807
Amounts owed to Group undertakings		
	<u>1,432</u>	<u>1,432</u>

14 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
	£000	£000	£000	£000	£000	£000
Accelerated capital allowances	-	-	250	179	250	179
Employee benefits	(4)	-	-	-	(4)	-
	<u>(4)</u>	<u>-</u>	<u>250</u>	<u>179</u>	<u>246</u>	<u>179</u>
Tax (assets) / liabilities	(4)	-	250	179	246	179
Net of tax liabilities/(assets)	(4)	-	250	179	246	179
	<u>(4)</u>	<u>-</u>	<u>250</u>	<u>179</u>	<u>246</u>	<u>179</u>
Net tax (assets) / liabilities	<u>(4)</u>	<u>-</u>	<u>250</u>	<u>179</u>	<u>246</u>	<u>179</u>

Notes *(continued)*

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	£000	£000
Within one year	50	79
In second to fifth years	602	502
After more than five years	2,559	2,710
	3,211	3,291
	3,211	3,291

During the year £211,000 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £212,000)

16 Employee benefits

The company operates a defined contribution pension scheme. The scheme is operated by an independent insurance company. The pension charge represents contributions payable by the company and amounted to £164,000 (2016: £185,000). Outstanding payments of £24,000 (2016: £nil) were due to the scheme at the year end.

17 Share capital

	2017	2016
	£000	£000
<i>Allotted, called up and fully paid</i>		
30,510 ordinary shares of £1 each	31	31
	31	31
	31	31

Dividends

A dividend of £7,250,308 (2016: £nil) was declared and paid in the current year. Subsequent to the balance sheet date, total dividends of £3,000,000, equivalent to 9,833p per qualifying ordinary share, have been declared and paid.

18 Guarantee

Lease rentals in relation to the operating lease held over Units 4 - 6 Avonbridge Trading Estate, Avonmouth Bristol with BNP Paribas Securities Services Trust Company (Jersey) Limited and BNP Paribas Securities Services Trust Company Limited as the lessors are guaranteed by its holding company Bio-Techne Limited.

Notes *(continued)*

19 Ultimate parent company and parent undertaking of larger group of which the Company is a member

Tocris Cookson Limited is a wholly-owned subsidiary undertaking of Bio-Techne Corporation, a company incorporated in the United States of America. Bio-Techne Corporation is the parent undertaking of the largest and smallest group which includes the company, for which consolidated financial statements are prepared.

Copies of that company's accounts are available to the public and can be obtained from:

614 McKinley Place NE
Minneapolis
MN 55413
USA

Related party transactions

The Company is a wholly owned subsidiary undertaking of Bio-Techne Corporation. The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.